

# Exploitative Landlord-Tenant Relationships in Auckland

Jacob Otter

October 2017

Discussion Paper







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ISBN 978-1-98-852966-0 (Print)  
ISBN 978-1-98-852967-7 (PDF)

This report has been peer reviewed by the Peer Review Panel.
Review completed on 6 October 2017 Reviewed by two reviewers
Approved for Auckland Council publication by:  Name: Dr Lucy Baragwanath  Position: Manager, Research and Evaluation (RIMU)
Name: Eva McLaren  Position: Manager, Economic and Social Research and Evaluation (RIMU)
Date: 6 October 2017

Recommended citation

Otter, J (2017). Exploitative landlord-tenant relationships in Auckland. Auckland Council discussion paper

Cover photograph by Adele Krantz

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## 1.0 Executive Summary

Auckland is confronting a housing crisis, evident in insufficient supply, rising rent prices, increasing unaffordability of living, and a rise in homelessness. Home ownership is declining, placing increasing pressure on the rental market, the majority of which is privately owned in Aotearoa New Zealand. As the gap between incomes and the cost of housing continues to rise, concerns are emerging at exploitative practices of landlords, impacting in particular on vulnerable tenants. This is visible in substandard accommodation (unhealthy, overcrowded, derelict, dirty), illegal practices (unconsented conversions and sewerage systems), and informal arrangements (such as sex in exchange for rent).

Exploitative landlord-tenant relationships can be hard to identify as vulnerable tenants rely upon these landlords for shelter, but they tend to occur in neighbourhoods where vulnerable households already reside, and often involve the leasing of overcrowded, unhealthy dwellings. This gives scope for more effective regulatory responses such as building inspections, warrants of fitness and the increased provision of social housing.

## 2.0 Introduction

Auckland's housing and rental crisis is exacerbating the potential for landlords to exploit tenants. In this discussion paper<sup>1</sup>, exploitative landlord-tenant relationships are defined as those where there is a deliberate, and often blatant, breaching of laws that govern rental tenure. Drawing on instances of exploitation reported in the media, it seeks to draw a rudimentary profile of exploitative landlord-tenant relationships which are typically targeted at Auckland's most vulnerable populations. The discussion centres on the provision of substandard and illegal housing, and informal rental arrangements with no legal basis. This suggests that exploitative landlord-tenant relationships need to be considered as something more than a one-off technical or policy problem confined to a few 'bad eggs', and reflect an imbalanced housing system failing to meet the needs of vulnerable people.

Defining 'exploitation' in the context of a housing affordability crisis is complicated because landlord-tenant relationships in Auckland are enmeshed in issues such as the poor quality of the housing stock, high demand for rentals, and high rent prices in relation to household incomes. These issues are further exacerbated by a housing system characterised by systemic undersupply. This paper does not explore all these issues. Rather, it is one of a suite of discussion papers and technical reports being developed on aspects of Auckland's housing system. These papers support the Auckland Plan's goals for the provision of good quality, healthy homes and an increased quality of life for all the region's residents. Among Auckland's most vulnerable populations, it appears exploitative landlord-tenant relationships are having a large effect, both on the lives of tenants and the neighbourhood that surrounds their dwellings. Addressing issues around exploitative landlord-tenant relationships is an important element in achieving these goals.

### 2.1 Background

In Aotearoa New Zealand, housing has long been a central feature of social life and political policy (Howden-Chapman, 2015; Brookes, 2000). Housing and property ownership plays an essential role in defining the national identity and in household wealth formation, with those able to own property more fully identified with embodying a New Zealand identity than those who are renting. In recent years, there

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<sup>1</sup> Auckland Council's Research and Evaluation Unit discussion papers are intended to generate and contribute to discussion on topical issues related to Auckland. They represent the views of the author and not necessarily those of Auckland Council.

has been a renewed focus on housing provision in Aotearoa New Zealand due to significant changes in housing ownership rates and demographic changes that are impacting the housing market correlated with rapidly rising house prices (Goodyear and Fabian, 2014). Literature on this topic is increasingly critical, noting in particular the relationship between poor quality housing and the health and well-being of tenants, including the broader social and public health impacts (Eaqub and Eaqub, 2015). This has led to a focus on the technical dimensions to landlord-tenant relationships, such as the potential for a housing warrant of fitness system, or the recent legal requirements for rental dwellings to be insulated and fitted with smoke alarms.

