

2024 TENANCY LEGISLATION CHANGES

The Coalition Government is proposing a range of changes to the Residential Tenancies Act 1986 through the new Residential Tenancies Amendment Bill 2024. The changes are designed to improve tenancy laws and help increase the supply of rental properties, and include some of the key components below.

At the time of printing, the changes are not yet law, however, the Amendment Bill has already passed its first reading in parliament. Should it continue on this path the changes will take effect potentially late 2024/or early 2025.

Reinstatement of 90-day 'no cause' terminations

Under the current law, landlords can only end a periodic tenancy if the notice provided meets specified criteria, e.g. demolishing the property or extensive renovations. When the new rules come into effect early next year, landlords will no longer be required to give a specific reason for giving notice to end a periodic tenancy.

Changes in notice periods - 42 days' for sale or personal use

If an owner currently gives notice to terminate a tenancy as they require vacant possession for sale-related purposes, they must provide 90 days' notice. If they wish to move into the property themselves or provide it to a family member to live in, they must provide 63 days' notice. Under the new rules, both these notice periods will return to 42 days' notice.

Fixed-term tenancies - Mutual agreement required for rollover or extension

Fixed-term tenancies must currently roll into an ongoing periodic tenancy upon their expiry unless the tenant gives notice for the tenancy to end, or the landlord provides notice under one of the specified criteria e.g. demolishing the property or extensive renovations. When the new rules come into effect, both the landlord and tenant can give notice to end a fixed-term tenancy at its expiry date and no specific reason is required.

Introduction of Pet bonds and tenant liability for pet damage

Once passed into law, a pet bond (set at a maximum of two weeks' rent) can be charged to a tenant in addition to their existing bond. There are other elements to this proposal that have also been indicated:

- Tenants may only have a pet with the consent of the landlord, and landlords can withhold consent on reasonable grounds. What is 'reasonable'? No one yet knows for sure but draft Bill is considering details like - the size of the pet vs the property, fenced vs unfenced section, and previous history of the pet.
- Tenants will be liable for all pet damage to properties beyond fair wear and tear. This means a tenant is fully liable for any accidental or careless damage caused by their pet, as well as any intentional damage. Currently - accidental or careless damage first falls under the responsibility of the landlord's insurance policy, with the tenant liable for the insurance excess amount only.



MINOR OR TECHNICAL CHANGES

The Government is also proposing a range of minor amendments to further support landlords and tenants by improving the clarity and effectiveness of the law.

Clauses prohibiting smoking indoors

Clarifying that clauses in tenancy agreements that prohibit smoking indoors are enforceable by the Tribunal.

Enabling online bond lodgement

Changes to make it easier for landlords and tenants to have their bonds lodged in the new online bond system when implemented.

Modernising the delivery of notices and documents

Provisions that allow landlords and tenants to give documents and notices in more modern and functional ways e.g. instant messaging.

Tenancy Tribunal Hearings

Enabling the Tenancy Tribunal to decide matters by reading the submitted documents instead of having parties attend the hearing.

Family violence

Clarifying withdrawals from a tenancy following family violence, allowing for greater support if the tenant's child or dependent is subject to family violence.

WHERE TO FIND MORE

There is plenty more detail to the proposed changes, and customers can learn more by contacting your local Ray White office or visiting the Ministry of Housing and Urban Development website - hud.govt.nz