

TE WAIORA



Nelson Marlborough
Health

**Submission on the Ministry
of Housing and Urban
Development's
Regulation of Residential
Property Managers**

19 April 2022

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Introduction

1. Nelson Marlborough Health (Nelson Marlborough District Health Board) (NMH) is a key organisation involved in the health and wellbeing of the people within Te Tau Ihu. NMH appreciates the opportunity to comment from a public health perspective on the Ministry of Housing and Urban Development's *Regulation of Residential Property Managers*.
2. NMH makes this submission in recognition of its responsibilities to improve, promote and protect the health of people and communities under the New Zealand Public Health and Disability Act 2000 and the Health Act 1956.

Specific comments

Question 1: Do you agree or disagree with the proposed objectives for the regulatory system?

Strongly agree: NMH strongly agrees with the objectives of the regulatory model that promote public confidence in the delivery of residential property management services and protect the interests of property owners, tenants and other consumers by:

- establishing professional entry standards for residential property managers
- establishing industry practice standards for the delivery of residential property management services
- providing accountability through an independent, transparent, and effective disciplinary and complaints resolution process that applies to residential property managers and delivery of property management services

Housing is widely acknowledged as a determinant of health, housing quality can directly impact physical health, while affordability and stability can impact mental health. Concerns over the stability of one's housing situation and poor control over the conditions of one's home can exacerbate mental disorders. As housing conditions are tied to economic factors, vulnerable populations (i.e. ethnic minorities, families with young children, the elderly, and low-income households) are most likely to experience housing insecurity and suffer health consequences related to poor housing conditions, residential instability and unaffordable housing expenses.¹ In addition, long-term renting is associated with poorer health outcomes, including increased risk

¹ Hernandez, D., Suglia, S., (2016) *Housing as a Social Determinant of Health*, Columbia University, Mallman School of Public Health retrieved from <https://healthequity.globalpolicysolutions.org/wp-content/uploads/2016/12/Housing2.pdf>

of mortality, while higher levels of home ownership are associated with improved community cohesion due to neighbourhood stability, social ties and investment.²

Question 2: Do you agree or disagree with the emerging regulatory model as a whole?

Strongly Agree: NMH strongly supports the creating of a regulatory model, and supports the introduction of a licensing system that introduces industry standards, code of conduct, complaints and disciplinary arrangements.

NMH welcomes further regulation of Residential Property Managers. By improving industry standards, including knowledge and application of tenancy law and encouraging unbiased and appropriate assessment and interaction with tenants, it is hoped that these changes will bring about better security and stability for those renting and prompt attention to repairs and maintenance. Stability is important for people to be able to establish a home and make connections into communities. Short rental tenures can bring upheaval and uncertainty which can have negative effects especially for children if they are constantly moving and need to change schools. As acknowledged in the consultation document, when children are uprooted from school regularly, their education is interrupted and their learning can be delayed. It is noted that the number of children now living in rented homes is 43% (61% for Maori) so stability is key.³ The quality of the rental housing is important for health and wellbeing and the remediation of any deficits promptly can be encouraged by good knowledge and understanding of regulations on the part of property managers.

Question 4: Do you consider government regulation of property managers is required to address the risks posed by property managers to tenants or the owners of residential properties they manage?

Yes. NMH agree that government regulation of property managers is required to address the risks posed by property managers to tenants or owners of residential properties they manage. There needs to be the appropriate balancing of rights and responsibility of tenants and landlords to promote good faith tenancy relationships. A vital element of this is independent support for both tenants and landlords.