There is also substantial discussion of the gaps and loopholes in the legal frameworks around renting, particularly, shortcomings of the Residential Tenancies Act 1986 in favour of landlords. This literature accepts that these shortcomings insufficiently clarify landlord-tenant relationships, potentially opening them to exploitation. Similarly, the financial attractiveness of property investment increases the temptation for inexperienced or unscrupulous individuals to enter the rental sector, seeking to leverage high levels of capital gains by intentionally offering substandard, overcrowded, illegal dwellings for tenancy. These are important issues, but this analysis disregards the features of exploitative landlord-tenant relationships, except insofar that they are enabled by legal and financial incentives.

These issues have a direct bearing on Auckland's future. A vision of the Auckland Plan is 'A fair, safe and healthy Auckland'. To achieve this vision, Auckland Council has identified the need for six transformational shifts. Transformational Shifts One, Four, Five, and Six have a relationship to the issues around exploitative relationships between landlords and tenants. Shift One states "Dramatically accelerate the prospects of Auckland's children and young people; Shift Four states "Radically improve the quality of urban living; Shift Five states "Substantially raise living standards for all Aucklanders with a focus on those most in need"; Shift Six states "Significantly lift Māori social and economic wellbeing" (Auckland Council, 2012).

Young people (including students), Māori and Pacific peoples – and more recently new migrants and international students – are over-exposed to exploitative landlord-tenant relationships (Amore, 2016). Furthermore, the tendency for exploitative landlords to house tenants in sub-standard or over-crowded accommodation offers a challenge to Auckland Council's efforts to transform the quality of urban living and living standards of Aucklanders. Therefore, it is timely to explore the relationship between exploitative landlords and their tenants so that those vulnerable households are not overlooked in the debates and policies set in motion around Auckland's housing affordability crisis.



## **3.0 Exploitative Landlords and Vulnerable Households**

The image of exploitative landlords connotes 'slum lords' presiding over overcrowded, cramped, and unhealthy accommodation. Often associated with this is a belief that tenants are there by choice. While there can be some truth in these categorisations, this paper seeks to provide more nuance. This nuance is necessary because exploitative landlord behaviour emerges in relationship to the housing needs of vulnerable households; needs that can be hard to meet due to the pressures created by Auckland's housing crisis. Furthermore, exploitative landlord-tenant relationships are enabled by a regulatory environment that enables such relationships to emerge. This means that exploitative landlord-tenant relationships have a number of dimensions, and are not always based on strictly financial gain.

### **3.1 Vulnerable households**

A recent study by Mills et al. has discussed the housing challenges facing vulnerable households. They define vulnerability as:

Vulnerability is multifaceted and provides a broader catchment for those experiencing numerous hardships. Vulnerable groups include, amongst others, those with mental health problems, addictions or physical impairments, rough sleepers, refugee populations, victims of family violence and those leaving institutional accommodation such as prison. Vulnerability is often linked to economic and social marginalisation, and disproportionality affects Māori. (Mills et al., 2015, 4)

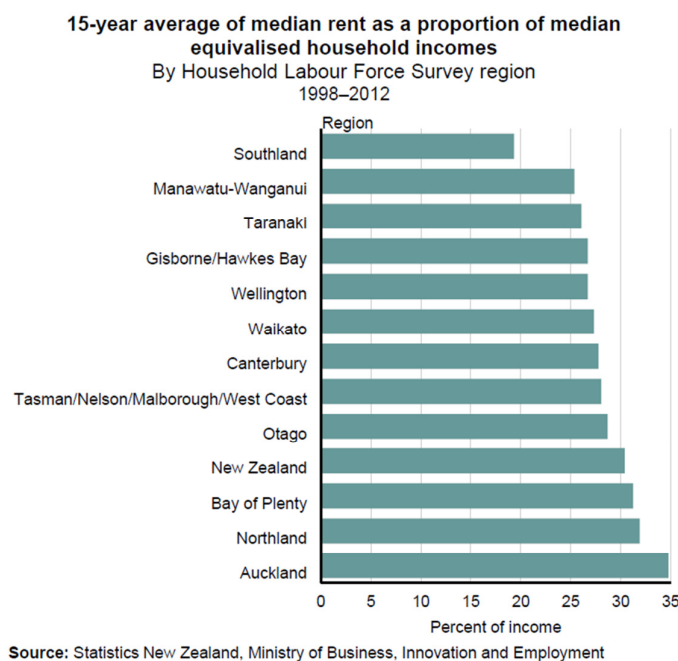
It is reasonable to assume exploitative landlord-tenant relationships will be found among this group because they can struggle to find housing. This means they will knowingly enter housing arrangements with illegal dimensions or accept unhealthy dwellings, as they have few other options (Amore, 2016).

