

GUIDE FOR FIRST TIME RENTERS



Renting can be a daunting experience for someone who has never entered into a Tenancy Agreement before. There is a lot to know, and it is sometimes hard to know where to look for the best advice.

This guide has been developed to help support renters who are entering into a Tenancy Agreement for the first time, a general guide on the rental process, broken down into **BEFORE**, **DURING** and **AFTER**.

DISCLAIMER: The material and information contained herein is for general information purposes only and is not legal advice. REINZ does not accept liability for any claim or other action that may arise directly or indirectly from the use of or reliance on the material and information provided herein. REINZ recommends you seek independent legal advice if you are unsure of your legal position.

CONTENTS

Types of Tenancy Agreements	4	During the Tenancy	
Before signing a Tenancy Agreement		Water Usage	9
Age	5	Power/Gas	
Tenancy Agreement		Routine Property Inspections	
Signing a Tenancy Agreement		Concerns around maintenance and repairs	10
Personal Guarantee	6	Retaliatory Notice	
Credit Check		Responsibility for the actions of others	
Healthy Homes Standards		Fixtures and Fittings	11
Bond	7	Gardens and Grounds	
Rent		Mould/Winter airing the property	
Insurance	8	Ending a Tenancy	
Initial Property Inspection Report		Breaking a Fixed-Term Tenancy	12
		It's just not working for me	
		Cleaning at the end of a tenancy	13
		Changes to the Residential Tenancies Act	14
		Key dates	16
		Other Contacts and Resources	18

TYPES OF TENANCY AGREEMENTS

Fixed Term Tenancy Agreement

This is for a set length of time and you **cannot end the tenancy prior to the end date** without the agreement of the landlord or property manager, subject to unforeseen changes in your circumstances.

Periodic Tenancy Agreement

This has a start date but no fixed end date as it continues to roll over. A periodic tenancy can be ended by either party giving notice. Currently you need to give 21 days' notice to the landlord or property manager. If the landlord or the property manager wanted to give you notice to end your tenancy, they could:

- **Give you 42 days' notice** if the owners or their immediate family wanted to move back in to their home; or if they have sold the property unconditionally; or
- **Give you 90 days' notice** for any other reason.

If you have signed a periodic agreement with multiple tenants, it's important you all agree on the date you want to give notice to end the tenancy. If one tenant gives notice to end the tenancy and the other tenants are not made aware of this, they could end up having to move out at very short notice or may not have wanted to move out of the premises.

BEFORE YOU SIGN THE TENANCY AGREEMENT

AGE

You must be 18 years old to sign a contract and for it to be legally binding.

TENANCY AGREEMENT

Before you sign a Tenancy Agreement, ensure you have received a full copy of the document and taken time to read and understand it (including any special conditions).

You may need to ask someone experienced with residential tenancies to help you review the agreement before you sign it. If you do not understand something, please ask the landlord or property manager.

Seek legal advice if you are unsure about anything in the Tenancy Agreement.

SIGNING A TENANCY AGREEMENT

If you sign the Tenancy Agreement **on your own**, you are responsible for any legal matters that may arise during the tenancy.

If you sign the Agreement **with other tenants**, you could become legally responsible for the actions of the other tenants if there is a breach of the agreement. It is important that you understand this before you sign a tenancy agreement with other people. The legal term is **jointly and severally**.

E.g. You and three friends rent a 4-bedroom flat. One of the flatmates leaves, still owing a week's rent. You and the remaining three flatmates could be responsible for ensuring this is paid. The landlord or property manager could apply to the Tenancy Tribunal for the whole group to pay.



BEFORE YOU SIGN THE TENANCY AGREEMENT

PERSONAL GUARANTEE

If you have not rented before, and you have no rental history, the landlord or property manager may ask you to have a guarantor, which gives the landlord or property manager additional security.

For example, one of your parents may agree to be your guarantor on the Tenancy Agreement. If you fail to pay the rent, or cause damage, they can become liable for this.

CREDIT CHECK

If you are a preferred applicant for a property and you want to proceed, the landlord or property manager can legally ask if they can do a credit check on your credit history. You are legally permitted to have a copy of the results of your credit check. Each time an organisation searches your credit history it is recorded.

If you refuse, you may miss out on the property.

