

# Residential Tenancies Act changes: How will they impact you?

by Pam Marshall

Last week the Government announcement that the Residential Tenancies Act will be strengthened with new requirements for insulation and smoke alarms. This means there are changes afoot for both landlords and tenants.

The state of sub-standard rental properties and social housing has been in the Government's sights for a while now, with particular focus recently in light of <u>a toddler's death</u>, attributed to her cold, damp living conditions.



While the majority of rental homes offer a much better standard of living, the Residential Tenancies Act changes mean every rental property will have to meet certain criteria to create a warmer, drier, safer place to live.

## The changes include:

#### New insulation standards

By July 2019, all rental properties must have ceiling and underfloor insulation. From July 2016, landlords must state on tenancy agreements the level of insulation in the property, so that potential tenants can make a more informed choice on where to live.

**Landlords** – If insulation improvements are necessary, you'll need to cover the initial outlay. If your tenant meets certain criteria, you may be able to access free insulation. Alternatively, there are subsidies available that can cover up to 90% of the insulation cost (amount varies by region). See here.

#### Working smoke alarms

Landlords will also need to ensure there is at least one working smoke alarm in the property, while tenants are responsible for replacing batteries or reporting faults to the landlord. If there is no alarm already installed, a long life (10-year) photoelectric alarm is now required.

**Landlords** – When a new smoke alarm is required you will need to install a new long life (10-year) photoelectric alarm. But you're also gaining the peace of mind that your tenant, and property, will be much safer in the event of a fire.

**Tenants** – While your landlord must provide a working smoke alarm, you are required to continually check it is working, and replace batteries when needed.

# Strengthening of tenancy law

The Government is planning to strengthen the enforcement of tenancy law in the worst cases, and make it easier for tenants to challenge a notice of eviction in some circumstances.

**Landlords** – This change allows tenants who have been unfairly treated to challenge an eviction, if there are sufficient grounds to do so. As these changes are going through Parliament, we don't know their full extent yet.



**Tenants** – This change gives you the right to take concerns to the Tenancy Tribunal without fear of being evicted for doing so, or challenge an eviction if you have the grounds to.

## Quicker resolution of abandoned tenancies

The Government is also changing the process for resolving abandoned tenancies so these can be rented out again much faster, hopefully saving you time and money in lost rental income.

We believe this is a much better option than the initially proposed Warrant of Fitness on rentals and seems a fair compromise. It ensures the critical issues in rental properties are taken care of, without too much bureaucracy and paperwork affecting costs for landlords.

Despite the initial outlay for landlords, these changes mean investment properties will be better maintained and, most importantly, much safer – <u>particularly in regards to fire</u>.

If you want to know more about the tenancy changes and what they will mean for your rental property, please get in touch with our <u>Property Management team</u>.