Since this definition of vulnerability was developed, further groups have emerged that are also exposed to exploitative landlord-tenant relationships. New migrants and international students appear particularly susceptible to exploitation (Collins, 2017b; Stringer, 2016). The reasons for their vulnerability are new migrants and international students can be limited by visa conditions, lack knowledge about acceptable housing arrangements, have few social relationships, and access to limited funds.

Tertiary students in Auckland face similar issues. A University of Auckland study found that from 2013-2015 there was an 8.2 per cent decrease in student satisfaction with accommodation cost, and a 6.0 per cent decrease in satisfaction with accommodation access. Recent media coverage suggests that these figures have

likely increased since 2015 (Bowker, 2017). Similarly, there is concern about an emerging guest worker economy, defined by a temporary work visa system where migrant workers will only be allowed to stay in the country for a limited amount of time without a pathway to permanent residence. According to Collins, this will see new migrants become “increasingly marginalised and subject to exploitative practices by employers, agents and others who target the vulnerability that migration policy creates” (Collins, 2017a).

In Auckland these vulnerable households have had to confront the challenges of housing crisis. Auckland’s housing crisis contains a number of dimensions. Recent research from Massey University shows that nationally, Auckland has the lowest rates of home ownership, and, at 35 per cent, the highest proportion of rental tenancies (SHORE and Whariki Research Centre, 2017). Auckland is also the most expensive place to rent in Aotearoa NZ; median rent in Auckland is 35 per cent of median incomes, compared to 30 per cent nationally (Figure 1) (Statistics New Zealand, 2013).



**Figure 1**

Bond lodgement data from MBIE gives an indicative snapshot of the increase in rent prices in the formal rental sector (Figure 2). Bonds are lodged with MBIE at the start of a new tenancy and the amount of the bond is capped at four weeks. MBIE records the bond amounts as they process them. This information shows an increase of 76.2

per cent in the rent prices of a two bedroom dwelling in Auckland from December 2002 to August 2017, and an 88.9 per cent increase since August 2014. A four bedroom dwelling in Auckland has increased 80.8 per cent from December 2002 to August 2017, with an 89.3 per cent increase since August 2014.

Bond Lodgements – Auckland

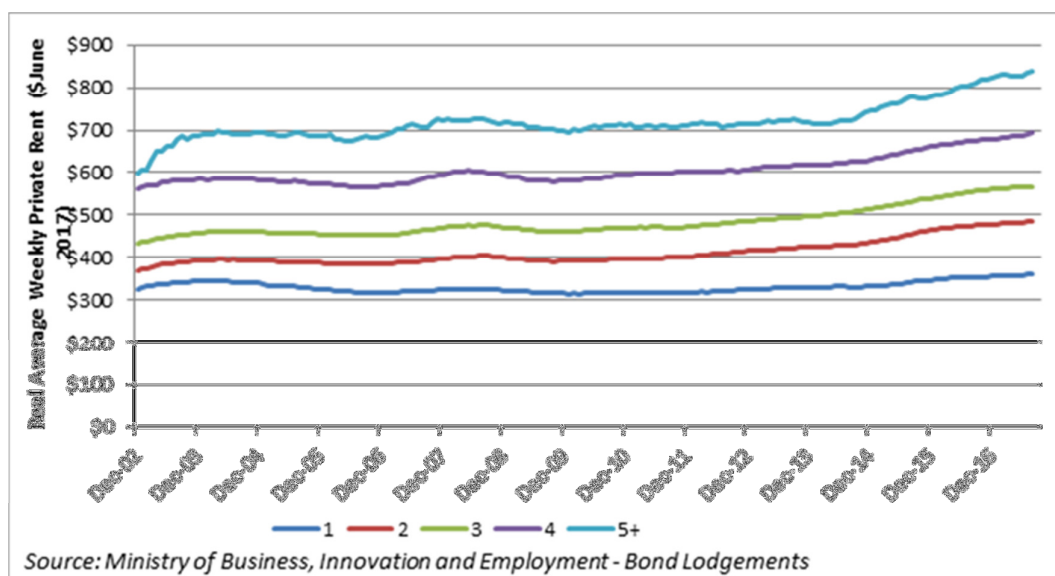


Figure 2 – MBIE, Regional Rental Prices

This increase in rent prices has had big impacts on vulnerable households, including increasing their exposure to exploitative landlord-tenant relationships. Later in this paper I seek to extrapolate from census data the scale and extent of such exploitation among vulnerable household. For landlords engaged in exploitative relationships their motivations can be more opaque. What does appear clear is that they appear to leverage their tenant’s vulnerability for their own gain.

