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No-cause evictions have the potential to hurt renters – with little gain for good landlords

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Myra Williamson
Senior Lecturer in Law, Auckland University of Technology

Housing security for New Zealand's 1.7 million renters could be threatened if the Residential Tenancies Amendment Bill becomes law.

Among some potentially positive changes in the amendment – such as the introduction of a pet bond – are rule changes that could cause real harm to renters. In particular, the proposed return of "no-cause" evictions is troubling.

Landlords will be able to give a 90-day termination notice to end any periodic tenancy, at any time, without giving a reason. Currently, landlords can evict someone for being more than three weeks late with rent, when the owner wants to live in the house themselves, or wants an employee to live on the property, amongst other grounds.

Landlords must provide the reason for the termination, and any notice can be disputed in the Tenancy Tribunal.

For renters, the proposed amendment could cause real problems. Submissions on the bill are open until July 3, so this is a good time to consider what this law will achieve and who it could potentially hurt.

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Who loses with no-cause evictions?

Housing Minister Chris Bishop claimed last year that no-cause evictions were a "…progressive, pro-tenant move" requested by people who worked on the front line with the homeless (though subsequent reporting failed to find evidence supporting the claim).

It is hard to square how no-cause evictions could be pro-tenant. Renters will not know why they are being evicted, and they won't be able to dispute it. They will just have to pack up and leave.

Additionally, tenants will incur all the costs involved in moving, plus the time needed to view rentals and apply for new properties. If the tenant has children, there may be a change of schools and related uniform costs.

Tenants will bear the full mental, physical and financial toll of being forced to move against their will.

The rule changes also mean renters will be reluctant to complain about problems with the property. A recent survey of tenants by the Ministry of Housing and Urban Development found 15% felt they had a bad relationship with their landlord.

These bad relationships were mainly caused by the dwelling not complying with health and fire regulations, issues with condensation, wet or cold homes, and a failure to repair or maintain the property.

How will these issues be addressed if tenants know complaining could result in their eviction? Tenants in Australia have reported eviction notices sometimes arrive after they've made complaints.

No-cause evictions have also become an election issue in the United Kingdom. Both the Conservative Party and Labour Party have pledged to abolish them if elected in July.

An unnecessary change

Reinstating no-cause evictions is problematic for three reasons.

Firstly, it lacks supporting evidence. According to the Ministry of Housing and Urban Development's regulatory impact statement accompanying the proposed amendment:

> *our analysis is constrained by limited evidence regarding the specific impacts the 2020 RTA changes had on the rental market and […] HUD does not have, and is not able to readily create, a market analysis model that would enable us to produce quantified estimates of the potential impact of regulatory changes on the operation of the market and intended outcomes.*

In other words, there is no evidence bringing back no-cause terminations will help tenants, according to the Ministry of Housing and Urban Development.

Secondly, this is bad law because it will deny tenants one of the oldest legal rights – the right to natural justice. The idea of listening to the other side has been entrenched in British (and subsequently New Zealand) law since the Magna Carta was issued in 1215. That is, everyone has the right to a fair hearing.

To have your right to live in a rented home taken away without knowing the reason or having the chance to explain your side of the story goes against this fundamental legal principle.

Thirdly, no-cause evictions will hurt those who are most vulnerable in New Zealand society – those who cannot buy their own home and Māori. As outlined in the disclosure statement from the Ministry of Housing and Urban Development accompanying the proposed amendment:

> *Evidence suggests that the termination related proposals will negatively impact on actual and perceived security of tenure for many tenants compared to the status quo. These negative impacts are likely to disproportionately affect Māori, as Māori are more likely to live in rented accommodation, have a lower overall median income, and are more likely to experience discrimination than the general population*

Any law that harms the most vulnerable should give lawmakers pause for reconsideration.

Bringing back no-cause evictions would give all the power to landlords and property managers – a profession that is still unregulated, who need no qualifications or training, and who are not accountable to any professional body. Property managers and landlords will hold all the power to determine whether a renter has somewhere to live.

And importantly, all the other grounds for evicting renters (being behind in rent, illegal or antisocial behaviour, for example) are still going to be available to landlords. The no-cause eviction would be in addition to those. So what exactly does the no-cause eviction amendment achieve?