

Costly lesson for property managers at Tenancy Tribunal

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The Tenancy Compliance and Investigations Team has successfully taken a Whanganui property management company to the Tenancy Tribunal for multiple counts of failing to lodge tenancy bonds, as well as failing to provide tenants with insulation statements, sending a strong message to all landlords that failing to meet minimum legal requirements is not acceptable.

The Tenancy Tribunal has ordered The Rent Centre Limited pay a total \$32,050 in exemplary damages for failing to lodge tenancy bonds or failing to provide a compliant insulation statement as part of the tenancy agreement in accordance with the Residential Tenancies Act (RTA) and regulations. The Rent Centre was also ordered to pay \$2,481.24 in associated costs.

Steve Watson, National Manager Tenancy Compliance and Investigations Team (TCIT) said the most concerning thing about this case was the scale and number of breaches committed by this property management company.

“There is no excuse for this behaviour, the company should have known better. The fact that TCIT had discovered 116 breaches of the RTA over a period of four years shows a massive failing in the way this business was operating,” said Mr Watson.

“Tenants need to trust and believe that when they are dealing with a landlord, particularly a property management company that has been in business for over 20 years, that the landlord is fulfilling their legal obligations.”

The Tribunal awarded 115 Orders of exemplary damages (a financial penalty payable by the landlord) of \$250.00 where the landlord failed to lodge the bond paid by the tenant to the Tenancy Bond Centre. The lodging of bonds is fundamental to the integrity of the tenancy system.

A further 33 Orders required The Rent Centre to pay \$100.00 where no insulation statement was provided as a part of the tenancy agreement.

“Compliant insulation statements give tenants peace of mind when it comes to knowing the state of the insulation in their rental home when they start a tenancy,” said Mr Watson.

“These Orders serve as a timely reminder that time is running out for landlords who have not checked to make sure that they have physical insulation installed in accordance with the regulations by 1 July 2019.”

The TCIT was established following the changes to the RTA that came into effect on 1 July 2016. The team focuses on significant or ongoing breaches of the Act which pose a significant risk to vulnerable tenants or that break the trust in the tenancy system.