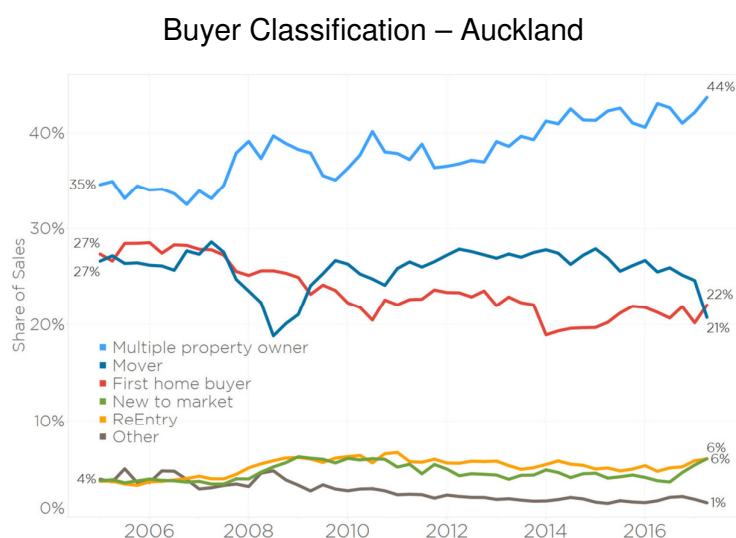
### 3.2 Landlords

Exploitative landlords are those property owners who are leasing their property in ways that contravenes the legal rules governing rental arrangements in Aotearoa New Zealand. These legal rules are defined by the Residential Tenancies Act 1986, which distinguishes between periodic/fixed term tenancy, boarding houses, and service tenancies. Periodic/fixed term tenancies are those where the tenancy continues until the landlord or tenant gives notice or for which a fixed term is stipulated. Typically these leases involve the lease of a whole dwelling. Boarding houses tenancies apply to tenure where only a single room is being rented and

where facilities are shared by at least five other tenants. A service tenancy is where an employer provides accommodation to an employee for the duration of the employment.

As noted above, the working definition of exploitative landlords used in this paper focuses on the way in which illegal actions structure their relationship to tenants. It could be argued that this definition sets a high bar for exploitative behaviours as it does not capture issues such as the overall poor quality of rental housing (White et al., 2017), the legal imbalance between landlords and tenants (Hargreaves, 2017a; McAllen, 2015), or the financial loopholes that see property owned for purposes of capital gains or as a tax shelter (Fallow, 2017; Hickey, 2017; Coleman, 2017). All these factors contribute to the structural configuration of Auckland housing market that makes it amenable to exploitative relationships between landlords and tenants, exacerbating inequality and increasing the likelihood of anti-social behaviour (Rashbrooke, 2013; Howden-Chapman, 2015).

Landlords make up 44 per cent of the property owners in Auckland. The number of landlords has increased by 10 per cent since 2006 (CoreLogic, 2017; also Hargreaves, 2017b). This increase in landlords has recently been attributed to a change in Aotearoa New Zealand’s tax structure during the 1980s and 1990s when property was transformed into an accessible investment, and which has subsequently seen the rise of ‘ma’ and ‘pa’ investors (SHORE and Whariki Research Centre, 2017, 16; Bierre et al., 2010).



**Figure 3 - Corelogic, 2017**

Landlords who engage in exploitative relationships with their tenants also likely seek to benefit from the large increases in capital gains in Auckland. However, exploitative landlords also seek to maximise their financial gain at the direct financial and health expense of the tenants. Exploitative leasing arrangements aim to maximise the landlord's financial gain by privatising the benefits that public support services provide to vulnerable populations. This is perhaps most obvious in the way that the accommodation supplement is channelled directly to the landlord. However, this can also apply to public health services as the public health support provided to vulnerable households affected by poor quality housing enables the exploitative landlord to continue providing this housing. This means that the exploitative landlord is extracting the health benefits provided by public health services from vulnerable tenants by exposing them to unsafe and unhealthy accommodation. The exploitative landlord is not accountable for undermining the health of their tenants but instead transforms this health into their financial gain. The health costs are instead picked up by the public health system.

### **3.3 Locating exploitative landlord-tenant relationships**

Alongside understanding something of the choices, motivations, and influences behind exploitative landlord-tenant relationships there are also patterns to where these relationships are occurring. Identifying these places can potentially support targeted intervention programmes by central and local government.

