

Renting in Auckland: Tenant, Landlord and Property Manager Perspectives

Jennifer J L R Joynt

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Executive summary

The rental sector is a significant aspect of Auckland's housing landscape. The percentage of households recorded as renting their home is greater in Auckland than any other region in New Zealand. Rental affordability in Auckland has been an enduring issue; the median rental cost is \$536 per week (MBIE, 2017), which for an average earner would account for more than 30 per cent of their income, and be classified as unaffordable.

Internationally and nationally there is an increasing body of evidence on the private rental sector that highlights growing inequity between homeowners and those in the private rental system. This inequity is felt in economic terms, as tenants fail to benefit from the wealth creation opportunities found in homeownership. Private rental occupancy has also been linked to lower social, health and educational outcomes (White, et al., 2017). The literature links the cause of these low outcomes with the relatively poor quality of housing stock in the private rental system, and the limited rights tenants have under rental legislation (Howden-Chapman, 2015; White, et al., 2017).

This Renting in Auckland study was initiated by Auckland Council to develop a deeper understanding of the private rental housing market in Auckland from the perspective of tenants, landlords and property managers.

Three key themes emerged as part of the research: unaffordability in the Auckland private rental system, poor housing stock quality, and power imbalances between tenants and landlords. The key findings are:

- Many tenants, landlords and property managers agreed that rents in Auckland were unaffordable, and that the lack of affordable options for tenants was impacting on quality of life for many.
- The decline in rental affordability is multi-faceted; competition between tenants, opportunistic price rises by landlords as well as other discretionary charges applied by property managers, are all contributors.
- Fear of rising rents was more commonly reported than actual price rises, and this fear affected tenants' ability to feel settled and enjoy their home completely.
- Tenants showed resilience in the face of rising rental costs, finding adaptive measures including; moving out of Auckland; sharing housing costs or accepting unsuitable housing.
- Damp and mould were the most commonly reported housing quality issues. Assigning responsibility to address mould issues reportedly caused conflict between tenants and landlords.
- Poor stock quality was attributed to both landlords' reluctance to pay for repairs and tenants failing to report issues or undertaking poor quality work themselves. All of these problems happened as a result of legislative weakness and lack of clarification around expected standards, reporting and inspections. Where tenants were reluctant to report issues of repair and maintenance this was attributed to feeling wary of being labelled a 'bad tenant' or that it was their responsibility to fix things.

- Neither tenants nor landlords reported feeling completely satisfied with the balance of power in the private rental system. Tenants however emerged as the most disenfranchised. Hampered by ambiguous legislation, insecure tenure, competition for properties, rising costs and a fear of reprisals, tenants' most common reaction was to exit the situation rather than seek a resolution.

The causes of the issues in the private rental system in Auckland are numerous. Improving the system will require a multi-pronged approach which could include:

- improved tenant security and rights, increasing with tenure length
- clarification in the Residential Tenancies Act 1986 regarding stock quality standards and responsibilities
- better support for tenants navigating the Tenancy Tribunal system
- establish open systems to enable background checks on landlords
- a warrant of fitness for rentals in Auckland, in conjunction with insulation grants or low interest loans for private landlords to make improvements to prevent costs being passed on to tenants
- rental stabilisation schemes
- increased affordability in the house buying sector, to allow progression out of private rentals if desired
- controlled immigration (or redirection from Auckland)
- increased provision of social housing and an alternative to the accommodation supplement.

Improving the rights and experiences of tenants could enable a shift in perspective about the value of rentals. Currently there is a fixation on the idea that everyone in New Zealand should travel along a housing continuum to the goal of home ownership. If health, welfare and financial outcomes for tenants were not so compromised relative to homeowners the option of renting could offer an equivalent experience to other tenure types.

Table of contents

Acknowledgements	iv
Executive summary	v
Table of contents	vii
1.0 Introduction	1
1.1 Background to this study	2
1.2 About this report.....	2
2.0 Literature review	4
2.1 The housing system	4
2.2 New Zealand's private rental system.....	6
2.3 Housing affordability.....	6
2.4 Rental experiences	7
2.5 Auckland housing stock quality	9
2.6 Power imbalances in the private rental system.....	10
3.0 Census data on renting	12
4.0 Research design and sample characteristics	14
4.1 Research design	14
4.1.1 New Zealand Rental Sector study	14
4.1.2 Study of residential property managers	14
4.2 Sample characteristics	15
4.2.1 Tenants.....	15
4.2.2 Landlords	17
4.2.3 Property managers.....	18
5.0 Perspectives and experiences of rental affordability in Auckland	20
5.1 Perception of rental costs by tenants, landlords and property managers.....	20
5.2 Perceived causes of rising rental affordability in Auckland	21
5.2.1 Opportunistic profiteering	21
5.2.2 Limited price regulations	23
5.2.3 Commodification of housing	23
5.2.4 Negative tax gearing	25
5.2.5 The accommodation supplement's role in rent rises.....	25

5.2.6	Competition.....	27
5.3	Adaptive strategies for increasing rental costs	28
5.3.1	Subletting and multi occupancy arrangements	29
5.3.2	Relocation or acceptance of unsuitable accommodation	29
5.3.3	Below market rents	31
5.4	Rental affordability summary discussion and recommendations.....	32
6.0	Perspectives on housing stock quality	34
6.1	Rental housing stock quality.....	34
6.1.1	Damp and mould.....	34
6.1.2	Provision of heating.....	37
6.1.3	Tenant housing quality expectations	38
6.2	Perceptions of maintenance responsibilities.....	39
6.2.1	Tenants' role in maintenance	40
6.2.2	The impact of stereotypes of good and bad tenants	42
6.2.3	Landlords' role in maintenance.....	43
6.2.4	Perceptions of the Warrant of Fitness	45
6.2.5	The role of inspections in stock quality	47
6.3	Exit or voice – reactions to poor housing stock quality.....	49
6.4	Rental housing stock quality summary discussion.....	49
7.0	The perceived power imbalance in the private rental system.....	51
7.1	Impacts of the Auckland rental market on tenant disempowerment.....	51
7.1.1	Accessing accommodation and the tenant selection process	51
7.1.2	The use and misuse of background checks.....	52
7.2	Power and the Residential Tenancies Act 1986	53
7.2.1	Insecure tenure and involuntary exit.....	53
7.2.2	Improving security of tenure in rentals.....	56
7.2.3	Landlord perceptions of power	56
7.2.4	Power imbalance and the vulnerable.....	57
7.2.5	Constructive eviction	58
7.2.6	Disregard for legislative protection	59
7.3	Tenancy Tribunal	61
7.3.1	Tenants perceptions of the Tenancy Tribunal.....	61

7.3.2	Property manager and landlord perceptions of the Tenancy Tribunal.....	62
7.3.3	Avoiding adversarial relationships	64
7.4	Power imbalance summary discussion.....	64
8.0	Discussion and conclusions	66
8.1	Increasing affordable housing	66
8.2	Improving housing stock quality	67
8.3	Addressing the power imbalance in private rentals.....	67
8.4	Regulating the property management sector.....	68
8.5	Improving Auckland's rental system: local council and national government roles..	69
9.0	References.....	71
Appendix A: Interview schedules		79
Appendix B: Thematic codes		85
Appendix C: CATI survey questions		87

1.0 Introduction

This report on Renting in Auckland was initiated by Auckland Council to develop a deeper understanding of the private rental housing market in Auckland. The private rental system plays an increasingly important role in Auckland's housing system, as it bridges the gap between state housing and private home ownership.

Home ownership rates peaked in 1991 (Goodyear & Fabian, 2014) and have been on a downward trajectory ever since. Current levels are back to where they were in 1951 (Howden-Chapman, 2015). In Auckland, the rate of home ownership (measured here as households that own the dwelling they are living in or the dwelling is owned by a family trust) dropped from 72.7 per cent in 1991 to 61.5 per cent in 2013 (Auckland Council, 2014a). Correspondingly, private rental occupancy has grown, while access to social housing has declined (Goodyear & Fabian, 2014).

The experience of tenants in the private rental sector is a growing area of concern in New Zealand. The cost of renting is increasing, and has not been matched by associated inflationary wage growth. As a consequence, many households are facing unaffordable rental costs and are required to spend more than 30 per cent of their income on rent (MBIE, 2017).

