



Submission

of the

Otago University Students' Association

on the

Residential Tenancies Amendment Bill

to the

Social Services and Community Committee

Prepared by

Liam Patrick White

Political Representative, OUSA

Contact

Liam Patrick White

political@ousa.org.nz

1. Introduction

To:	Social Services and Community Committee
From:	Otago University Students' Association (OUSA)
Date:	03/07/2024
Subject	Residential Tenancies Amendment Bill

- 1.1. The Otago University Students' Association (OUSA) would like to thank you for the opportunity to submit on the Residential Tenancies Amendment Bill (the Bill).
- 1.2. If the opportunity arises, we would greatly appreciate the opportunity to speak to this submission in person.
- 1.3. This submission is written on behalf of the Executive of the Otago University Students' Association and the 19,000 taura from across the motu that now reside in Dunedin that we represent. The OUSA is compelled to write on the Residential Tenancy Amendments Bill due to the profound impact changes to private rental agreements will have on students. We recognise that proposed changes in the Bill will impact the 1.3 million renters across Aotearoa, however we focus our submission on the impact on students at the University of Otago

2. Position

- 2.1. The OUSA recognizes the need for reform of the private rental market. However, we assert that proposals such as the return to unjustified 90 day "no-cause evictions" contained in the Bill are regressive and favour landlords, fixing a problem that doesn't exist at the expense of tenure securities.

- 2.2. The OUSA opposes the return to 90 day unjustified “no-cause eviction,” in the *strongest* possible terms.
- 2.3. Further, the provisions around pet ownership provides the much-needed framework to support pet owners in private rentals. However, we find the provisions provided of little use to students as students are unlikely to be able to afford the additional two-week rent necessary for the bond and are unlikely to live in flats that can support a pet. We largely support the provisions to improve the clarity and efficiency of the Act particularly the process of lodging tenancy bonds online.

3. Recommendations

- 3.1. We broadly support the changes in Part 1 on tenancy agreements, bonds and related matters. However, we ask that the Bill be revised to make its provisions more relevant to students. We ask;
 - 3.1.1. That tenants are not required to put forward two-weeks rent in a pet bond.
 - 3.1.2. Instead, we ask that pet damages be included in the general bond.
- 3.2. We find that the changes of Part 2 on the termination of tenancies unfairly favour landlords rather at the cost of essential tenant security. We ask;
 - 3.2.1. That cl 23(1) be removed from the Bill. We stress that there is no such thing as a “no-cause” eviction and as such, a landlord must always provide a justification.
 - 3.2.2. We ask that landlords be expected to provide an explanation for the eviction of a tenant.
 - 3.2.3. The notice period for specific lease termination in cl 23(2) be at least maintained to the current 63 days rather than the proposed 42

days. However, we would propose that the amount of notice for the termination of tenure be extended to 90 days.

4. Background

- 4.1. The Otago University Students' Association represents over 19,000 taura at the University of Otago. We estimate that approximately 15,000 taura will be party to rental tenancy agreements in 2024.
- 4.2. While there is no one University experience, flatting is a central component of many students' times at university. Unsurprisingly, very few students own their own flats. Many students begin the student experience in Ōtepoti Dunedin at Residential Colleges across the city, however many choose to go straight into flats. Most students living in Dunedin do so in private rentals. Students typically move flats annually, but some will be able to remain in one flat for their entire time in Ōtepoti Dunedin.
- 4.3. It is worth stating that student experience has changed significantly since the raucous 1980s and 1990s. The student experience is no longer defined by couch burnings and the Undie 500. It is increasingly defined by mental distress, substandard housing quality, mould, and poverty. Students are just one group doing it hard. The entire country is suffering through the cost-of-living crisis; however, students face unique challenges. The average student's rent in Dunedin is roughly \$205 a week, yet the maximum study link living cost payment is \$303.32 leaving, on average, \$98.32 for groceries and power a week. Anecdotally, a cooked meal is being increasingly substituted by Mi Goreng noodles and McDonald's meals paid for through MyMacca's rewards points due to financial pressure and to bridge the gap between paycheques or Studylink payments.
- 4.4. Most students are good tenants and are good for their local community. Students provide dependent tenancies for landlords,

competitively demand flats, and are admittedly less fussy about their accommodation.