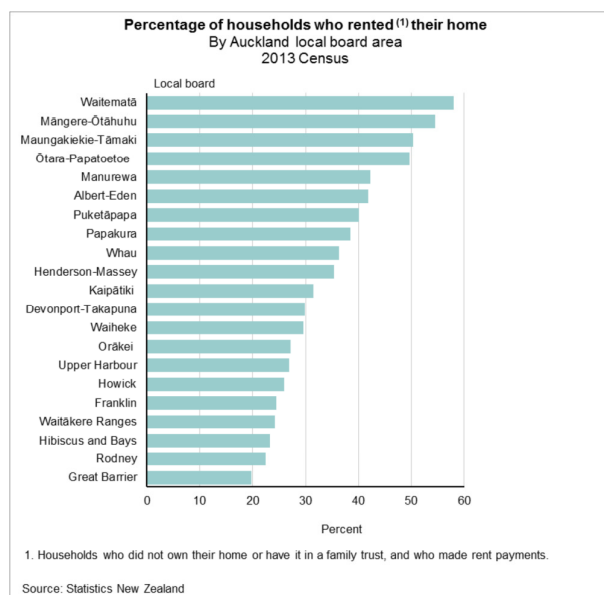
#### **3.3.1 Vulnerable neighbourhoods**

Due to the increase in rental prices, those parts of the city that were previously affordable have seen households having to choose between homelessness, poor quality dwellings, and, potentially, exploitative landlords. Census data from 2006 and 2013 shows an 18.5 per cent increase in the number of renters in Auckland, from 130,227 to 154,347 (Figure 4):

Since 2006 however, the percentage who rented has increased in nearly all local board areas. The largest increases (in percentage points) were in: Māngere-Ōtāhuhu (by 6.3 percentage points to 54.5 per cent in 2013), Waitemata (by 5.8 percentage points to 58.0 per cent in 2013), and Ōtara-Papatoetoe (by 5.7 percentage points to 49.6 per cent in 2013)" (Goodyear and Fabian, 2014, 46).

The suburbs identified here by Goodyear and Fabian can be associated with large numbers of vulnerable households. The case studies discussed above all fall within these areas, and they all score highly in household deprivation data (Auckland

Council, 2013). The local board area of Waitematā appears to provide particular opportunities for exploitation, due to the increasing number of international students living in the CBD.



**Figure 4**

One example that was recently in the media exposed a Rotorua-based landlord who was advertising a one-bedroom apartment in Whitaker Place in Auckland’s CBD. The advert was for a tenant to sleep on a bunk bed, sharing the room with four other tenants. The listing was decried by Philip Macalister of Property Investor Magazine:

“This person is probably targeting international students deliberately because they don’t know what to expect when they come to New Zealand and they might come from countries where overcrowding and jamming lots of people into houses is the norm,” he said.

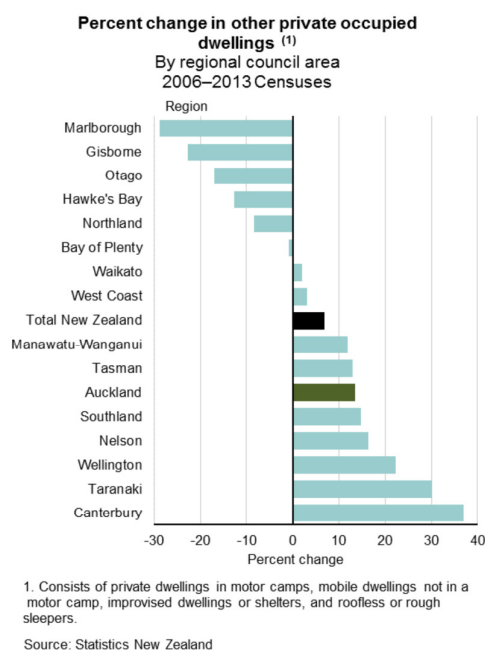
“They don’t do landlords any good.” (Burns-Francis and Bathgate, 2016)

When the landlord was approached for comment, she remarked “Why do you want to talk about the advert? It’s nothing negative is it?” (Burns-Francis and Bathgate, 2016).

### 3.3.2 Dwellings

A further possible way to identify where exploitative landlords may be operating is in census data that identifies the kinds of dwelling households reside in, particularly the dwelling category of ‘Other Private.’ This is a significant category for vulnerable households because it includes mobile homes, motor camps, and improvised

dwellings; all are likely to house vulnerable households. Goodyear and Fabian note that from 2006 to 2013 there has been a 13.4 per cent increase in ‘Other Private’ dwellings in Auckland, with the increase in Auckland being nearly twice the overall national increase (Figure 5). Increases in Christchurch would be due to the earthquake, and that increase in Tasman and Nelson likely reflect the popularity of the area with travelling retirees (Goodyear and Fabian, 2014, 31).