Not only are rental costs increasing, particularly in Auckland, but the quality of rental housing is in decline (White, et al., 2017). This is having a notable impact on the health and educational outcomes of tenants relative to those in owner-occupied tenure (Howden-Chapman, Baker & Bierre, 2013). Access to good quality housing for Aucklanders is a key objective of the Auckland Plan, which notes that secure, healthy and affordable housing is fundamental to individual, family/whānau, community and economic well-being (Auckland Council, 2012). As renters now make up a growing proportion of the Auckland population, the individual, community and economic impacts will grow too.

Accessing affordable good quality rental housing is becoming more challenging. This is important, as unaffordable and poor quality housing has implications for health, education, tourism, infrastructure, and employment (Tuatagaloa, 2017).

Auckland Council recognises the need to improve the private rental stock, and committed in the Auckland Plan to explore legislative, regulatory or voluntary measures, such as a Warrant of Fitness (WoF) scheme (Auckland Council, 2012:Sec 631).¹

On a practical level, Auckland Council's Building Control unit work at the front line with tenants experiencing the worst of the private rental market. Through engaging with stakeholders in the private rental system Auckland Council can gain a greater understanding of challenges and opportunities to improve outcomes for all.

¹ The WoF was tested in field trials in 2015 and found to be an effective means of standardising a test on the suitability of rental properties for habitation under set criteria. In addition to supporting the development of the WOF Auckland Council also made a submission on the Residential Tenancies Amendment Bill (No 2) in 2016 in support of the mandatory insulation and smoke alarms for all rental houses, Council also recommended that the Ministry of Business, Innovation and Employment (MBIE) add random auditing as a means of proactively ensuring compliance with the regulations (Auckland Council, 2016).

1.1 Background to this study

This report on the experiences and perceptions of private tenants, landlords and property managers in Auckland emerged from Auckland Council's support for, and involvement in, a BRANZ-funded study titled The New Zealand Rental Sector, led by Massey University's SHORE and Whariki Research Centre. The primary objectives of The New Zealand Rental Sector study were to more fully understand the experiences, situations, expectations and plans of those who rent property and who own rental property; to identify changes in the rental market since 2011; and to inform strategies to enhance the future performance of the private rental system (Witten, et al., 2017).

The New Zealand Rental Sector study has a central focus on the relationships between tenants and owners as landlords. It includes analysis of primary and secondary data in several urban areas in New Zealand including Auckland, Wellington, Christchurch and Dunedin.

Auckland Council has an active interest in understanding the current dynamics of the private rental market in order to effectively advocate for positive change and set policy. To that end, members of the council's Policy Unit and Research and Evaluation Unit (RIMU) worked alongside the SHORE and Whariki research team in the design and analysis phases, to ensure that the results for Auckland would be relevant and the final Auckland sample size robust.

This report draws on results from the broader BRANZ study as well as an associated study undertaken by RIMU exploring the residential property management sector in Auckland (Reid, 2017) and national and international literature. It presents a picture of the private rental sector within the context of the pressurised Auckland housing market. In addition the report explores recommendations for addressing the issues that emerged from the interviews. The findings will contribute to council policy and add to a deeper evidence based understanding of the private rental sector in Auckland.

1.2 About this report

The three main themes describing the Auckland rental system which emerged from the qualitative analysis of the tenant, landlord and property manager interviews were:

- Lack of affordability
- Poor housing stock quality
- Power imbalance

Section 2.0 of the report provides a literature review presenting the national and international housing literature and the systematic changes which have encouraged the move away from home-ownership for many. The review demonstrates that the cause of the housing crisis and the consequential impacts on the private rental system are not unique to Auckland.

The review then focusses specifically on the characteristics of the private rental sector, and the growing body of evidence on decreasing rental stock quality and tenant experiences. Section 3.0 discusses available data on private rentals, and shows the geographical distribution of tenants and

median rent price changes. The following three sections explore key themes of the analysis: affordability, (Section 5.0), housing stock quality (Section 6.0) power (Section 7.0), with direct quotes from the participants used throughout the sections, discussion and conclusions are presented in Sections 8.0.

2.0 Literature review

A literature review is presented here illustrating how changes in socio-economic policies since the middle of the last century have directly impacted on housing outcomes in New Zealand. The review also presents evidence from the literature on how economic shocks have reduced access to homeownership in New Zealand, and how this has impacted upon the private rental market, particularly in Auckland. The review then describes the considerable role good quality rental housing can have on the well-being and health of tenants.

2.1 The housing system

Auckland's private rental market sits not only within a city-wide property context, but also within a global context. Global shifts over recent decades have seen a move from government-controlled and supported housing systems to a neoliberal model (see Hay, 2004, for a definition of the neoliberal paradigm) reliant on 'free' market forces (Murphy & Rehm, 2016; Murphy & Kearns, 1993; Rankine, 2005; Gordon, 2015; Hoochan et al., 2016).

The move away from state housing provision and public-private partnerships that delivered good quality social housing dominant in the 1950s-70s has not been rapid; instead it slowly emerged from policies aligned to the neo-liberal agenda (Howden-Chapman, 2015). The initial change occurred in the 1970s when global markets faltered and the expense to governments of providing houses to all was challenged. Alternative, market-led, policies were implemented, with the World Bank supporting the move to capitalise on the latent capacity of land by promoting the financialisation of housing markets (World Bank, 1993).

Home ownership became an affordable option for all as a result of a housing-led economic boom, fuelled by the 'socialisation of credit', and the 'liberalisation of the mortgage markets'. Rolnik (2013:1059) described this as 'a new frontier for capital accumulation allowing the free circulation of values across virtually all urban land'. The trend in housing investment is reflected throughout the developed world (Bierre, et al., 2010; Murphy & Rehm, 2016). Real estate markets were no longer localised, but were instead part of global markets where money moves across international borders in order to maximise returns and hedge risks.

Investment in housing in New Zealand has been seen as a safe way to ensure capital gains, and for many represents the opportunity for a reasonable retirement income. Housing, more than any other investment type, is seen as a means of locking in savings for future use in a relatively risk free asset (Tookey, 2017). Unlike shares, land for housing is finite, desired and is a tangible asset that is required by all for shelter.

Although spared the worst of the direct impacts of the global financial crisis (GFC)² in Auckland, the resultant global collapse of interest rates and loss of global financial liquidity, combined with the now entrenched repositioning of views on homeownership from 'property holding citizens', to 'asset accumulating investors' (Murphy & Rehm, 2016), had a profound effect on the Auckland housing market and the right for all to enjoy adequate housing (Rolnik, 2013:1059).

The Auckland property market has been seen as a safe haven for investment by New Zealanders and foreign nationals alike. As such from 2012 the housing market in Auckland grew exponentially, and endeavours to minimise the boom were focussed on restricting risks for first time homebuyers through the implementation of a 20 per cent loan to value requirement for mortgage purchases. The impact of this was the removal of first time buyers from the market and the generation of opportunities for those with existing property wealth to leverage financing or for foreign investment seeking a more secure tangible investment to buy up property for private rent in huge numbers (Murphy & Rehm, 2016).

Auckland, like many other cities, now has a housing crisis caused in part by advantageous tax treatment for property investors, including: tax arrangements that provide favourable treatment to capital investments over those that generate profits; the impact of negative gearing for investment in rental properties; the withdrawal of government support for investment in new public rental housing; relatively high mortgage interest rates for home purchasers; and structural failure in housing supply (Roberts, 2016; Beer et al., 2016; Choice, 2017).

Finally there are also impacts from the Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013, which further removed government social support enabling the sale of state housing to Community Housing Providers (CHPs) and reviewable tenancies which move tenants from state homes into the private rental market (Cole, 2015).

The housing crisis has denied all but 14 per cent of first time buyers the dream of owning a home in Auckland (MBIE, 2017). Previously greater proportions would have progressed along the housing continuum to home ownership, but instead they are trapped in the private rental system, referred to as 'Generation Rent' (Equab & Equab, 2015; Hoolachan, et al., 2016). Despite the growing numbers of the population now in long-term private rentals, homeownership continues to be constructed in public and policy discourses as a suitable vehicle for wealth accumulation (Murphy & Rehm, 2016; Rolnik, 2013).