HEALTHY HOMES STANDARDS

From 1 December 2020, for any new or renewed tenancy, the landlord or property manager is also required to give you a current statement of compliance in relation to the [Healthy Homes Standards](#). Those standards are heating, insulation, ventilation, moisture & drainage and draft stopping.

Every rental property is legally required to be insulated and have smoke alarms. Ensure you ask your landlord or property manager for details of this information. You should get a copy of this information with your Tenancy Agreement.



BOND

A landlord or property manager is legally able to ask for the equivalent of up to four weeks rent for bond. They must pay this money to the Tenancy Bond Centre within 23 working days of receiving it. You should receive a receipt from the Bond Centre showing your name, the address of the property and the name(s) of each tenant. Please check these details are correct and if they are not, you will need to contact the Bond Centre and your landlord or property manager to update them.

When your tenancy ends, the same tenants who signed the Bond Lodgement Form, must be the same people who sign the Bond Refund Form. You cannot change tenants without updating these details with the Bond Centre. There is a change of tenant form that must be completed when tenants change which the landlord or the property manager must also sign.

RENT

When you sign a Tenancy Agreement you will be told what the weekly rental rate is, and this is usually advertised online with the property. This same rent rate will also be on your Tenancy Agreement, with the bank account details of where to pay and whether you pay weekly or fortnightly.

Landlords or property managers cannot legally ask for more than two weeks rent in advance.

If you are a group, you may need to set up a “flat bank account” for each member of the household to pay their rent in to. Most landlords and property managers prefer that rental amounts are paid from one account.

If your rent becomes more than 21 days in arrears you may have to attend a Tenancy Tribunal hearing and could be evicted from the property. You will usually get a 14-day notice of rental arrears if your rent gets behind. You need to take these notices seriously, as they could impact on your credit rating and make it difficult to get another rental property in the future.

BEFORE YOU SIGN THE TENANCY AGREEMENT

INSURANCE

Tenants are not required to have insurance; however, it is important you understand that if there is a burglary, fire or flood, your personal possessions **will not be covered** by the landlord's insurance. It may be worthwhile looking into a personal insurance policy to cover items like your computer, mobile phone etc.

If you or others at your property cause careless damage, you could be charged the landlord's insurance excess fee, or four weeks' rent (whichever is less). It is a legal requirement for you to be given details of any insurance excess with your tenancy agreement.

INITIAL PROPERTY INSPECTION REPORT - RECEIVED PRIOR TO START OF TENANCY

This is an important document. Pay careful attention to it!

This document records the initial condition of the property, including any existing damage and chattels (i.e. fridge/freezer, dishwasher) that will remain with the property during your tenancy. Check this document against the property, in case chattels are not working or other damage is present that is not noted on the initial report (e.g. a large stain on the carpet/a cracked window). You could be held responsible for this damage if you cannot prove it was already there at the start of your tenancy.

It is advisable to take photos as a record of anything you are concerned about and send them to the landlord/property manager for future reference and for them to keep on their records.

At the end of the tenancy, if there is a dispute about the condition of the property or any damage, the initial inspection report and records may be used as evidence to determine any Tribunal ruling or how the bond is refunded. A landlord or property manager will usually give you a time frame (up to 7 days) to check off the initial inspection report when your tenancy firsts begins - check how long you have to confirm the initial report.

If you are renting with a group, each person should check their own room and then together you could check the common areas like the kitchen/bathroom/lounge etc.

DURING THE TENANCY

WATER USAGE

If the property has a separate water meter, then as tenants you are legally required to pay for the water usage.



POWER/GAS

If the property has a separate power and/or gas meter, as tenants you are legally required to pay for your power and/or gas. You usually have the choice of which supplier you open an account with.

ROUTINE PROPERTY INSPECTIONS

Tenancies usually involve regular property inspections. The landlord or property manager is required to give you 48 hours' notice prior to doing an inspection, they cannot enter the property unless there is an emergency without giving you this notice.

Inspections cannot be more frequent than once every 4 weeks. It is good to try and have the home clean and well presented for these inspections as a copy of the inspection report will usually be sent to the owner of the property.

Inspections relating to smoke alarms or for assessing Healthy Homes Standards require 24 hours notice to the tenant.

DURING THE TENANCY

CONCERNS AROUND MAINTENANCE OR REPAIRS

You have a legal responsibility to report any repairs or maintenance required to the property to the landlord or property manager. The landlord or property manager has a responsibility to present the home in a reasonable condition.