**Figure 5**

Within Auckland, Goodyear and Fabian also note that:

The Auckland local board areas that showed the largest increases in people living in these types of dwellings were: Henderson-Massey (144 more people), Māngere-Ōtāhuhu (111 more people), and Howick (102 more people). (Goodyear and Fabian, 2014, 31)

Goodyear and Fabian also discuss the labour force characteristics of people living in these dwellings. They note that they are “less likely to be employed (57.5 per cent), and more likely to be unemployed (7.4 per cent) or not in the labour force (35.1 per cent) than other people living in private dwellings. The comparable figures for people living in separate or joined dwellings were: 62.8 per cent employed, 5.3 per cent unemployed, and 31.9 per cent not in the labour force.” (Goodyear and Fabian, 2014, 31)

Within the census data, boarding houses are considered non-private dwellings. Non-private dwellings are those that provide short or long-term communal or transitory type accommodation, and include hotels and motels, hostels, care facilities, and boarding houses. Goodyear and Fabian note that boarding houses in particular are “associated with housing deprivation” (Goodyear and Fabian, 2014, 32). The census defines boarding houses as dwellings intended for boarders, which have lockable bedrooms that are rented by the room, are based around communal facilities, and include 6 or more boarders. They found that in Auckland in 2013, 1362 people lived in dwelling that could be identified as boarding house, and that of the local board areas the highest numbers of people living in boarding houses were Māngere-Ōtāhuhu (456 people), Albert-Eden (357 people), and Waitemata (207 people) (Goodyear and Fabian, 2014, 10). This figure accounts for half of the national figure of 2715. However, Goodyear and Fabian also consider this is likely to be an undercount as boarding houses are difficult to identify and classify.

Half of those that live in boarding houses in Auckland have lived there for less than a year. This would seem unsurprising given that boarding houses are considered as temporary accommodation. However, for the other half of boarding house residents, “nearly a third have lived there for one to four years, and 1 in 10 having lived there for five to nine years” (Goodyear and Fabian, 2014, 10). Goodyear and Fabian also note that the census found:

In Auckland and nationally, boarding house residents were more likely to be male than female, with a two third/one third split. Most of those in Auckland were adults aged from 25 to 64 years, but there were also children (69 aged less than 15 years), teenagers (96 people), and people aged 65 years and over (81 people) living in these dwellings. (Goodyear and Fabian, 2014, 10)

Māori and Pacific peoples are over-represented in the ethnic makeup of boarding house residents (Goodyear and Fabian, 2014). Māori made up 21.9 per cent, and Pacific peoples 29.3 per cent, of boarding house residents. Boarding house residents of Asian ethnicity were also of a notable proportion at 20.4 per cent, and while those of a European ethnicity were the largest proportion of boarding house resident at 35.7 per cent, this is substantially lower than those of European ethnicity in Auckland’s population (59.3 per cent).

Other notable aspects to Auckland’s boarding house residents are that over 75 per cent did not have a partner, and that half were employed and a third were “not in the labour force” (Goodyear and Fabian, 2014, 10). Relatedly, 60.2 per cent of Auckland boarding house residents had incomes of \$20,000 or less, and only 6.3 per cent had incomes over \$50,000. However, Goodyear and Fabian also state that “Some



caution is needed in interpreting the data on boarding houses and their residents due to the undercount, and because they had relatively high non-response rates to some questions. For example, 19.5 per cent of Auckland boarding house residents did not answer the income question” (Goodyear and Fabian, 2014, 10).

## 4.0 Case Studies

Recent media reports in Auckland exposing exploitative landlord-tenant relationships provide a useful starting point for identifying some of the traits that can be associated with exploitative landlord-tenant relationships. The first case study is from the suburb of Manurewa where Aotearoa New Zealand's first case of renter exploitation was recently prosecuted. The second case is from Flatbush, where Auckland Council recently was awarded damages following the successful prosecution of a developer for erecting illegal dwellings and discharging human waste from the property into an adjacent stream. I also discuss recent coverage of Grey Lynn's notorious St Joseph's lodge and the emergence of sex-for-rent tenancies, before noting some of the unifying themes of these case studies.