² Global Financial Crisis: generally defined in three parts- the near-collapse of global banking systems starting in the USA and spreading across global financial systems 2007-08; the global recession of 2008-09; and the situation of extreme fiscal weakness in many parts of Europe 2009-onwards (Bollard & Ng, 2012).

2.2 New Zealand's private rental system

Tenants and landlords are diverse groups, and the driving factors behind their entry into the private rental system also vary widely (Witten et al., 2017).

One key driver for many tenants in the Auckland market is an inability to enter the homeownership market. Mitchell (2015) describes an 'intermediate housing market' where 'private sector renter households with at least one member in paid employment are unable to affordably (using no more than 30% of their gross household income to service mortgage expenses) purchase a dwelling at the lower quartile house sale price'. Intermediate renters account for 85,400 households in the Auckland region, and represent a diverse group, including couples with children and growing numbers of older renters (Mitchell, 2015:4; James & Saville-Smith, 2016).

Other tenant groups include those unable to access social housing, temporary migrant workers and students. There are currently 2015 households on the social housing register in Auckland (Auckland Council, Community and Social Policy, 2017). Many low-income private renters are reliant on the Accommodation Supplement to afford their costs.

The final generic group are those who choose to rent as a positive choice, for example due to religious beliefs³ or to allow more disposable income (Eaqub & Eaqub, 2015).

Landlords also have a number of reasons for entering the private rental market. Witten (2017) distinguished between four different motivations for becoming a landlord:

- Retirement income as the primary investment rationale
- General wealth creation
- Employment opportunity for themselves
- Accidental landlords, through for example inheritance or separation.

Rental tenure is widely viewed in New Zealand as a secondary option, or less desirable housing outcome than homeownership. Those with land and property hold an implicit economic and social advantage over those without. The advantages afforded to those with property grow as the chasm between renting and homeownership deepens (Murphy & Rehm, 2016).

2.3 Housing affordability

Housing affordability in Auckland is of growing concern. The median residential sale price in August 2017 was recorded as \$840,000 (REINZ, 2017). Despite the recent stabilization of sale prices since late 2016 house prices are yet to fall to more affordable levels.

³ The Islamic faith forbids the act of making money from money and all forms of interest. Standard mortgages are therefore unacceptable to many with the Muslim faith (Ahmad, 2010).

Research presented by the European Central Bank (2014) on the relationship between house prices and rental costs, illustrates a strong correlation between the level of rental pricing regulation and the impacts of rises and falls in the private sale residential market. The research evaluated data from across the European Union from the early 2000s to beyond the GFC, and found that while house price cost rose rapidly and subsequently corrected, the rental cost, controlled by regulations, increased in a 'fairly stable manner', both before and after the GFC.

Despite rental cost increases being more moderate than the inflation of house prices (10% increase 2013-2016) (Trade Me, 2016), 64 per cent of renters in Auckland are still below the 2013 baseline of affordable housing and are worse off than before the GFC (MBIE, 2017:15). This is of concern as 38 per cent of all Aucklanders and 58 per cent of low-income households in Auckland rent (Auckland Council, 2016:4).

The recent up-swing in property prices is not as extreme as historical shifts (Kendal, 2016). What is markedly different is the lack of accompanying economic inflation, particularly wage inflation, making the negative impacts on lower income groups much graver as rental prices rise. As noted in New Zealand rental price inflation has accompanied the house price growth. Looking beyond New Zealand to anticipate rental inflation cycles illustrates that the presence of rental price regulations benefits not only tenants, but also owners too, by stabilising the markets and reducing the interconnectivity between boom and bust cycles and rental yield rise and fall. In New Zealand inflation has fallen year on year since 2011 inversely to both house price and rental cost growth (Trading Economics, 2016). Unlike in China, New Zealand's increase in housing rent costs can therefore not be attributed to increasing inflation and must be resultant of other drivers such as decreasing rental yield and lack of rental price regulation.

Unaffordable accommodation is considered to be anything more than 30 per cent of income (Schwartz & Wilson, 2006). The percentage affordability measure does not imply that spending 30 per cent of household income is or is not affordable, as that depends on each individual household's circumstances, expectations and socially accepted standard of living (MBIE, 2017).

The Auckland Plan (2012) stated that 45 per cent of rental households pay more than 30 per cent of their gross income on housing costs. Not only is the 'Kiwi dream' of homeownership increasingly eluding Aucklanders, many are now even struggling to afford their rent (Eaqub & Eaqub, 2015). The median weekly rent is reported as \$536 per week (MBIE, 2017) or 39 per cent of the median income of \$1381 per week (Statistics New Zealand, 2016).

2.4 Rental experiences

The Six Dimensions of Housing Adequacy model was developed by Statistics New Zealand in 2002, and is still in use by both Statistics New Zealand and Habitat for Humanity (Statistics New Zealand, 2002; Habitat for Humanity, 2017). It offers a framework to explore the experiences of tenants, and defines adequate housing as meeting the following criteria: affordable, suitable, habitable, free from crowding, free from discrimination, and security of tenure. According to Habitat for Humanity (2017) these dimensions are not achieved for an unacceptable proportion of New Zealanders.

There is a growing literature on the private rental system in New Zealand (see Eaquad & Eaquad, 2015; White et al., 2017; Chisholm, 2015; Howden-Chapman, 2015). Much of the literature points to an increasingly deteriorating experience for some tenants. As Chisholm, et al. (2016:14) describe, private renting is 'characterised by high rent, weak rights and poor quality'.

Frequency of rental increases are controlled under section 24 (1) (d) of the RTA 1986, which states: 'the rent shall not be increased within 180 days after the date on which the last increase took effect', rule 24 (g) (i) states that 'under a fixed term tenancy contract the rent cannot be increased'. Under the RTA a fixed term tenancy contract automatically switches to a rolling contract after 90 days, most of the tenants in the sample reported that they were on rolling periodic contracts, and therefore would only be protected under rule 24 (1)(d). The protection does not extend to the amount by which the rent can be increased. The increase amount is at the discretion of the landlord. The only recourse for tenants where an unacceptably high rent rise is requested is to contest it in the Tenancy Tribunal. The experience for tenants of the Tribunal and its ability to change the standard of rental properties has been questioned. Philippa Howden-Chapman in her book *Home Truths*, (2015) described the Tribunal as a 'toothless kitten' due to the fact that even when the Tribunal finds in favour of a tenant, there is no safeguard to protect future tenants from experiencing the same poor quality rental.

Weak tenant rights are illustrated by the insecurity of tenure that many face. The main two types of tenancy agreements in New Zealand are periodic and fixed-term tenancies.

- Periodic tenancies continue until either the tenant or the landlord gives written notice to end the arrangement. There is a minimum notice period of 90 days for the landlord, or 42 days for the sale or re-occupation of the property and 21 days for the tenant (RTA, 1986: Sec 51).
- Fixed-term tenancies last for a set amount of time before expiring at which point the agreement is either finished or converted to a periodic tenancy (Tenancy Services, 2017). These can only be terminated within the agreed tenancy period with mutual consent between landlord and tenant. Fixed-term tenancies automatically become periodic after 90 days under section 60A of the RTA, unless a new fixed term agreement is secured.

This means that under the RTA (Secs 47 and 51), a landlord has the right to evict tenants with only 42 days' notice in the event of the sale of the property or if they, or a family member, wish to reoccupy the property. The Shore and Whariki study report (Witten, 2017), describes how tenants do not see this involuntary exit as eviction. Insecure tenure has significant impacts on all, but has the most pronounced effect on children and teenagers (Cutts et al., 2011). Involuntary exit has been linked with decreased health and educational outcomes for young children (Cutts, 2011) and decreased employment opportunities (Wulff & Reynolds, 2010), increased anxiety related mental health issues (Chisholm, 2016) and the reproduction of urban poverty for adults (Desmond, 2012).