4.5. Students are prime targets for rapacious landlords due to their limited experience as tenants, limited time and resources to effectively utilise tenancy services, comparatively high mobility, and need for accommodation close to the University.

4.6. It is evident that the core of the student experience is being challenged. Cost and quality of accommodation are key challenges to students. Many students are being forced to choose regularly between rent, groceries, and power. Any legislation that will change the tenant-landlord relationship dynamic is of immediate interest to students in Dunedin and also the longevity of the University of Otago's unique residential collegiate experience, that give us our identity and appeal to prospective students.

4.7. Under existing legislation such as the Residential Tenancies Amendment Act 2020, students have benefitted in numerous ways.

4.7.1. The end of "no-cause evictions," and adoption of specific termination grounds for provide tenants clear red lines that will see their terminated, as opposed to the blank cheque of "no-cause evictions."

4.7.2. 63-day notice periods of the termination of a periodic tenancy provides tenants with greater time to find an appropriate alternative to their tenancy. This increased breathing room should decrease homelessness and rough sleeping among students and prevent students from being compelled to sign into lower quality flats.

5. Explanation

5.1. We strongly oppose the reintroduction of no-cause evictions. We find the current legislation requiring specific eviction justification better balances the interests of landlords and tenants.

- 5.1.1. We find that no-cause evictions unnecessarily advantage discriminatory landlords while threatening the crucial tenure security of tenants.
- 5.1.2. We have heard that “good tenants have nothing to worry about.” But this just is not the case. Anything from asking for reasonable maintenance, having guests, throwing parties, to a tenant's skin colour can all be grounds for a landlord's private decision to evict a tenant.
- 5.1.3. Tenants would not be able to dispute their eviction in the Tenancy Tribunal, they will just be expected to leave their home. By allowing landlords the ability to evict tenants with no justification, tenants are prevented from appealing to the Tenancy Tribunal. This limits a tenant's ability to protect themselves from a discriminatory landlord.
- 5.1.4. We are concerned that a return to no-cause evictions threatens to polarise the relationship between tenants and landlords. We recognise that most landlords and tenants do have a positive relationship. Most landlords are not out to gouge tenants, but only to provide people a healthy home from which they can make a tidy profit. However, there are predatory landlords in the private rental market. Further, the overarching threat of a no-cause eviction from a landlord will encourage tenants to hide issues with their flat from their landlords for fear of the landlord simply evicting them. This may risk easily fixed issues being exacerbated over time, deteriorating the quality of the home which is undesirable for both parties. The power imbalance between landlords and tenants will mean tenants increasingly see themselves in opposition to their landlord and creating a hostile relationship.

5.1.5. In our research we find that there is little to no evidence that tenants will benefit from the changes to the termination of tenancies. The Ministry of Housing and Urban Development's Regulatory Impact Statement was inconclusive as to the benefits to tenants.

5.1.5. However, it was evident that the threat to tenure security is severe, particularly to Māori, Pasifika and disabled people who are overrepresented in private rentals. The Regulation Impact Statement Risk Impact Assessment linked security of tenure with reduced levels of tenant stress and depression which then translate to improved personal relationships, long term employment, education, community participation.

5.1.6. We do recognise that landlords have the right to ensure the maintenance of their property and need to be incentivised to keep their property on the private rental market. However, we find that current requirements to specify the justification for evictions provide tenants red lines and reasonable justifications for terminating tenancies.

5.1.7. We find that no-cause evictions would allow landlords to prejudice against student tenants who are stereotyped as bad tenants. However, there are significant problems with student flats managed by poor landlords in Dunedin; they are cold, damp, often having problems with mould and poor response to maintenance requests. A return to no-cause evictions would make tenants less likely to raise issues with their landlord for fear of being evicted for being an "annoying" or "overly zealous" tenant. This will leave students in unhealthy flats that will lead to serious health complications negatively impacting their physical and mental wellbeing, ability to study and work.