### 4.1 Case study one

In March 2017, an Auckland landlord was ordered to refund \$15,840 in rent and pay \$750 in damages to a family to whom he had rented a converted garage (Ryan, 2017). The prosecution was the first by the Ministry of Business, Innovation and Employment's (MBIE) Tenancy Compliance and Investigations Team (Rowe, 2017). This particular property came to their attention following reports in 2016 that the landlord had been forced to evict a family from the garage because he had converted it into a three bedroom flat without resource consent (Collins, 2016b). According to the manager of the Tenancy Compliance and Investigations Team:

"Our investigations found that the Auckland Council had issued [the landlord] notices to cease using the premises as a third household unit and to remove unconsented building works, reverting the building back to a standalone garage. [The landlord] continued to rent the garage before this work was completed," Mr Watson says.

"We also found that this was not the first time [the landlord] had rented the converted garage to a tenant." (Ministry of Business Innovation and Employment, 2017)

### 4.2 Case study two

In January 2017, an Auckland developer and co-owners of a property in Flatbush were ordered by the Environment Court to evict their tenants due to the health risks of unconsented buildings and sewerage systems (Dennett, 2016). The Environment Court also awarded Auckland Council 80 per cent of their court costs, worth \$90,000, following the successful prosecution. The developer erected eight temporary

dwellings when they had consent for one, and flushed human waste directly into a stream that ran past the property. According to one report, the developer is well-known to authorities for his illegal earthworks and property modifications (Fonseka, 2017).

It is also important to highlight the developer's attitude to the convictions. Building Control at Auckland Council also consider that the exploitative landlords have a distinctive attitude. In conversation with them, they described landlords who engaged in exploitative relationships with tenants as "narcissistic" (Auckland Council, 2017). This appears to be consistent with exploitative landlords, one of whom was recorded as saying:

I don't care what the judge says. I know that under the current rules I'm not favourable at all. But I'm the first person to do the revolution. (Nelson, 2016)

This point will be discussed in more detail later, but the self-importance that exploitative landlords appear to ascribe to their behaviour points to an important dimension to their relationships with tenants.

### **4.3 Case study three**

A further example of exploitative landlord-tenant relationships recently in the media was at St Josephs in Grey Lynn. This property came to prominence in March 2017 where an Auckland Council inspection noted:

- Evidence of rat infestation. Inspectors saw a rat on the premises.
- 'Extremely dirty conditions' in the kitchen, with dirt accumulated on the walls and floors.
- Cracked and peeling ceiling paint in the kitchen and bathrooms.
- Mould growth is evident on the ceilings.
- Piles of food waste in the backyard.
- 'Unpleasant odour within the premises.' (Braunias, 2017b)

The building was constructed in 1922 and is formerly a convent. The current owner purchased the building in 1996, and "rents out about 20 rooms to bums and beggars, addicts and the mentally ill, also some functioning tenants who have made it their base and don't especially want to move, because where else would they go?" (Braunias, 2017a). At the time of the media coverage, Turner was served with notices from Auckland Council for breaches of a large number of health and safety regulations, and that he had a month to "fumigate, clean, and repair" (Braunias, 2017a). Shortly after these reports emerged, the Minister of Building and

Construction referred the property to MBIE's Tenancy Compliance and Investigations Team (Collins, 2017c). The building is currently for sale.

#### **4.4 Case study four**

This sense of entitlement and benevolence links the financial exploitation to other forms of exploitative landlord-tenant relationships. This is perhaps most visible in the rise of sex-for-rent relationships (Walters, 2015). In January 2016, the NZ Herald found that:

these arrangements often stem from teenagers and young women being propositioned for sex by landlords and hostel owners, or targeted in online advertisements where men offer to share one-bedroom apartments in exchange for "some real fun". (Carville, 2016)

The NZ Herald also stated:

The number of reported sex-for-rent cases has been described as the "tip of the iceberg" by a university student representative, who says many of his peers are struggling to cope with rising rental costs, while social agencies across the country have rescued vulnerable women trapped in these transactions. (Carville, 2016)

In their investigation, the NZ Herald found such arrangements were common around Aotearoa New Zealand but were particularly targeted at international visitors, including backpackers and students.

## 5.0 Discussion

The above case studies represent a small sample of the recent reports that have been raised in the media about such exploitation. Further articles have addressed the intentional overcrowding of international students in the inner city (Burns-Francis and Bathgate, 2016; Pryor, 2014), migrant workers (Meier, 2015), and young adults (Collins, 2016a). Exploitative landlord-tenant relationships should not be considered to have strictly financial benefits for the landlord. These case studies have shown that there can be a strong financial incentive to the relationship, exploitative landlord-tenant relationships, but that they also emerge from a sense of entitlement and self-importance that informs the landlord's actions. Landlords can appear to think they are acting honourably by providing accommodation to those who might otherwise struggle to find housing. In such instances, landlords can even consider that their actions are helping to solve Auckland's housing problems, disguising the fact that this occurs with large financial benefits.