In addition, rental housing is reported as being of poorer quality than owner-occupied housing (White et al., 2017). Private rental tenants are twice as likely to report living in a cold home (Chisholm, et al., 2017 citing Statistics New Zealand, 2013:10). Those living in cold damp properties are susceptible to poor health, particularly older adults and children, two groups which are living in rental properties in growing numbers (James & Saville-Smith, 2016; Morton, et al.,

2017). Poor housing quality was cited as a contributory factor in the death of a two year old child in Auckland in 2015, and the effect of housing quality on child health is of ongoing concern to Auckland's District Health Boards (Auckland District Health Board, 2015).

2.5 Auckland housing stock quality

The Residential Tenancies Act 1986 (RTA) and its amendments was primarily introduced for consumer protection and defines the rights and responsibilities of both tenants and landlords (Bierre, Bennett & Howden-Chapman, 2014). One area in which it fails to be explicit is with regard to maintenance, or the responsibilities of landlords to provide a safe and healthy environment. The recent introduction of the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 has gone some way towards tightening the responsibilities of landlords, but the insulation requirements will not be fully implemented until 2019, and even then the onus will be on the tenants to enforce this.

Much of Auckland's existing housing stock is of markedly poor quality, having low levels of insulation, poor ventilation, lack of energy efficient heating and cooling options, and use of poor construction materials. Lack of maintenance in the humid environment and the leaky building phenomenon have resulted in much of the housing stock being susceptible to water ingress, mould and rot (White, et al., 2017; Buckett, Jones, & Marston, 2012; Rankine, 2005; Bennett et al., 2016).

Bennett et al., (2016:405), also reported that rental accommodation is of a markedly lower standard than the privately owned housing stock in Auckland. There are some exceptions to this decline, in affluent areas of historical note, particularly in the central Auckland suburbs, the value of restoring pre 1940 properties yield such high capital gains that gentrification has improved the housing stock of whole suburbs markedly since the 1990s. These properties however usually stay in private homeownership rather than the rental sector and are beyond the means of most Aucklanders (Horan, 2015; Cole, 2015).

Auckland's housing stock quality has been the subject of research and concern for many years. Rankine (2005), for Auckland Regional Public Health Service and Auckland District Health Board, noted that the lack of a single set of agreed criteria for assessing housing quality under New Zealand law was leading to stress and compromised health and safety. Regular maintenance is fundamental to providing healthy accommodation for tenants and protecting the housing stock. Renting in New Zealand is inherently less healthy than homeownership, it has been linked with higher death rates from cardiovascular diseases and other causes, even when controlling for other socio-economic variables (Rankine, 2005).

The RTA (section 45), requires landlords to 'provide premises in a reasonable state of cleanliness' and 'provide and maintain the premises in a reasonable state of repair'. Clarification of what is meant by the terms 'cleanliness or reasonable state of repair' is not offered in the Act, and is therefore open to the interpretation of such terms by the landlord.

Property managers also operate within an ambiguous legislative framework, with limited powers to force owners to invest in their properties, other than exerting powers of persuasion (Reid, 2017:55).

Likewise tenants are often reluctant to highlight problems to their landlords for fear of being black marked as 'bad tenants'. Therefore even where an agency, such as a local council could in theory assert an improvement they are unaware of the issue. This issue is long standing as evidenced by (Bierre et al. 2014:84), who noted that although local authorities have the power to enforce housing standards under the Health Act 1956, this is seldom done.

Tenancy inspectors for the Ministry of Business, Innovation and Employment (MBIE) can also enforce action to address breaches of the RTA determined by the Tenancy Tribunal. However, tribunals are rarely brought by tenants (Howden-Chapman, 2015), and many poor quality properties go unreported. This demonstrates both the ambiguity and ineffectiveness of the current rental legislation.

The new Government has now promised to address these legislative shortfalls with the proposal for the Healthy Homes Guarantee Act (Twyford, 2017). It is unclear at this stage the extent to which tenants will have a role in enforcing this law.

2.6 Power imbalances in the private rental system

Chisholm et al.'s (2017) analysis on power imbalance in the rental sector indicated that landlords in New Zealand have more power than tenants. They note through discussions with tenant advocates '*at the end of the day the landlords have the power and it's all about power*' (Chisholm, et al., 2017:4).

Link and Phelan (2014) discuss 'stigma power' which relates closely to the landlord and tenant relationship in Auckland. Landlords as asset owners to which tenants are dependent have the wealth, power, and higher social status that allows them to dominate or exploit others. The concept of 'stigma power', builds on the work of Foucault (1982), who discussed 'the subject and power' relationship. He defined power struggles as usually including relationships of domination, exploitation and subjection. Weak protection of tenants' rights under New Zealand tenancy law maintains this imbalance of power, allowing landlords to exploit tenants with escalating rents, and insecure tenancy (Chisholm et al., 2017). Lack of clarity around housing quality standards scattered over several Acts, further disempowers tenants in realising decent housing conditions (Bierre, et al., 2014).

In the private rental sector, as opposed to the public housing sector, a lack of central management results in a barrier to tenant empowerment. Evidence presented from a case study evaluation of public housing programmes in Glasgow, indicated that in order to empower tenants to have ownership and engagement in tenancy improvements and prevent adversarial relationships developing between the tenancy management company and the tenants, feedback had to be centrally coordinated through the housing provider (McKee & Cooper, 2008). In the private rental sector this type of conduit of support is not usually available, with the main means of third party assistance coming from the Tenancy tribunal.

The Tenancy Tribunal is often viewed as a confrontational environment where tenants have to represent themselves and argue their case against actors with much greater experience.

Outcomes under the Tribunal are often inconsistent due to varying interpretation of the ambiguous tenancy laws (Bierre, et al., 2014).

Many tenants fear engaging with the Tribunal due to costs, lack of experience and the fear of reprisals in the form of retaliatory evictions or being blacklisted. As a consequence tenants often leave a tenancy rather than demand improvements or as Chisholm et al., (2016) define it, 'exit rather than voice' their disapproval.

3.0 Census data on renting

Results from the 2013 New Zealand Census of Population and Dwellings indicate an overall decline in the proportion of households who own the dwelling they live in across New Zealand (see for example Howden-Chapman, 2015; Goodyear & Fabian, 2014). This is particularly acute in Auckland as evidenced by the gradual decline in levels of owner-occupation at each census (Reid, 2017).

