

## **Covid-19 urgent legislation – rent freeze and tenancy changes**

On Monday 23 March the Prime Minister announced that we will be freezing residential rent increases and providing greater protections for tenants against having their tenancies terminated.

### **Why are we doing this?**

We are doing this because in the wake of Covid-19, it's more important than ever to ensure that tenancies are sustained and tenants do not have to face the prospect of homelessness during a global pandemic.

It's also critical from a public health perspective that we enable people to self-isolate in their own homes by ensuring that they can remain in their rental properties for the duration of this crisis.

### **What exactly do these changes mean?**

The rent freeze is simple. Increases in rent are prohibited for the next six months for any reason.

The protections against terminations are a little more complicated. Landlords will be unable to terminate existing tenancies unless limited and specific, justified, reasons apply. The Tenancy Tribunal will act as a check to ensure that the limited and specific termination grounds are being used lawfully. These reasons are where the tenant:

- substantially damages the premises; or
- assaults or threatens to assault the landlord, their family, or the neighbours; or
- abandons the property; or
- engages in significant antisocial behaviour (defined as harassment; or any intentional act, if the act reasonably causes significant alarm, distress, or nuisance); or
- is 60 days behind in rent, which is increased from 21 days (and the Tribunal will need to take into account fairness and whether the tenant is making reasonable efforts to pay the rent)

Tenancies will also be able to be terminated upon the death of a sole tenant, or where the premises are uninhabitable.

Tenants will still be able to terminate tenancies as usual, although we encourage them not to unless absolutely necessary and to think carefully about whether they are managing the risk of spreading Coronavirus in doing so. If you're a tenant and you've given notice yourself but now need to stay in your current rental property, you can withdraw your notice.

Fixed-term tenancies will also convert to periodic tenancies upon the expiry of the fixed term, unless the parties agree otherwise or the tenant gives notice. This means that if your fixed term expires during lockdown, you'll be able to stay in your tenancy.

### **When do the measures come into force?**

The measures take effect within the next 24 hours.

However, if a landlord had *already given* a rent-increase or termination notice that will come into effect after this bill comes into force this notice is of no effect.

That means that if you're a tenant and you've been served a termination notice other than for the reason set out in the Bill, before this Bill comes into effect your tenancy will continue, if you want it to. You will be able to self-isolate in your rental property. If the Tribunal has made an order terminating the tenancy that will come into effect after this Bill comes into force, that order is

suspended until the 15<sup>th</sup> day after the time period that the protections against termination apply (initially three months).

Increasing rent within the relevant timeframe or purporting to terminate a tenancy without grounds are new unlawful acts with the Tenancy Tribunal able to order exemplary damages of up to \$6,500 in each case.

### **How long will this last for?**

The rent freeze applies for an initial period of six months.

The protections against terminations will apply for an initial period of three months.

At the end of both initial periods, we'll evaluate whether they need to be extended.

### **What about boarding houses?**

Boarding houses will also be subject to the rent freeze and similar protections against terminations. However, in most cases a landlord will be able to issue a boarding house termination by notice in order to manage the safety and security of tenants in a shared boarding house tenancy. A boarding house landlord will still need to go to the Tribunal to terminate a tenancy because of rent arrears or anti-social behaviour.

### **Can landlords evict tenants so they can move into the home?**

We need to ensure that people have certainty in their living situation as we go through these unprecedented times. For this reason tenants cannot be evicted because the landlord or family wish to move in. Our focus at this stage is to ensure as little disruption as possible and keep everyone in stable housing regardless of tenure.

### **The Tenancy Tribunal**

The Bill also provides that the Tenancy Tribunal has the power to have hearings on the papers, without attendance from parties, if necessary. The Tribunal may also have hearings by telephone or videoconference. This amendment is to give the Tribunal some flexibility in its proceedings during this period. It will be up to the Tribunal how it manages this flexibility.