Across these media reports, there are a number of common features that can give an indication of the behaviours of exploitative landlords:

- the deliberate violation of laws and regulations pertaining to tenancy and boarding house situations;
- are typically well-known to regulatory and law-enforcement authorities;
- only enact changes if forced to by regulatory or law-enforcement authorities;
- they are solely focussed on financial returns, over and above social and neighbourhood impacts;
- vulnerable populations are especially exposed to exploitative landlords.

Auckland Council has an important role in confronting these issues, especially through its Building Control Team. They noted that in the course of their work they are faced with challenging decisions, on the one hand required to enforce compliance measures in relation to the dwelling, while on the other considering the needs of the tenants who would likely be made homeless should the dwelling be closed down (Auckland Council, 2017).

Writing of the phenomenon of exploitative landlord-tenant relationships in the UK, and drawing in particular from the emergence of sex-for-rent tenancies, Poppy Noor states that:

...it is not because of technical flaws that this kind of exploitation exists. The problem exists because people need homes, and they've been offered nothing but the rules of supply and demand to navigate that need. In such an unequal

market as ours – where some can afford to invest in multiple, million-pound complexes as an investment while others wonder where they will live next week – this represents the tipping point. Increasingly priced out, some are forced to trade in a currency that no one but those in the most desperate circumstances would contemplate – in this case their bodies. (Noor, 2017)

Noor notes the claims of landlords that “they saw no difference between this type of deal and charging extortionate rents to those who can’t otherwise afford it” (Noor, 2017). In this way, the entitlement that a landlord can potentially feel by virtue of offering shelter can lead them to misconstrue their own rights and moral duties to their tenants, whether that is the condition of the dwelling they are renting, or the kind of transaction they will expect.

As for the landlords that instigate or provide exploitative arrangements, their actions show strong self-interest, particularly when there are high financial gains to be accrued. This tends to involve the provision of unsafe or illegal dwellings; however, some actions from exploitative landlords also suggest that there are other power relations that inform why they exploit vulnerable tenants. In particular, the levels of self-importance these landlords can express suggest that they see themselves above or beyond the law. Similarly, the rise of sex-for-rent tenancy relationships, while not technically illegal, suggest that it is the achievement of power itself that can be at stake for exploitative landlords.

These kinds of exploitative landlord-tenant relationships raise the questions as to whether a market approach to managing housing can effectively regulate such power relationships, especially as one party – the landlord – holds much of the power. Similarly, there is also a question as to whether it is appropriate for the market to provide housing to vulnerable people. There are, however, regulatory levers that could be strengthened through building inspection, warrants of fitness, provision of public housing, and other mechanisms under the control of central and local government. These would potentially mitigate some of the worst impacts of exploitative relationships and ensure that quality of renting housing is such that it does not negatively impact the health of tenants.

## 6.0 Conclusion

The relationship between exploitative landlords and their tenants is complex. Tenants – particularly vulnerable ones – often have very few alternative housing options and in Auckland’s tight rental market are potentially willing to risk their health or enter informal or illegal arrangements in order to be assured of some form of shelter. This vulnerable demographic is heavily structured along ethnic and income lines, and it follows that those areas where Auckland’s vulnerable population live is also where it is likely to find exploitative landlord-tenant relationships.

It is important to note that Auckland’s CBD is recognised as being particularly vulnerable to such exploitation due to the large number of international visitors, notably students, who reside in that area. These tenants can struggle to get landlords to take action on poor quality housing as they are likely to be homeless without the accommodation these properties provide, or they might even be grateful to them for providing shelter. There is thus little incentive for the landlord to provide healthy affordable accommodation as the demand for the poor quality yet cheap housing is high.

The issue of exploitative landlord-tenant relationships is likely to surface increasingly in Auckland in the coming years. While the Auckland Unitary Plan is intended to offer more affordable housing, it will be many years until this housing is available, and meanwhile, population pressures continue to further raise demand and the price of housing. Likewise, while the housing market has recently plateaued, rents are not expected to drop. These conditions will further increase the numbers of vulnerable people, and make it more likely that some landlords will seek to extract whatever gain they can for their individual benefit. Therefore, it is imperative that central and local government consider the use of regulatory mechanisms to protect the well-being of vulnerable households.

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