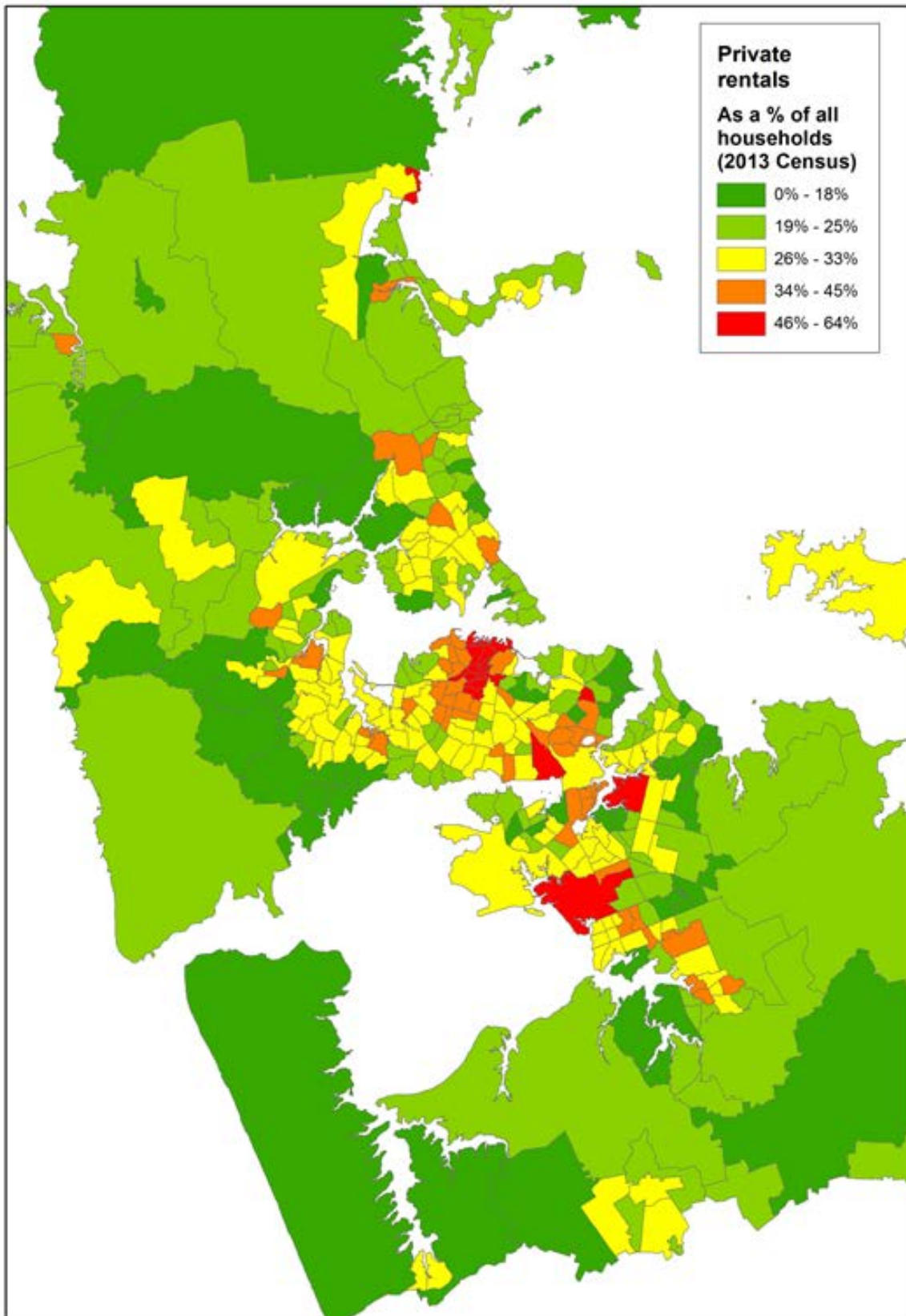
Greater proportions, and numbers, of Auckland households are renting. For example, at the 2013 Census, the percentage of households who rented their home (i.e. paid rent) was higher in Auckland than in any other region of New Zealand, at 35.4 per cent, up from 32.4 per cent in 2006. The number of Auckland households who rented their home increased by 18.5 per cent during this time, from 130,227 in 2006 to 154,347 households in 2013. The majority of these households (81.4% in 2013) were renting privately (Goodyear & Fabian, 2014:45-46).⁴

The map in Figure 1 shows the proportion of households in each Census Area Unit (CAU) who stated they paid rent to a private landlord, at the 2013 Census. Although not covering the full extents of the region, it does show relatively high proportions of renters in the city centre and fringe areas, as well as parts of the southern urban area and pockets in western and northern parts of the urban area. In their report on housing in Auckland, Goodyear and Fabian (2017) report that the percentage of households who rented varied widely across different local board areas, from around half or more in Waitematā, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, and Ōtara-Papatoetoe, to less than a quarter in Franklin, Waitākere Ranges, Hibiscus and Bays, and Rodney.

Since 2013 unprecedented high levels of net in-migration into New Zealand have been recorded. Many new migrants and returning New Zealanders settled in Auckland. It is highly anticipated that this will have resulted in increased demand for rental properties.

⁴ The denominator used to calculate these figures was total households for whom tenure was stated, excluding those who did not own their home but did not indicate whether they paid rent. Some of these households may own residential property that they do not live in (e.g. rental properties or holiday homes), in Auckland or elsewhere in New Zealand.

Figure 1: Proportion of households in census area units renting from a private landlord (2013)



Data source: Statistics New Zealand, Census of Population and Dwellings

For further information on the characteristics of individuals and households renting in Auckland at the 2013 Census please refer to Witten et al. (2017) and Goodyear and Fabian (2014).

4.0 Research design and sample characteristics

This section outlines key information on the research methods and sample characteristics of the two main studies from which the results in this report were drawn. For further details, please refer to the relevant final reports (Witten, et al., 2017; Reid, 2017).

4.1 Research design

The following section describes the resources and data collection that have informed this research. The New Zealand Rental Sector study captured both quantitative and qualitative data, and the survey of residential property managers was qualitative in nature only. A description of the data analysis tools is followed by an explanation of the sample characteristics.

4.1.1 New Zealand Rental Sector study

Quantitative data was gathered via a Computer Aided Telephone Interview (CATI) survey, which interviewed a randomly selected group of tenants and landlords throughout New Zealand including some in Auckland (See Appendix C for sample questionnaire). Landlords and tenants in the sample were not knowingly linked in any way participants were randomly selected and the tenants interviewed were not renting properties owned by landlords in the sample.

Qualitative data was collected via semi-structured interviews with tenants and landlords. The interview participants were a subset of the larger quantitative sample, and included those who had agreed to be contacted for a follow-up in-depth telephone interview.

Semi-structured interview guides were developed for both tenants and landlords covering similar concepts (See Appendix A for interview guide structure). All interviews were undertaken over the phone and ranged from 20 minutes to over an hour. The interview recordings were transcribed and entered into NVivo 10 for analysis. The data was thematically coded using a framework co-designed between SHORE and Whariki and RIMU. Common themes and insights were then identified as theories which have been woven through the report below in conjunction with the quantitative analysis which helps to triangulate the findings (The co-produced thematic coding framework is presented in Appendix B).

4.1.2 Study of residential property managers

The residential property management study interviewed 15 property managers based in Auckland. In the absence of a comprehensive singular list of property management companies in Auckland, a list of 22 potential participants was drawn from publicly available lists of property management companies (such as available on the Independent Property Managers Association website) as well as online searches for companies operating in different parts of Auckland (mostly using Google searches and scanning through the Trade Me website, New Zealand's key online portal for advertising properties for sale or rent). Care was taken to select a range of companies, with relation to their company size, whether they were part of the real estate industry, and the

geographic location of their office across Auckland. Effort was also taken to ensure that at least one participant worked in the inner city managing apartments. See Reid (2017) for more details.

4.2 Sample characteristics

The New Zealand Rental Sector study interviewed a total of 1099 tenants during the CATI phase, 594 (54%) of whom were living in Auckland. Of those 594, 42 also participated in an in-depth interview (18 were interviewed as part of the wider BRANZ study and Auckland Council undertook an additional 24 interviews for the purpose of this report).

A total of 406 landlords were interviewed during the CATI phase, 204 (50%) of whom resided in Auckland. This did not mean however that they owned rental properties in Auckland. The results for landlords with property in Auckland are presented here and relate to 187 landlords who own, or had previously owned, property in Auckland. Of this group, 22 also participated in an in-depth interview.

4.2.1 Tenants

The tables below represent some demographic information for both the CATI sample and the qualitative sample of Auckland tenants. Due to the self-selection method, the qualitative sample did not have exactly the same representation of age groups, genders and ethnicities as the quantitative sample. As illustrated in the comparative tables the two samples did show similarities, giving a degree of confidence for the triangulation of the data. Missing data is not included in the percentage calculations.

Table 1: New Zealand Rental Sector study, Auckland samples by age

Age	Quantitative sample		Qualitative sample	
	Number	%	Number	%
18-20	6	1	1	2
20-30	98	17	8	19
31-40	142	25	7	17
41-50	154	27	6	14
51-60	104	18	14	33
61-70	48	8	3	7
71+	21	4	3	7
Total	573	100	42	100

Tenants aged between 31 and 60 represented the largest group in both the qualitative and quantitative samples.

Table 2: New Zealand Rental Sector study, Auckland samples by gender

	Quantitative sample		Qualitative sample	
Gender	Number	%	Number	%
Male	220	38	13	31
Female	353	62	29	69
Total	573	100	42	100

There were more female than male respondents in both the CATI survey and the follow up interview samples. Missing data was excluded from the results, hence totals do not add up to the total respondents interviewed in the CATI survey in Auckland.

