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Enhanced Retaliatory Termination Protections Provide Crucial Balance to No-Fault Termination Rights

AUCKLAND, 11th November 2024 – The Auckland Property Investors Association (APIA) today expressed strong support for the amended Residential Tenancies Amendment Bill's expanded protections against retaliatory termination, following recommendations from the Social Services and Community Committee.

"The extended timeframe for tenants to seek remedies against retaliatory termination represents a significant step forward in achieving meaningful tenant protection," says Sarina Gibbon, General Manager of APIA. "This change appropriately balances tenants' rights with landlords' legitimate business interests and acts as a crucial check against the restoration of 90-day no-fault termination."

Key changes in the amended bill include:

- Maintaining the 28-day window for tenants to apply for retaliatory termination to be set aside
- Extending the period for exemplary damage applications to 12 months
- Broadening protection to cover actions by government officials, including tenancy services
- Maintaining the maximum penalty of \$6,500 for unlawful retaliatory termination

The current 28-day limitation for challenging retaliatory termination is inadequate for many tenants, often resulting in missed opportunities for legitimate claims. The extended 12-month period for exemplary damage applications provides a more practical timeframe for tenants to pursue their rights while respecting property owners' fundamental right to make decisions about their investments.

"The extended period for exemplary damage applications will encourage landlords to carefully consider their termination decisions, particularly in light of the bill's provision for 90-day no-fault terminations," Gibbon notes. "This creates an important check and balance in the system, ensuring that while landlords retain the right to end tenancies on a no-fault basis, there are meaningful deterrents against abuse."

"A robust framework against retaliatory termination is crucial for maintaining the integrity of New Zealand's rental sector," Gibbon explains. "These changes will foster an environment where tenants can confidently assert their rights without fear of losing their homes while promoting professional and transparent dealings between all parties."

The extended timeframe for exemplary damage applications will have significant implications for property management service relationships. Property managers may face challenges where claims arise after their management agreements have ended, raising important questions about ongoing liability and indemnification. The industry will need to carefully consider how to protect property managers' interests in cases where they had advised against termination, including the possibility of applying to be excused from Tribunal proceedings where appropriate documentation exists of their prior advice.

"Property managers will need to review their management agreements to ensure they adequately address potential liability extending beyond the term of their service," says Gibbon. "Clear documentation of advice given regarding termination decisions will become increasingly important under these new provisions."

APIA believes these changes will contribute to building trust and collegiality across the rental sector, benefiting both tenants and professional landlords who prioritise compliance and fair dealings.

For media inquiries, please contact: Auckland Property Investors Association media@apia.org.nz

About Auckland Property Investors Association (APIA) The Auckland Property Investors Association (APIA) is a leading advocacy group representing the interests of property investors throughout Auckland. Committed to promoting education, advocacy, and networking opportunities, APIA actively shapes policies impacting the property investment landscape. APIA strives to cultivate a supportive environment for property investors while advocating for policies that uphold the rights and responsibilities of both landlords and tenants.