If the landlord does not respond to your request for repairs, you can issue them with a 14-day notice to remedy the problem. It is a legal requirement for the property manager/landlord to work within this timeframe to get things fixed. If they do not, then you have the option to apply to the Tribunal to get an order for the repair or if you have gone ahead and had the repair fixed, seek reimbursement for your costs.

If you have a repair like a faulty oven and you have a household reliant on using this on a regular basis you need to communicate that the repair is urgent.

RETALIATORY NOTICE

Tenants can sometimes be afraid to report repairs or continually follow them up in case the landlord/property manager gives them notice to vacate. If notice were given in this case it would be called retaliatory notice and is a breach of the Residential Tenancies Act 1986.

Landlords/property managers cannot give you retaliatory notices and your landlord or property manager may have to pay a fine or penalty (exemplary damage) to you if they are in breach of the Act.

RESPONSIBILITY FOR THE ACTIONS OF OTHERS

As a legal tenant, you need to understand you are responsible for the actions of any other person you permit on the premises.

For example, if one of your visitors was smoking inside and dropped a cigarette causing a burn on the floor, that is your responsibility.



FIXTURES AND FITTINGS

If you want to put a picture hook into a wall, change the colour of your room or put up shelves etc., you need to seek permission from the landlord/property manager. If you remove items like curtains or light shades, you need to return them in the same condition at the end of the tenancy. If you want to add security stays to windows to allow ventilation and additional security, speak to the landlord or property manager first, the owner may agree to supply and fit these for you.

GARDENS AND GROUNDS

Each Tenancy Agreement will detail who is expected to mow the lawns and who is expected to maintain the garden and grounds.

It's important you understand what you are responsible for. *If you would like to plant something in the garden, trim any trees or put in a vegetable garden you should speak to the landlord/property manager first for permission. You may be required to return the garden to its original condition if you make any changes.*

MOULD/WINTER AIRING THE PROPERTY

Over the colder months, it is your responsibility to ensure that you open the windows to allow fresh air to flow through the home. Moisture will often sit inside on glass windowpanes and window frames; these areas should be wiped dry. If you do not keep on top of this, it could eventually damage the paintwork and will encourage mould growth. Your clothing, shoes and bedding could become mouldy and damp. Avoid hanging wet clothes inside your bedroom or living areas to dry.

Curtains that become mouldy are often problematic and it can be a combination of not pulling them open away from any dampness on windows and a lack of air flow.

ENDING THE TENANCY

BREAKING A FIXED TERM TENANCY

From time to time, your circumstances may change, and you may need to break a fixed term tenancy. If this happens, you need to speak to the landlord/property manager first and try to get their approval to end the tenancy early. You may also be liable for any reasonable costs associated with re-letting the property during your fixed term period. You need to ask the landlord or property manager for a breakdown of all the re-letting costs to ensure they are fair.

You may also have a friend or person wanting to take over the tenancy from you. This will not happen automatically, and your friend will most likely need to go through the application process and credit check for approval.

IT'S JUST NOT WORKING FOR ME

From time to time, things do not work out when you are renting for the first time. Speak to someone in your family or another person you trust about the situation. Talk to the other tenants in the property and you can also speak to your landlord/property manager about how you are feeling. You may be able to work with the property manager to find a suitable replacement if you have signed a fixed term tenancy. If your property manager is with a Property Management company and you feel things are not progressing, you may want to speak to their manager.

You need to understand you have signed a legally binding contract, however with good communication, it is in everyone's interest to try and find a solution.

Do not just leave the property, as you have legal responsibilities under your Tenancy Agreement and could incur a fine.

CLEANING EXPECTATIONS AT THE END OF THE TENANCY

The property needs to be left in a reasonably clean condition. *That does not automatically mean you have to professionally clean the carpets for example, but they do need to be in a reasonably clean condition. Attention should be paid to cleaning areas like kitchens (including the oven), bathrooms, skirtings/ windowsills and if the lawns/grounds are part of your responsibility, these should be mowed and tidy.* As tenants you need to ensure all your personal possessions both inside and out are removed from the property and any rubbish that is not in rubbish bins for collection is removed.

It is a good idea to see if you can meet the landlord/property manager on site for the final outgoing inspection with the view to resolving any issues.

Mediation may be the best option if you cannot resolve an issue with your landlord/property manager.