Table 3: New Zealand Rental Sector study, Auckland samples by ethnicity

	Quantitative sample		Qualitative sample	
Ethnic group	Number	%	Number	%
NZ European	224	43	25	63
Indian	64	12	3	8
European	47	9	1	3
South East Asian	38	7	0	0
Māori	37	7	4	10
African	23	4	1	3
Other Pacific	16	3	2	5
Chinese	13	3	1	3
Asian	11	2	0	0
Middle Eastern	11	2	0	0
Samoan	10	2	0	0
Cook Islander	8	2	0	0
Tongan	7	1	1	3
Hispanic/Latino	4	1	0	0
Niuean	3	1	1	3
Other	3	1	1	3
Total	519	100	40	100

Missing data were excluded from the calculations.

The majority (81%) of Auckland tenants in the CATI sample who reported one main source of income were either working in paid employment or were self-employed. Tenants reported a household median income of \$60,000-\$70,000 per annum.

The most common dwelling type being rented was a separate house. In total those renting either a separate house, semi-detached or terrace made up 79 per cent only 17 per cent were renting single flats/ apartments. Weekly rents ranged from less than \$100 to more than \$1000, 50 per cent of tenants were paying between \$300-\$500/ week.

4.2.2 Landlords

Demographic information for the CATI sample of Auckland landlords is discussed below. Details are not available for the Auckland landlords who participated in interviews as the transcripts that were made available to Auckland Council were anonymised.

Table 4: Ages of Auckland's landlords CATI survey sample

	Quantitative sample	
Age group	N	%
18-20	1	1
21-30	4	2
31-40	13	7
41-50	38	20
51-60	58	31
61-70	51	27
71+	22	12
Total	187	100

Approximately one third of the landlords in the CATI sample were in the 51-60 year age group, the second largest age group was the 61-70 range, followed by 41-50 age range, with much fewer landlords in the age groups below 40.

Table 5: Landlords' ethnicity for those who gave single answer in the CATI survey

	Quantitative sample	
Ethnicity	N	%
New Zealand European	129	75
Indian	14	8
Chinese	8	5
European	8	5
Tongan	3	2
Other Pacific	3	2
Maori	2	1
African	2	1
Asian	2	1
Cook Islander	1	1
Middle Eastern	1	1
Total	173	100

The predominant ethnicity of the CATI sample of landlords was New Zealand European followed by Indian European, Chinese, with the remainder made up by Maori, African, Pacific Island (various), other ethnicities and Middle Eastern. When compared to the ethnic mix of the tenants the landlords were a much less diverse group. The CATI sample represented a 64:36 split between landlords born in New Zealand and those born elsewhere, and nearly half of the landlords (49%) worked in paid employment, 23 per cent were retired and 20 per cent were self-employed. The remainder were caregivers, students, un-employed, sick or didn't provide an answer.

The largest proportion of the landlords in the sample (48%) owned just 1 property, with 23 per cent owning 2 properties and 23 per cent stating they owned more than 2, the remainder 7 per cent, had previously owned rental property, but did not hold any at the time of the interview, their views were reported where relevant.

4.2.3 Property managers

A total of 15 property managers participated in this study – nine males and six females. Many of those interviewed had been involved in the property management industry for a long time, with five

having been involved for 20 years, and one person for 35 years. Only three had been involved for less than five years.

Participants' offices were based in a variety of locations right across the Auckland urban area (two were based in the city centre).

5.0 Perspectives and experiences of rental affordability in Auckland

This section describes the interview participants' experiences and perceptions of rental affordability. The perceived causes of rising rental costs include the effects of opportunistic profiteering, increased commodification of housing, NZ tax system incentives, the accommodation supplement and increasing competition for properties. Finally the adaptive coping strategies of tenants are highlighted.

5.1 Perception of rental costs by tenants, landlords and property managers

A common theme emerged that the rental market in Auckland is unaffordable and will only get worse under current market conditions, as captured in this quote by one tenant:

Oh it's impossible personally. I mean I think the cost of housing is obscene really and so, for people renting nowadays what you pay, I mean we are quite lucky she has kept the rent reasonable, but you know you hear what people are paying for three and four bedroom houses its ridiculous money (Tenant).

Reid (2017) found that somewhat paradoxically although the residential property management sector is predicated on growth and profit, and property managers actively encourage incremental rental increases, several commented that rents were expensive and were becoming 'unaffordable'. For example:

Rents are too expensive. They are definitely too expensive both for landlords and for tenants. I shouldn't say that. Housing is too expensive. I mean we need to encourage people to buy properties so that others can live in them, those landlords need to be able to have enough cash flow to be able to maintain those properties (Property manager).

Landlords also noted that they thought the rental market had become too expensive:

Well again, personally I think rents are far too high, my rents are relatively low and I'd probably say my rents are far too low, but unfortunately the last probably 6-7 years the rentals have just gone up out of all proportion (Landlord).

Despite a general view that rental costs are becoming unaffordable; some landlords felt that they offered a fair rent. As this landlord suggests this can lead to more security for both the landlord and tenant:

When one is younger one tends to have, you know try and get the highest rental you can, when you're older you realise that's a terrible mistake, if you have a good property and it's a fair price, or just slightly under a fair price, you get a very long term tenant and so you don't get tenants chopping and changing, and trying to get another \$20-30 a week is a bit different from the calibre of tenant, and as I've got older of course I don't want the hassle (Landlord).

The following landlord implied that the experience of ‘helping out’ tenants was leading to an enjoyable experience for them personally:

We have a young couple with two little kids next door. We don't charge them market rates, so we feel like we're helping them. They're fantastic tenants. We actually inherited them. So basically we feel like we're helping them and you know like a lot of people don't want to have rental properties because they think it's a hassle. Well they're fantastic tenants, so yes I just think it's enjoyable. Obviously, we're not big-time investors (Landlord).

This sort of restraint was recognised and appreciated by tenants with many noting how ‘lucky’ they were with their current landlords maintaining a relatively low rent:

I'm very lucky because in all of that time, he has not put the rent up. The only thing he did was move, and I actually think if anything it was a slight decrease that he moved it to include water (Tenant).

The role of luck in tenants and landlord experience of the rental market was prevalent throughout the result and is discussed in greater detail in Section 7. In summary the overall perception of rental costs were that they were unaffordable.

5.2 Perceived causes of rising rental affordability in Auckland

A number of causes for rental rises were suggested by the tenants, landlords and property managers. One suspected cause was that of opportunistic rental rises. However more systematic causes were also blamed, such as lack of regulation controlling price rises, the commodification of housing, favourable tax laws and the accommodation supplement. Finally declining homeownership and the reduction in access to social housing, which has increased competition for private rentals, was reported as a contributing factor for rising unaffordability.

5.2.1 Opportunistic profiteering

Wang, Zhang, and Dai (2013) discussed evidence of the relationship between rental costs and house prices in their evaluation in Hong Kong. They also noted the difference between rental property investment and stock investments, in that when stock prices become ‘too high’, relative to future dividends, the only action a stockholder can take is to sell the stocks; there is no mechanism for stockholders to demand higher dividends. In the rental sector when property prices are higher, and yield is less, the property owners can demand more rent from the tenants, particularly when there is a housing stock shortage. It is arguable, as observed by Wang, Zhang, and Dai (2013) that property investors are contributing to the localised ‘rent-market frenzy’ in Auckland. As these tenant participants observed, some key agents were suspected of profiteering through the upward manipulation of Auckland’s rental market prices:

The last one which they just went up and up and up and just took advantage of us... They kept raising the rent which we didn't like at all (Tenant).

But considering what we looked at and, you know and what people were asking was just sort of absolute crap to be honest, in all honestly. When we saw this place we actually thought we were quite lucky. When we walked in with the agent, and the land lady was here doing a bit of cleaning, not that the place was that clean but the agent said in front of her I think you are not going to charge enough I think you need to charge these people more ... (Tenant).

Because at the moment, really, because people are desperate landlords can probably just charge what they want and give as little as they want in service to the house and I think there's a lot of people probably that are renting that are at the wrong end of the stick really (Tenant).

The view that rental price rises are a result of opportunistic activity was also shared by a long-term property investor who stated:

Well another property that I've got an interest in, I haven't my daughter's got an interest in another property, which was one of two, and the second was put up for sale and it, my daughter gets I think her rental is \$300 a week, and when this other one went up for sale it was advertised at rentals in the area could bring in, well this particular one would bring in about \$460 a week, but that was in the advertising, no way is anybody going to pay \$460 a week for it, that's what I say the market is dictated to by as I say, land agents (Landlord).

