

Tenancy Services

Service tenancy: a guide for landlords and tenants



What is a service tenancy?

A service tenancy is when an employer provides accommodation for a worker to live in during their employment.

This type of agreement is covered by the Residential Tenancies Act 1986 (RTA), which means all the standard rules apply, except for a couple of differences about **rent** and **ending a service tenancy**.

What do you need for a service tenancy?

- › As part of a service tenancy, certain requirements need to be met including:
- › A tenancy agreement signed by the employer (as landlord) and the employee or contractor (as tenant) (this can be included in your employee or contractor agreement contract, though we recommend having these separate)
- › Working smoke alarms or detectors within three metres of each bedroom door, or in every room where a person sleeps and on every level
- › Insurance statement
- › A signed healthy homes compliance statement with details of the property's current level of compliance with the healthy homes standards. This must be included with all new, renewed or varied tenancy agreements.

The Tenancy Services website has a checklist that landlords can use to make sure their properties are compliant, available at [tenancy.govt.nz/landlord-compliance-checklist](https://www.tenancy.govt.nz/landlord-compliance-checklist)

EXAMPLE OF A SERVICE TENANCY

Sarah is a horticulture worker who has just secured a new job as a farm manager. As part of her new role, she is given a flat to live in on site. On the tenancy agreement, Sarah is named as the tenant and her employer is named as the landlord. Included in the tenancy agreement is the insurance statement, and healthy homes compliance statement, which has specific information about the rental property's current level of compliance with the healthy homes standards.

EXAMPLE OF OTHER LIVING ARRANGEMENT

Certain living arrangements between an employer and employee might not be a service tenancy. For example, David is a dairy farmer who has just employed someone to milk his cows. David has offered his new employee a room in his own house as accommodation. This would be considered a flat sharing arrangement. For more information, search 'flatting' at [tenancy.govt.nz](https://www.tenancy.govt.nz)

Rent payments

The landlord may take the rent directly from the tenant's pay each week or fortnight. They can only do this if:

- › the tenant agrees;
- › it is in the employment contract; or
- › it complies with employment law.
- › If there is a longer pay period (eg, due to a holiday) the landlord can deduct the rent for that same longer period.

Ending a service tenancy

A service tenancy normally ends when the tenant's employment or engagement ends or is transferred. The notice period is different to other tenancies.

If the tenant's employment is ending

The landlord or the tenant must give at least 14 days' written notice to end the tenancy. This notice can only be given if the tenant's employment has ended or either party has given notice for it to end.

In some situations, if the tenant's employment has ended the landlord can give less than 14 days' notice for the service tenancy to end. This also applies if the tenant is transferred with less than 14 days' notice. This can only happen if:

- › the landlord has reason to believe the tenant will cause substantial damage to the premises if the tenancy is permitted to remain for 14 days, or
- › the landlord's business needs to have a new worker in place in less than 14 days. There must be no other suitable accommodation available for the new worker during the 14 days.

If the tenant's employment or engagement is continuing

If the tenant wants to end their tenancy before their employment has ended, they must give 21 days' written notice.

A landlord can only give the notice period allowed to end a service tenancy if the tenant's employment or engagement has ended or is due to end. A notice to end the service tenancy cannot generally take effect before the employment or engagement ends or before the transfer occurs unless it is a 90 day notice that is issued.

Giving notice for family violence

A tenant or their child/dependant who is subjected to family violence during a tenancy can withdraw from their tenancy by giving at least two days' notice (with qualifying evidence of family violence) without financial penalty or the need for agreement from the landlord. For more information, search 'family violence' at [tenancy.govt.nz](https://www.tenancy.govt.nz)

Giving notice for physical assault

The landlord can give notice of at least 14 days to terminate a tenancy if the tenant has assaulted the landlord, the owner, a member of the landlord or owner's family, or the landlord's agent, and evidence is provided that a charge has been filed by Police against the tenant in respect of the assault. For more information, search 'physical assault' at [tenancy.govt.nz](https://www.tenancy.govt.nz)



Further Information

Laws and bylaws

The RTA requires landlords to provide and maintain rental properties in a reasonable state of repair. What's considered 'reasonable' depends on the age and character of the property and how long it's likely to remain habitable and available to be lived in.

The RTA also requires landlords to provide properties in a reasonable state of cleanliness.

You will also need to be across these other health-related and safety-related requirements as part of providing a service tenancy too, for example:

- › Building Act 2004 and the Building Code
- › Health Act 1956
- › Housing Improvement Regulations 1947
- › Bylaws made under the Local Government Act 2002. These are set by individual councils.
- › Residential Tenancies (Healthy Homes Standards) Regulations 2019



Healthy homes compliance

All rental properties must comply with the five healthy homes standards. These are minimum and specific standards for:

- › heating
- › ventilation
- › insulation
- › moisture ingress and drainage
- › draught stopping.

Landlords are responsible for ensuring their properties meet these standards. Those who fail to meet their obligations under the healthy homes standards are in breach of the Residential Tenancies Act 1986 and may face consequences, including financial penalties of up to \$7,200.

For more information, search 'healthy homes' at [tenancy.govt.nz](https://www.tenancy.govt.nz)

Breaches of the RTA

If you think your tenancy is in breach of the RTA, it's important to know what your options are. If you are unable to reach an agreement with your tenant or landlord, you may need to take further action including applying to the Tenancy Tribunal. For more information, search 'disputes' at [tenancy.govt.nz](https://www.tenancy.govt.nz)

More information

For more information on service tenancies, see [tenancy.govt.nz/service-tenancy](https://www.tenancy.govt.nz/service-tenancy)

For other Tenancy Services information, see [tenancy.govt.nz](https://www.tenancy.govt.nz)



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