Keep receipts from any professional cleaning engaged.



CHANGES TO THE RESIDENTIAL TENANCIES ACT

From 11 February 2021, there are some key changes that you will need to know about

Fixed Term Tenancy Agreement

- When a fixed term tenancy ends it will automatically become a periodic tenancy unless
- Both parties agree to extend or renew the fixed term tenancy
- A tenant gives notice to end the tenancy for any reason at least 28 days before the end of the tenancy
- A landlord gives notice using the reasons listed in the Residential Tenancies Act.

Existing fixed-term tenancies: It should be noted that for existing fixed-term tenancies entered into before 11 February 2021, the current RTA Rules to end the tenancy will apply but for new or renewed fixed-terms, the new rules will apply (as per the above).

Periodic Tenancy Agreement

This has a start date but no fixed end date as it continues to roll over. A tenant will need to give 28 days' notice to the landlord or property manager. If the landlord or the property manager wanted to give you notice to end your tenancy, they could, but they need to give you the reason why, as they can no longer issue a no cause 90 day termination notice. Legally, a landlord may give:

- 63 days' notice if the owner or their family wanted to move back into the property
- 90 days' notice if the owner wants to put the property on the market for sale and wants to end the tenancy
- 90 days' notice if the property has been sold and the buyer requires vacant possession
- 90 days' notice if the landlord intends to carry out extensive renovations or if the property is to be demolished.

Other reasons a tenancy can be ended

- A landlord can end a fixed term tenancy by giving 14 days' notice where the tenant has physically assaulted the landlord, or their family and the Police have laid a charge
- Tenants who are experiencing domestic/family violence can withdraw from a tenancy by giving two days' notice, so long as they provide appropriate evidence of the family violence (This might include a signed declaration by a women's refuge worker or a Protection Order from the Family Court)
- A landlord can apply to the Tenancy Tribunal to end a periodic tenancy if they have issued a tenancy three notices for anti-social behaviour in a 90-day period
- A landlord can apply to the Tenancy Tribunal to end a periodic tenancy if a tenant was at least 5 working days late with their rent payment on 3 separate occasions over a 90-day period.

For a full summary of changes to the Residential Tenancies Act, visit

<https://www.hud.govt.nz/assets/Residential-Housing/Tenancy-and-Rentals/Residential-Tenancies-Act-Reform-Frequently-Asked-Questions-August-2020.pdf>

CHANGES TO THE RESIDENTIAL TENANCIES ACT

Key Dates

From 12 August 2020

- Transitional and emergency housing are now exempt from the Act
- Rent can only be increased once every 12 months.

From 11 February 2021

- Security of rental tenure (termination grounds and notice periods)
- Changes for fixed-term tenancies
- Tenants making minor changes to the property
- Prohibitions on rental bidding
- Fibre broadband
- Privacy and access to justice (Tenancy Tribunal suppression orders)
- Assignment of tenancies
- Landlords keeping records and being able to provide them
- RTA enforcement measures being strengthened
- Changes to Tenancy Tribunal jurisdiction



By 11 August 2021

These provisions must come into effect 12 months after the day of Royal Assent, but may come in earlier if the Government agrees (using an Order in Council).

- A landlord will be able to issue a 14-day notice to terminate the tenancy if the police have charged the tenant with assault of the landlord, a member of the landlord's family, or the landlord's agent
- A victim of family violence will be able to withdraw from a tenancy without financial penalty.

Understanding the changes

[Visit the Tenancy Services website for more detail on the above changes](#)



Other contacts and resources you may find useful:

Tenancy Services offer a free helpline for tenants and landlords **0800 836 262** (0800 Tenancy) or visit <https://www.tenancy.govt.nz/>

Work and Income may be able to help if you need rent assistance, visit <https://www.workandincome.govt.nz/>

Citizens Advice Bureau provide free, confidential, independent information and advice to anyone, visit <https://www.cab.org.nz/> or call **0800 367 222**

REINZ | REAL ESTATE
INSTITUTE OF
NEW ZEALAND

Published September 2020

DISCLAIMER: The material and information contained herein is for general information purposes only and is not legal advice. REINZ does not accept liability for any claim or other action that may arise directly or indirectly from the use of or reliance on the material and information provided herein. REINZ recommends you seek independent legal advice if you are unsure of your legal position.