Consideration needs to be given to protecting the more vulnerable renters. For instance New Zealand has an ageing population and there will be a greater cohort of older people who will be renting. A working paper on the Tenure Security for Older

² Canterbury District Health Board (2012) *Housing, home heating and air quality: a public health perspective*. Community and Public Health. Retrieved from <https://www.cph.co.nz/wp-content/uploads/housingheatingairphperspective.pdf>

³ [A Stocktake Of New Zealand's Housing.pdf \(beehive.govt.nz\)](#)

Tenants stated⁴ that where tenure is consistently unaffordable, housing conditions are poor, or the tenancy itself is unstable, the already fragile situation of older tenants is exacerbated. In contrast, where there is tenure stability, ageing in place may be supported, as older tenants can:

- a. Establish and maintain supports and connections with their community and services such as in-home care, health services and shops.
- b. Manage housing and living costs, as rental costs are more affordable and predictable.
- c. Reduce expense associated with frequent moving, which in itself can create or contribute to financial hardship.
- d. Reduce stress associated with frequent moving.
- e. Live in housing that is maintained for their comfort and safety.

Being able to age in place is important to ensure that people can enjoy happy and healthy lives for as long as possible.

Question 6: Do you agree the regulatory system should apply to individuals and organisations providing property management services operating in the private, community and public sectors?

Agree: NMH agrees that the regulatory system should apply to both individuals and organisations to ensure that there are safeguards in place for tenants. Landlord & property management investment quality affects different aspects of home-making. Most obviously, a lack of investment in the basic property standard erodes the sense of comfort and relaxation which is central to the experience of home. This lack of comfort within the property can lead to negative effects on mental health and, in some instances, to direct physical health impacts such as respiratory problems where there is damp or mould and injuries due to safety issues. Poor property condition can also have effects beyond comfort, impacting on tenants' ability to build or maintain social status and social relationships through mechanisms related to shame and stigma.⁵

⁴ James, B. & Saville-Smith, N. (2016) *Tenure Security for Older Tenants: A country review of policy, programmes and regulation*. SmartGrowth and the Population Ageing Technical Advisory Group (PATAG) Western Bay of Plenty Sub-region pg 2 <https://www.smartgrowthbop.org.nz/media/1663/tenure-securityoverview-final-july.pdf>

⁵ Steve Rolfe, Kim McKee, Julie Feather, Tom Simcock & Jennifer Hoolachan (2022) [The role of private landlords in making a rented house a home](#), International Journal of Housing Policy,

Question 7: Should real estate agents be exempt from holding a property managers' licence but still held to account for compliance with industry entry and practice standards through the complaints and disciplinary process

No, real estate agents should not be exempt from holding a property manager's licence. The management of property extends into providing an ongoing duty of care to the tenants. This is outside of the scope of real estate licensing.

Question 9: Do you agree that organisations offering residential property management services should not be required to hold a licence provided they are subject to industry practice standards and the complaints and disciplinary arrangements?

Disagree. NMH notes that the consultation document states that "a licensing scheme covering both individuals and organisations providing residential property management services is also an effective mechanism of ensuring minimum standards are met and practitioners are held to account". Therefore NMH would like to see a requirement that all those offering residential property management services are licenced.

Question 11: Do you agree that a fit and proper person test should be required of property managers?

Strongly agree: As noted in the consultation document, *property managers are engaged in positions of trust that involve stewardship of significant assets, significant financial transactions, and the management of personal information*. Therefore it is appropriate that this criteria would include criteria relating to bankruptcy, offenses relating to fraud, dishonesty, theft, harm to children or violence.

Question 12: Do you agree there should be a minimum training or education requirement to be able to trade as a property manager?

Strongly Agree. The role of property manager is one of considerable power and responsibility, both over property and over often vulnerable people's lives. Power differentials between tenants and landlords/property managers can undermine tenants' sense of control over their home environment, with the ultimate risk of tenancies breaking down. Therefore, ongoing training and professional development is needed to ensure that property managers are well equipped and trained to do their work and ensure a good outcome for landlords, and importantly ensure quality housing for tenants. Ongoing professional development also means that property managers can have professional support as legislation or policies related to housing change over time.

Question 16: Do you agree that property managers should be required to undertake continuing professional development?

Strongly agree, please refer to the comments above. Training could also include Pastoral Care elements where local agencies provide regular advice on working with tenants on health and social issues. This training should cover the importance of good communication skills, relationship building skills along with conflict resolution.

Question 17: Do you agree that property managers should abide by a Code of Conduct?

