## What rents must pay for:-

* **Interest**Interest secures finance needed to keep the property available for occupants.

* **Rates and insurance**House users receive:- all waste removals, water, paved streets, parks, playgrounds, major damage protection and much more.
* **Maintenance**Buildings and appliances require materials and wages to keep them effective.
* **Administration**Wages, transport and equipment are all needed for record keeping, meetings, inspections and communications.
* **Replacements   
  Wear, rust and rot** take periodic payments to replace or refurbish around 16 different major items. Rents must meet the weekly repayments for table (reducing) loans needed for the life of each item. (See over)
* **Special Landlord taxes**

During 2024 many rentals generate rental taxes exceeding $100 weekly. (These will substantially reduce in 2025)

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**When costs excessively exceed rents investors quit**Tenants’ Benefits:

1. Shelter from the weather and cold
2. Security for possessions and family
3. Clean hot and cold water on tap
4. Facilities for cooking, washing and bathing
5. Access to power for heating, cooking, hot water
6. Disposal of liquid wastes
7. Disposal of household rubbish
8. Bus and library services
9. Roads & footpaths for accessibility
10. Parks for enjoyment and relaxation
11. No huge financial outlays
12. No long term mortgage commitments
13. No regular rate payments
14. No property insurance premiums
15. No building maintenance and repairs
16. Freedom to move away anytime
17. No large replacements & renovation costs
18. No administration responsibilities

## Tenants’ Responsibilities:

1. **Keep rental home clean, dry and tidy**
2. **Pay rent as agreed**
3. **Be great neighbours.**

**For more, visit** [**www.tenancy.govt.nz**](http://www.tenancy.govt.nz)

**or phone 0800 TENANCY (0800 836 262)**

**Breaches**

## Tenancy breaches destroy trust and respect

**Common breaches include failure to:-**• Pay rent   
• Take adequate care of the property  
• Maintain contented neighbours’   
• Honour other agreement clauses

**Tribunals evict tenants when:-**

• Breaches are not fixed 14 days of warning   
• Rent is over 3 weeks in arrears  
• Three warning letters are sent within 90 days  
• Violence is threatened   
• Remedy agreements are broken

**Consequences of evictions:-**• Tribunal records are publicly available  
• Providers give bad references  
• Renters become known as “undesirable”  
• Debtors loose access to accommodation

### Courts enforce debts

Courts order income providers to deduct payments or they may seize and sell goods.

**No references & bad records  
 result in homelessness** Protect credit ratings and respect

### Talk to landlords if there are difficulties

Most landlords willingly accept a few dollars extra weekly to repay debts.

**Engage budget advisors**

These usually free services help debtors plan budgets and work with directly landlords to avoid evictions.

### Talk to MSD

Ministry of Social Development often help genuine people about to be evicted and lose their reputations as good tenants.

### Take in flatmates or boarders

Although not permitted by most agreements, providers will generally consent, for reputable people and when space is available.

### Leave the tenancy

Tenants simply give 28 days written notice. Rent commitments can reduce when tenants work with landlords to find suitable replacements early.

Leaving without notification, substantially increases tenants’ costs and destroys their reputations.

**Respect, honesty and reliability lead to great references and better homes.  
 Costs to provide rentals in 2024**

|  |  |  |  |
| --- | --- | --- | --- |
| **Example of weekly payments needed to provide a   modest Timaru rental 3 br flat or 2br house**  *(Costs vary with locations, valuations, size, interest,  materials and markets)* | | | |
| Unit & land value | **$400,000** |  |  |
| Interest rate | **7%** |  |  |
|  |  |  |  |
|  | **Item Cost** | **Life years** | **Cost weekly** |
| **Interest on valuation** |  |  | 538 |
| **Rates & insurance** | $3,000 |  | 58 |
| **Maintenance** | $1,550 |  | 30 |
| **Administration** | $1,550 |  | 30 |
| **Replacements** |  |  |  |
| *Floor covers & curtains* | *$19,000* | *18* | *36* |
| *Appliances & furniture* | *$7,000* | *15* | *15* |
| *Kitchen & bathrooms* | *$30,000* | *40* | *43* |
| *Paint* | *$28,000* | *15* | *58* |
| *Roof iron* | *$30,000* | *40* | *43* |
| *Cladding & windows* | *$50,000* | *50* | *56* |
| *Fences & out- buildings* | *$8,000* | *30* | *12* |
| *Vent fans & heating* | *$5,000* | *15* | *11* |
| *Insulation* | *$3,000* | *30* | *5* |
| *Wires, pipes & drains*  *Bad tenant damage* | *$25,000 $2,000* | *50 15* | *42*  *4* |
| *Remaining building* | *$200,000* | *120* | *243* |
| **Landlord Tax** *(this year)* |  |  | *150* |
| **Total costs** pw | | | **$1,618** |
|  | | |  |

See [**www.rentagain.nz**](http://www.rentagain.nz) for more information on costs, calculations and ideas to help make renting sustainable.

**Breaches cause extra work and cost  
 they destroy trust and respect**.

**More**

**It is illegal to withhold rent payments**

If renters have problems they can:-

• Seek information and advice from Tenancy Services

• Issue notice to remedy (breach) within 14 days

• Seek enforcement from the tenancy tribunal.

### Ending tenancies

• Tenants must give 4 weeks written notice  
• Landlords must give 13 weeks written notice   
• Rents must continue until termination dates   
• Bonds are refunded after departure inspections   
• Tribunals can order immediate evictions

**Tribunal order evictions when:-**   
• Rents exceed 3 weeks arrears  
• Notices to remedy breaches are not honoured  
• Three breach notices are made within 90 days  
• Violence is threatened or administered

**Inflation assists renters:-**   
Rents are lower than total operating costs because weekly because owners let their capital gains from inflation help meet renting costs.

**Rentals are sold when:-**Owners realise:-   
• They forgo interest on their rental investments  
• They are paying trading losses from other incomes  
• Breaches add to their losses  
• Capital gains are less than averaged trading losses   
• Purchases from property sales also rise with inflation  
• Other investments pay interest.