5.2. We would also like to see the notice period for the termination of a tenure be extended from the proposed 42 days to at least 63 days but preferably 90 days.

5.2.1. We believe that this extension will better support tenants to find alternative accommodation. We are concerned that 42 days is too short a time for a student or flatting group of between 4-7 to find a replacement flat to join, pack their flat and move.

5.2.2. A 42-day notice period has the potential to be particularly hellish for students if they were to be given eviction notice at the beginning of an exam season and then expected to study for their exams, find a new flat and then move into that flat.

5.2.3. We find that 63-day notice period is likely to be the bare minimum amount of time necessary for students to find reasonable alternative accommodation.

5.2.4. However, we would find a 90-day notice period most preferable and would allow tenants increased breathing room to find a flat. This breathing room would alleviate the severe stress associated with an eviction and move.

5.2.5. We believe that providing tenants with 90-day notices will better support them to find suitable alternatives to their accommodation. A shorter notice period threatens to rush tenants into lower-quality housing that don't meet their needs at a higher price than they'd otherwise be willing to pay – distorting the private rental market. A longer notice period allows tenants to consider their options more thoroughly, get trusted advice from whānau and friends, and most important alleviate the high stress process of an eviction. Further, allowing more time for tenants to find accommodation will reduce short-term homelessness, rough sleeping, and demand for

emergency housing in the worst-case scenario that people cannot find accommodation after an eviction.

5.3. We broadly support the provisions within the Bill supporting pet owning tenants.

5.3.1. Pet ownership is a key issue for many tenants with New Zealand's comparatively high pet ownership per capita but low availability of private rentals that allow pet ownership. Pets are not common amongst students but those with pets anecdotally experience great difficulty finding flats that would not support their pet and a landlord willing to take them on.

5.3.2. We find that provisions regarding pet ownership and expectations on both the tenant and landlord are largely well written and reasonable.

5.3.3. Where we take issue with the amendments proposed are regarding the value of the pet bond. We find two-weeks rent is a very large amount of money for many students to pay on top of their four-weeks general bond. This would mean that an individual student would be expected to pay \$1,230, assuming a room's rent of \$205 a week, which is more than the cost of a university paper, ten weeks of groceries and around the cost of a MacBook Air. For students experiencing the hardships of the cost-of-living crisis, this is a highly significant amount of money that could be put to better use than sitting as a bond.

5.3.4. We question whether a pet bond is necessary to restore landlord confidence. We recognise that the average cost of pet damage according to the Regulatory Impact Statement is \$402.50 would intuitively seem to be best covered by the two-weeks pet bond. However, we believe that the general bond would be better suited to cover pet damages rather than requiring an additional two-weeks of

rent for a pet bond. We believe that the greater explanation of the obligations of tenants, landlords (and pets!) under the tenancy agreements, landlords will gain the confidence boost necessary to make their property open to pets.

6. Conclusion

- 6.1. Thank you for considering the Otago University Students' Association submission on the Residential Tenancies Amendment Bill.
- 6.2. We wish to reiterate that flatting is a core part of the student experience at the University of Otago. Many alumni have told us the value of their time flatting at Otago; the lessons learned, the memories made, and experiences shared with their best mates. However, the bill presents significant challenges to positive flatting at Otago. Disempowering tenants under the threat of no-cause evictions will exacerbate poor relationships with landlords, discourage tenants from engaging their landlords, and reduce the quality of rental accommodation. Longer eviction notice periods will allow tenants a more comfortable transition between accommodations. The pet bond as proposed sets out too high a financial obligation to be relevant to students, as such we ask that the general bond be used to cover pet related damages.
- 6.3. We hope that the select committee considers our recommendations to make the Residential Tenancies Amendment Bill consider specific student interests and tenant interests more widely.