Strongly agree. It is critically important that property managers understand the legislative and regulatory requirements in order that they can explain these clearly to landlords. In addition they must have an understanding of ethical behaviour and conduct in relation to landlords and tenants. Included within this should be a statement of pastoral care where they provide (if requested) assistance to landlords or tenants in regards to support services along with simple mediation skills to address basic complaints. Positive landlord/property manager responses to requests and quick repairs improve comfort and, perhaps more importantly, give tenants a sense of control which helps them to feel at home, generating health and wellbeing benefits. This could help mitigate tensions between parties to ensure ongoing problems do not occur. Where tenants receive a negative or conflictual response to requests, this creates stress and often additional fear regarding the possibility of 'retaliatory' evictions or rent rises. These effects substantially undermine tenants' ability to feel secure and at home.⁶

Question 21: Do you agree with the proposed complaints and disciplinary framework

Disagree. NMH recommends that the delivery of the complaints and disciplinary services sits with Tenancy Tribunal (and the corresponding Residential Tenancies Act (RTA)) rather than the Real Estate Agents Disciplinary Tribunal (and the corresponding Real Estate Agents Act (REAA)). Complaints processes that rely on tenants to take action on the quality of their housing or the quality of the property management are not recognising the competitive rental market and the real fears of tenants who may not have their leases renewed if they make a complaint.

While the implementation of a complaints and disciplinary process with the REAA framework may be administratively easier, NMH considers using the RTA framework and the Tenancy Tribunal would be more beneficial for tenants. Tenants needing to understand multiple complaints and disciplinary processes will further disadvantage a group that already has limited power in their housing. Therefore, the NMH recommends using the Tenancy Tribunal for complaints and disciplinary matters

⁶ [Full article: The role of private landlords in making a rented house a home \(tandfonline.com\)](https://www.tandfonline.com)

relating to property managers, as while it is an imperfect system, it would be more beneficial for tenants to only have to navigate one system.

Question 23: Do you agree with the proposed offences framework?

Strongly Agree

Question 33: Do you have any final comments you wish to make?

NMH recommends that the Tenancy Services and Tenancy Tribunal have a system in place where tenants and landlords can receive advice so that small issues can be quickly addressed. This preventative model could include a coordinated approach to linking tenants with the appropriate services such as Sustaining Tenancies services budgeting advisors, health or social services, and/or Women's Refuge, so that vulnerable tenants can get the assistance they need without resorting to mediation processes.

In addition, further resourcing could be provided at a local level for a range of mediation and dispute resolution services, and to the tenancy compliance and investigations teams to ensure that matters are resolved quickly rather than matters being escalated through to the Tenancy Tribunal. Furthermore, tenants should be able to appoint advocates to represent them in mediation and at the Tribunal. These tenancy mediation services should be well connected to health and social services to ensure that additional assistance is available as appropriate.

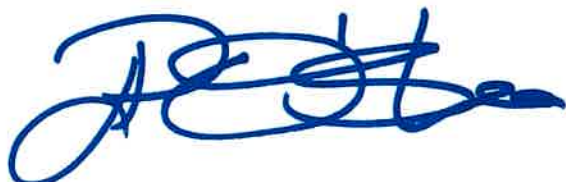
NMH advocates for the bolstering of Tenancy Services mediators who could be used to diffuse situations. It is important the root of problem is addressed; in the instance where a property management seeks to end the tenancy as a result, in their view, of a tenant's anti-social behaviour, it is likely that the tenant may move to a new location and exhibits the same behaviour, and the property manager also continues to exhibit the same behaviour. Providing support for landlords, property managers and tenants to address the cause of the behaviour in the first instance would be a more appropriate long term solution.

NMH notes that this consultation does not explicitly consider the implications of Te Tiriti o Waitangi and ensuring equitable housing outcomes for Māori. This is especially important as Māori communities are more likely to be renting, and therefore, through an equity lens, it is important that the differing needs of Māori communities are taken into consideration.

Conclusion

NMH thanks Ministry of Housing and Urban Development's *Regulation of Residential Property Managers*.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Lexie O'Shea', with a stylized flourish at the end.

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