

# 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**.

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# TYPES OF TENANCY AGREEMENTS

## FIXED TERM TENANCY AGREEMENT

A fixed term tenancy agreement 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.

When a fixed term tenancy ends it automatically becomes 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 (summarised on page 5).

Changes to the Residential Tenancies Act were introduced 11 February 2021, changing the law on notice periods. If your fixed term tenancy was signed before this date, the previous notice periods still apply.

## PERIODIC TENANCY AGREEMENT

A periodic tenancy agreement 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. You need to give **28 days' notice** to the landlord or property manager.

If the landlord or property manager want to give you notice to end your tenancy, they must provide a reason. They can no longer issue a 'no cause' termination notice. Legally, a landlord may give:

- **63 days' notice** if the owners or their family want 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 to demolish the property.

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

## 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 tenant 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.

## REGULATION IS STILL PENDING ON THE FOLLOWING

The authority provided for tenants to end a tenancy due to family violence is stated under section 56B of the Residential Tenancies Act. This will only come into effect after the Ministry of Housing and Urban Development provides regulation determining the evidence required when giving notice to your landlord under this section. Upon setting the additional guidance/regulation, the following rights will come into effect:

- 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

**[Ministry of Housing and Urban Development Residential Tenancies Amendment Act](#)**

**[Visit the Tenancy Services website for more detail on changes to tenancy laws.](#)**



# BEFORE YOU SIGN THE TENANCY AGREEMENT

## AGE

If the tenant is under 18 years of age, the Courts may say the contract is unenforceable, decline to enforce, or can the contract if the terms and conditions if the contract terms are unconscionable.

## BOOKING A RENTAL PROPERTY VIEWING

When you find a property you want to view, contact the property manager or landlord to arrange a viewing. There is certain information they may require before booking an appointment; usually your name and contact details. These details allow them to follow up after the viewing.

You may be given the option to complete a full application form before you view a property, but shouldn't be required to complete one at this stage.

## 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 considering 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.

Resources are available through:

- [Citizens' Advice Bureaux](#)
- [Community Law Centres](#)
- [Tenants' Advocacy Services.](#)

## 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**.

*For example, 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 July 2021, all private rental properties must comply with the [Healthy Homes Standards](#) within 90 days of any new or renewed tenancy. Those standards are heating, insulation, ventilation, moisture & drainage and draft stopping.

You should receive a healthy homes compliance statement 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.

If your rent is increased, the landlord or property manager can ask for additional bond to equal the new rent rate.

## RENT

When you sign a Tenancy Agreement you will be told what the weekly rental rate is, and this must be 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.

In addition, if you are on a periodic Tenancy and your rent has been at least five working days late on three separate occasions within a 90 day period, and you have been issued a notice on each occasion, the landlord/property manager could apply to the Tenancy Tribunal to end the Tenancy.

Rent can only be increased once every 12 months.



# 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 phones, 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 (for example, 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 first 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 48 hours' notice prior to 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.

Property managers have a legal obligation to ensure they carry out routine property inspections as per the house insurance terms and conditions.

# 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.*

## RETLIATORY 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.

The landlord cannot unreasonably decline your requests to make minor changes to the property. The landlord/property manager can impose reasonable conditions for minor or major changes.

The Tenant must return the property to a condition that is similar to the state it was in before the change, unless otherwise agreed.

## 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. The landlord or property manager must provide a breakdown of all the re-letting costs to ensure they are fair.

*My friend wants to take over my tenancy because I want to leave, is this possible?*

*If your landlord or property manager agrees to let you move out and another person/friend you have recommended takes over the tenancy, this is referred to as an Assignment of Tenancy. Some older tenancy agreements will prohibit any assignment of tenancy, however all requests to assign a tenancy from 11 February 2021 must be considered. Landlords cannot decline unreasonably. If your tenancy is assigned to another person, they take on the full responsibility of the tenancy.*

## 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 to find a solution.

**Do not** just leave the property, as you have legal responsibilities under your Tenancy Agreement and could incur a fine or if the rent is not paid — this could impact your credit rating.

## 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.



## 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**

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