Property management companies and letting agents commonly add extra costs to the tenancy application process (Reid, 2017). These costs were seen as profiteering practices by tenants. For example one tenant described a situation where an application fee of \$35 was charged for each person to attend an open home. The tenant reported that the agent stated that this was the price of the credit check, however as the charge was made prior to accessing the open home, and not as a result of a formal application to secure the property, it appeared to be an open home entry fee:

So every single person that turned up at the property, I mean, we're talking you know, if it's a really good property, you may have 20 odd people turn up at the front door wanting to have a first viewing. I don't think it is either morally or legally acceptable to charge each of those people \$35 per person to go through the property to have a look and to make an application. Now the claim that was made to me 'Ah, well that's the cost of us doing a credit check'... They didn't do a bloody credit check on anybody except the person that they really wanted to go into that house. I knew that. They knew that (Tenant).

This tenant also noted that property managers were initiating 'bidding wars' to drive up the price:

And, then there's the other situation depending on who it is, the situation of going into a bidding war as to, you know, the rental value of the house is \$500 a week, we've got 40 people turn up and somebody goes in and says I'll give you \$510. Well, you know, the rental of the property is \$500 a week that's what the landlord wants and whether he gets the rest or not, I don't know. But, it's not an auction, you know? \$500 bucks a week is \$500 bucks a week (Tenant).

It is difficult to quantify the extent that opportunistic rental rises are contributing to rising unaffordability in Auckland. Several participants in this study reported that they had experienced profiteering, while others reported fair rents. Without sufficient regulation of rental price increases the opportunity for profiteering is available to be exploited (Howden-Chapman, 2015).

5.2.2 Limited price regulations

The Residential Tenancies Act 1986 does have some provision for controlling the frequency of rent rises, but not the price rise amount. During the qualitative interviews several tenants reported rental increases every 180 days with the only recourse being to move house to a new property:

He was just deciding he was going to put it up \$100 bucks a week which I know is not legal, he couldn't do it. But, it wasn't worth the cloud that that was going to bring with it so we just said no, no we'll find something else (Tenant).

We moved because they put the rent up by two hundred dollars a week...From \$600 to \$800 (Tenant).

The following tenants described how the lack of regulation impacted on them:

You know, cos things happen, people, you know, previous landlords, I mean the last one prior to this, he wanted to put the rent up by \$100 bucks extra a week (Tenant).

If you knew there was, how much you could expect that the rental legally could go up each year, I think at the moment really a landlord can just charge what they want can't they (Tenant).

Control of rental increases is down to the discretion of the landlord and although some act responsibly, others seek to exploit their tenants who live under the threat that their living costs will rise rapidly with little notice. The disenfranchisement of tenants in the private rental sector was evident throughout the interviews. Tenants are unable to control the rising financial pressures caused by the housing market. They are also denied access to the wealth creation opportunities available for those with housing assets.

5.2.3 Commodification of housing

Investment in housing in New Zealand is widely believed to be the safest way to ensure capital gains, and for many represents the opportunity for a reasonable retirement income. This tenant describes the current impacts and challenges of addressing the commodification of housing:

...you know part of the problem that we face as a nation right now, is that most of the people that are my age, have their future and their lifestyle secured by real estate values, and that makes it politically almost impossible to reverse, or solve the problems that we've got, I find that really difficult, you know we have a nation that has a lot of poor people in it, they don't have that option anymore and they're being shut out of the wealth making, because you can't make wealth by being innovative or being productive, you make wealth by owning real estate and they can't get in, so you know

how we handle this next 10 years, will define what New Zealand is like in the future (Tenant).

The trend in housing investment is reflected throughout the developed world (Biere, *et al.* 2010; Murphy & Rehm, 2016). Housing more than any other investment type is seen as a means of locking in savings for future use in a relatively risk free asset (Tookey, 2017). Unlike shares, land for housing is finite, desired and is a tangible asset that is required by all for shelter.

There are no restrictions on who can operate as a landlord. The motivations for investment varied between the landlords, but 26 per cent of the sample had invested in rental property as a form of retirement savings, the majority of whom (46%), had only one property. The second most popular reason for investment (16%) was for capital gains. Only two per cent of landlords stated their primary reason for investment was for good returns. Notably recent investors were more likely to give their main reason as 'a form of retirement savings'; 'ability to control investment' and 'possible future home', but fundamentally most saw the ownership of a rental as a business venture. As this landlord remarked:

You know no one in their right mind would choose to be a landlord for a job, so you know you're there to essentially create assets that will grow in value, and provide you with an income later on (Landlord).

This perception of limited opportunity for realising good yields from rentals in Auckland is due to high housing purchase costs, as this long-term landlord said when discussing potentially purchasing more rental properties:

When I say I wouldn't look I looked at one probably 2 years ago, and it eventually sold say \$700,000, well the interest you're paying on \$700,000 or even half of it, meant that your rent to start with would have be too high (Landlord).

As noted here being an existing homeowner enabled many private landlords to enter into property investment in the first instance. This was done through the leverage of capital from existing properties and access to unsolicited loan offers by banks as revealed in the following two quotes:

The first one was when the bank wanted to give us some more loans. The bank had a low interest rate and they offered and asked if we were interested in taking another home loan... (Landlord)

On just complete borrowing, we had an existing house with \$130,000 of equity and I just, worked off that, so I think lending was a lot easier then, banks were falling over themselves to hand out money so, just yeah a step of faith, went out and just went crazy (Landlord).

Murphy and Rehm (2016) describe this as 'asset based welfare', whereby homeowners are increasingly acting as risk analysts, or actuary, engaging in strategic investments to secure their personal welfare in old age. Tenants therefore are disadvantaged in two ways, firstly by being locked out of the opportunity to capitalise on housing and generate wealth. Secondly by facing increasing rental costs to support the growth of the assets of others.

5.2.4 Negative tax gearing

One significant opportunity for landlords to offset financial losses in their rental is through the tax systems negative gearing mechanism. Negative gearing can be used if the rental income received does not cover the cost of the loan against the property. The property owner can then write off the tax to account for the losses.

The purpose of negative tax gearing is to incentivise investment in private rental property and add to the available housing stock options (Department for Communities and Local Government, 2010). Despite its original pro-tenant intentions, the negative gearing tax reduction is now widely blamed for the increasing inequality in the housing system (Howden-Chapman, 2015). As the following landlord remarked:

I mean it's the old story of the rich get richer and as I found when I had two properties I could suddenly have three and then five and then as I said we got up to 11. It was a bit of a game in those days you could actually only own two properties before you were considered a business so I went around and ended up with a lot of banks because I'd get two with ANZ and then get two with Westpac and two with National and so on (Landlord).

Although a very small proportion of the Auckland CATI sample (1%), were using negative gearing to offset tax, it remains a critical part of the wider rental picture in New Zealand. The new Labour Government of New Zealand has signalled an intention to review the tax system for landlords during their term in office.

The lack of price controls reflect the neoliberal approach to the housing market in New Zealand which was favoured by governments since the 1990s (Howden-Chapman, 2014) and the belief that market forces will self-regulate. Within the context of a wider property market that has seen gains of 52 per cent since 2012, it is clear that steady market correction can no longer be relied upon to balance rising costs. The consequences of the rising unaffordability in Auckland's rental markets are that tenants are being forced to adapt and/or compromise.

5.2.5 The accommodation supplement's role in rent rises

As rents have risen there has been an associated rise in tenants seeking financial support from the government to meet their rental costs (Roberts, 2016). The Accommodation Supplement (AS) replaced income related rent subsidy (IRRS)⁵ in 1997 and represented a shift from publicly-provided to privately-provided rental housing.

The AS has been criticised as being a direct government subsidy to private landlords without the guarantee that the accommodation provided is fit for purpose (Tarrant, 2011). Johnson (2016)

⁵ The IRRS is now given only to beneficiaries, whereas the AS can be used by anyone under a certain income threshold with a shortfall of income to pay housing costs.

described the AS as a 'policy of cynical neglect'. Figures reported by Hickey in 2016 estimated that the AS would exceed \$1.18 billion by 2019-2020; arguably a cost that could build a significant number of state houses or contribute to the community housing sector (Roberts, 2016).

