

Decent housing standards – is there a need for a Certificate of Fitness for Rental Accommodation in New Zealand?

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Thank you for the opportunity to speak on the question of a Certificate of Fitness for rental accommodation.

The Manawatu Tenants Union has, with other tenants' organisations, been promoting the concept of a certificate of fitness for well over a decade. In Palmerston North, you could live in a decent house or flat or in something sub-standard and in many cases pay the same rent for all properties. Choice never cut the mustard in a supply-demand economy like Palmerston North, as demand always outstripped supply. The city has a large rental accommodation sector due to the university, defence and research centres.

The Manawatu Tenants Union believes that sub-standard housing is offered in many New Zealand towns and cities and that if decent standards aren't applied then this will lead to dislocation of health and education services.

Early in 2000 I met with the then Minister of Housing, Mark Gosche, to discuss rental housing matters including the certificate of fitness. The Minister commissioned social policy researcher Bonnie Robinson report on housing standards in New Zealand. Her paper 'Substandard rental housing and a Certificate of Fitness for rental accommodation' was released in

April 2001. The notion of a certificate of fitness was rejected on the grounds of cost. It was suggested that the Residential Tenancies act could be beefed up to address some of the issues. The report noted the lack of research in the area of standards of rental housing in New Zealand.

While the RTA has been amended there has been no real progress in enforcing basic standards. The government needs to engage with private sector landlords, and undertake a survey of all rental accommodation around New Zealand. This national conversation on decent housing standards would set in place and recognise the pressures on housing standards in the 21st century.

A certificate of fitness should comprise a set a set of requirements deemed necessary for a dwelling to be fit for human habitation. (See Appendix 1). A dwelling would be unfit if in the local authority's view, it failed any of the requirements.

All housing should be free from serious disrepair, be healthy, safe, secure and energy efficient. The quality of housing has a role to play in the health and social wellbeing of tenants.

To date, all the health indicators from the many reports covering community wellbeing have highlighted the link between poor health and poor housing.

- 1 Health considerations must be considered in housing policy
- 2 Measurement of decent housing needs to take into account issues of affordability and physical condition
- 3 Fire safety is also a priority. Every rental property must have a smoke alarm as a precautionary measure
- 4 Windows should have safety catches and be child proof in housing blocks
- 5 Inclusion of sound proofing to contain the noise nuisance between neighbours
- 6 All housing should provide a reasonable degree of thermal comfort for tenants
- 7 All housing should be free for dampness and condensation. Ventilation systems in kitchens and bathrooms would assist with this matter.
- 8 All housing should be barrier free.

Local government could create and maintain a data base of regularly monitored rental properties. Length of tenure in New Zealand is very short, on average 10 months. If the property has a Certificate of Fitness it could be reviewed every few years, but could vary according to tenure turnover.

Work and Income would be required to sight the tenancy agreement and a copy of the Certificate of Fitness before dispersing funds for rental payments and bonds. Landlords could seek to have direct payment into their accounts if a Certificate was issued.

While landlords can be careful in tenant selection and gain further security by means of bonds and rent in advance, along with references from previous landlords, tenants have few of any means of knowing the reputation of a potential landlord. A Certificate of Fitness would indicate that the property and the landlord were of an acceptable standard.

It should be noted that in New Zealand there is no culture of renting. Homeownership has been the goal and norm for most of society, and renting has somehow been regarded as a temporary, short-term practice. However, the student loan scheme and the free market economy has changed all that.

New Zealanders still believe in investing in property, and 82% of rental accommodation is controlled by private landlords, who make up 5% of the New Zealand population. The state controls 16% of rental properties, and local authorities less than 1%. New Zealand taxpayers contribute around 1 billion dollars in

landlord support packages, accommodation supplements and income related rents.

It is tenants' bond monies, along with tax payer dollars, that maintain the Tenancy Services system. Landlords contribute nothing.

I believe that all tax payers would like to know that their money is going to support landlords who provide a decent housing standard for their tenants. Renting is a trend that will continue, as home ownership rates continue to decline, on those grounds alone a rental property should be fit to live in and meet basic standards that a certificate would ensure.

I believe that the government should commit to a national survey of rental properties to provide a snapshot of rental accommodation in New Zealand. This would provide the information required to ensure that housing standards met the requirements of the 21st century. Funding for this survey could come from the \$5,665,721.00 in unclaimed bond monies currently held by Tenancy Services.

Appendix 1

The housing fitness standard comprises a set of 9 statutory conditions and amenity requirements deemed to be the minimum necessary for a dwelling house to be fit for human habitation

Have a suitably located lavatory for the exclusive use of the tenants

Have a bath and shower and wash hand basin with hot and cold water

Have satisfactory facilities for the preparation and cooking of food, including a sink with hot and cold water

Have an adequate supply of wholesome water

Have an effective system for the drainage of foul waste and surface water.

Have an adequate provision for lighting heating and ventilation

Be free from dampness prejudicial to the health of tenants.

Be free from serious disrepair.

Be structurally sound.

It is for the local authority to determine whether a dwelling meets the fitness standard, and to take appropriate action if the dwelling does not. If the local authority identifies a dwelling as being unfit, the authority has a duty to take action under the following options:

- 1 Serve a notice specifying the repairs required in order to make the property fit for human occupation.
- 2 Serve a closing order prohibiting residential use of the property
- 3 Make a demolition order

Source Department of Environment UK (1984)

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