

Other breaches

► Common other breaches include:-

- Taking in unauthorised occupants
- Annoying or upsetting neighbours
- Failing to maintain grounds when required
- Unsightly, damaging, or risk prone rubbish
- Making changes without providers agreement
- Failure to maintain smoke alarms
- Failure to keep the property (reasonably) clean

► Fix breaches quickly

Law allows 14 days from notification, but if this not possible:-

- Talk to the provider and agree on a remedy plan
- Carry out the remedy plan as agreed
- Seek advice from Tenancy Services if needed
- Remember good references are essential
- Disliked landlords provide honest references

► NEVER abandon a rental.

Leaving a rental without advising the provider is a breach that results in very large debts and it also destroys renters' reputations because:-

- Rent liability continues much longer
- Clean up costs are much higher
- Left possessions are usually lost
- Huge debts can be held over for life
- Providers have networks that find debtors

Renters' 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

Renters' Responsibilities:

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

Breaches

Breaches cause damage

- Renting costs increase
- Trust and respect is lost
- References are lost
- Lost of credit ratings
- Finding other rentals gets harder
- Homes are lost
- Court enforced repayments take years

Common breaches include:-

- Missing regular rent payments
- Not caring for the property
- Upsetting neighbours'
- Accepting unauthorised occupants

Remedy quickly - reduce difficulties

- Fast remedies minimise bad outcomes
- TALK to fix disagreements
- If it can't be fixed fix quickly, offer a plan
- Don't deviate from agreed remedy plans

Rent breaches

Everybody faces times when demands exceed available funds. Rent is a renter's most important weekly obligation.

Tribunal evictions begin when

- Payments fail after 14 days of notification
- Rent arrears exceed 3 weeks
- Three breach notices are issued within 90 days
- Violence is threatened

► Talk to providers

Most landlords will accept a few dollars extra each week to repay their debts

► Engage a budget advisor

Free services help renters plan budgets and work with providers to help ease severe consequences of missing rent payments.

► Talk to MSD

Ministry of Social Development often help genuine people in need of short term assistance.

► Take in a boarder

Although not permitted by most agreements, providers will generally consent, for reputable people to share properties with existing renters.

► End the tenancy

Tenants simply give 21 days written notice to leave NEVER ABANDON. Failure to tell owners causes much bigger debts and destroys reputations.

Options for owners

When breaching renters are no longer welcome

► Terminate with a 90 day notice

Renters must leave the property in good condition with all rents fully paid at 90 days from the notice being delivered.

► Request Tribunal order to -

- Confirm breaches and order remedies
- Make public the debts of breaching renters-
- Enable the courts to force payments and evictions

► Owners can engage tribunals when:-

- "Fourteen day notices to remedy" fail to be followed
- Three breach notices are made within 90 days
- Rents arrears exceed 3 weeks
- Violence is threatened

Bad reputations and renting debts cause homelessness

When costs exceed incomes rentals become scarce.

What rents must pay for:-

Rents seldom pay for all the costs to purchase and maintain rental accommodation.

Below is an approximate indication of the portion of rent payable to meet housing costs.

► Operations (30%) including:-

- **Rates;** provide water, streets, footpaths, waste removal, public transport, libraries, playgrounds, parks, and more.
- **Insurance** provides compensation for building loss from fire, flood, wind, earthquake etc.
- **Maintenance** provides wages and materials for cleaning and fixing various building items to minimise rust, wear and rot.
- **Administration** Wages, equipment, stationary and transport costs for meetings, inspections, communicating, advertising, changing tenancies, breaches management, and accounting.

► Interest (70%)

Interest is the hire of the capital needed to provide rental properties.

NOTE At 5.2%pa, interest to hire each \$100,000 of property value costs \$100 weekly. Rental properties usually cost between \$150,000 and \$600,000

► Replacements (70%)

Rust, rot and wear destroy around 15 different items* needed to keep a building suitable for renting as a home.

Around 40 replacements or refurbishments need to be made during a building's life each time thousands of dollars must be paid. These deteriorating items include:- roof and, wall claddings, floor coverings, curtains, bathroom and kitchens, heaters, painting and more. Eventually the building itself must be replaced.

► Ring-fencing tax (10%)

This must be paid when rents fail to pay interest and wages to unsecured investors.

Find more, visit:- www.rentagain.nz