Evidence derived from the interviews indicates that the availability of the AS is acting as a perceived driver to increased rental costs. The tenant below summarises the logic behind this based on her experience:

We need to really look at what our Accommodation Supplement through WINZ is actually doing to the housing and rental market because I think inadvertently it's actually supporting its rise rather than supporting people to get and maintain affordable housing. Because there's this wide range of costs that WINZ will pay towards accommodation supplement either non-beneficiary or beneficiary and there's a range and the range is based on how much you're actually paying. So, if I'm paying \$500 a week for my rent, I will receive a greater sum than if I'm paying \$150. So it's not a flat supported fee based on your thing. It's a proportion that's worked out with both your income and the amount you are paying on costs (Tenant).

Awareness of the accommodation supplement by the landlord participants was varied, one long term-investor stated:

Yeah I mean I'm personally one for saying that we pay taxes and so that collectively we provide an infrastructure for the benefit of the whole of society, and the reality ... is in the sense that you know there's working for income, what is it called working for families, where you know if their incomes aren't high enough they get an accommodation supplement to help, so instead of building houses they're funding them by income, so it's you know one way or the other (Landlord).

Others recommended that low earners needed help from the government and were completely unaware of the accommodation supplement:

I do not think it should be their responsibility. Rental prices are very high in the Auckland region. Perhaps subsidy's from either central government or local government for lower earners.

Well, there is at the moment isn't there, in that there is an accommodation supplement?

I do not actually know (Landlord).

Where landlords had more experience of the rental system they saw the accommodation supplement as a contributing factor to issues associated with involuntary exit for low income earners, and instead recommended that rents be paid directly from the government department to the landlord to ensure that payments were always met and not withheld:

What I think should happen is that the rent is paid by work and income, and the only reason they can stop the rent is if they go back to work and income and say I want to move house, and it's done properly and then that way, the bond gets transferred, the bond doesn't get lost due to unpaid rent, and work and income will say well you know

unless you've got a valid reason, you're staying where you are, and what that means is the kids will go to the same schools, same Dr's, same mental health professionals, there'll be continuity for them so you wouldn't get these kids that slip through the cracks (Landlord).

The recommendation of this landlord is unlikely to be adopted, but increasingly the AS's function to help low income families is being questioned in New Zealand. The view that the disruption faced by the children was detrimental however, was also shared by Howden-Chapman, 2015.

In 2011, New Zealand's Green Party flagged the unintended consequences of the supplement, and called for the government to redirect the funding through a more effective route (Tarrant, 2011). The justification for the continued use of the AS came from research undertaken in the USA which found limited connection between AS and rising rental costs (Johnson, 2013). Johnson urged caution against transplanting a given orthodoxy from the USA context to New Zealand, which is subject to very different social, economic and population parameters. In spite of these concerns, the AS is still being used and currently costs \$1.2 billion per year with the biggest costs arising in Auckland. Many of the recipients receive the maximum allowance and the government has indicated it may consider raising the supplement further to meeting rising rental demands (Hickey, 2016).

Research has yet to be undertaken to evaluate the actual effect of the accommodation supplement on rent rises, however if the suspicions of those within the sector are found to have value then the accommodation supplement may not be the most effective measure for affordable housing.

5.2.6 Competition

Competition for New Zealand's private rental properties is reportedly fierce, with 83.7 per cent of all tenants renting in the private sector (Stats NZ, 2014:5). The limited availability of social housing, declining homeownership and high immigration have all been attributed to the growth of demand for houses in the private rental sector (Chisholm, et al., 2017).

The limited amount of affordable private rental stock has been attributed to the growth in costs in the Auckland rental market. Competition is reflected in the methods increasingly being utilised to market rental properties, with several tenants reporting attending 'open homes', a tool usually used by those selling properties. Competition for private rental properties was compared to that seen in the job market by the following tenant:

There was a lot of competition, I said to someone at the time you know I have given fewer references when I have been applying for jobs than I have had to give applying to rent a house...

...Yeah, they almost want your first born. I am not sure what it is like now because we haven't been in the market for quite a while but yeah it was pretty bad (Tenant).

Competition has also been attributed to tenants seeing themselves as an expendable commodity:

At that stage there were so many people looking if they alienated a couple it really didn't seem to matter. So I don't think they look long term for when there might be a shortage and they might actually need repeat business (Tenant).

Those without inscrutable credit rating and references found that they had little chance of securing a property:

You've got to go in, you've got to apply and then you have to wait for two to three weeks while they interview everybody and then the shortlist and, you know, it can be quite a long process, you know, now. You know, and the things are you rock up to a property and there could be 30 or 40 people interested in the same property, you know? So that then reflects back on oh God I clock up with, you know, real bad credit rating. I'm instantly top of the list. [Laughter] (Tenant).

Demand for rental properties is so high in some instances that property owners do not have to compete for tenants, but instead can simply let out properties in any condition and be assured that somebody will be willing to pay to secure it:

You might be knowing in Auckland, like if you go to a property it's not even standard of living the landlord will ask you like so for example if it's three bedroom housing, good location and the property is not worth living in they will say like close to \$500...nowadays the landlord knows that if one can't afford the other person will be straight in because like when I was signing the agreement on this property the landlord called while I was signing the property and the other tenant offered them \$450 (Tenant).

Strategies to adapt to the rising costs and competition in the private rental system in Auckland emerged as a key theme. Tenants, Landlords and Property Managers reported numerous adaptive tactics to both access properties and manage ever increasing rents.

5.3 Adaptive strategies for increasing rental costs

The tenant interviews revealed that increasing rental prices in Auckland have impacted directly or indirectly on the majority of the participants interviewed for the research. Renting except for those on the lowest incomes has previously been seen as a stepping stone between leaving the parental home and home ownership, where due to lower costs tenants can save a home deposit. As rental prices rise, the ability to save for a deposit becomes more difficult. Despite these barriers, tenants interviewed still expressed a desire to be homeowners, with 54 per cent of those interviewed planning to buy their own accommodation within two years. The average saving of this group was \$6000 per annum, which for context would require the tenant to save for approximately 28 years⁶ to afford a deposit for the median Auckland house. This makes homeownership an unrealistic choice. As well as the ability to save, increasing debt also becomes an issue. A quarter of respondents to the CATI survey reported a median increase in debt from \$4500 to \$5000 over the past year, and 20 per cent increased debt to over \$8000.

⁶ Based on a 20% deposit for a house costing the median Auckland house price of \$850,500 reported June 2018.

Tenants discussed a range of adaptive measures that they had adopted to counter the rising cost of renting a property.

5.3.1 Subletting and multi occupancy arrangements

Subletting from friends with good credit references and multi occupancy arrangements were amongst a number of different strategies reported by the tenants in order to secure properties in a highly competitive environment:

There are three bedrooms upstairs. I have one, my girls have one each, and then there's a big giant area downstairs, um, which they use as one bedroom and then there's another bedroom. One's a shift worker, so he's only here during the day sleeping (Tenant).

As the following property manager noted, the experience for low income earners in the private rental market is tough and conditions are poor:

Yes the quality of the stock is deteriorating which is certainly not improving the quality of people's lives particularly in that lower income bracket. That is where it is hard, that is where you have got people living, multiple people in a house. Because they can't, they have got no choice. Because the rents are too high (Property manager).

Property managers are wary of multi-occupancy arrangements due to the added wear and tear on the house, and try and identify where prospective tenants may be attempting to have a multi-occupancy arrangement at the point of application:

Well for the apartments ... it was interesting because just renting, putting an ad in recently, it got lots of people wanting to rent it but it was sort of, because I suppose it's so expensive to live in Auckland, lots of people thought they could all double up in the rooms, and it was like oh no, you know? (Property manager).

Letting from family members was also commonly reported, with several tenants stating they have formal letting arrangements with immediate family members. Offering more money in order to secure a tenancy was another tactic reported. This adaptive behaviour is reported throughout the interviews, with tenants increasingly having to come up with novel solutions to secure tenancies in Auckland.

5.3.2 Relocation or acceptance of unsuitable accommodation

A solution to housing insecurity for some of the tenants interviewed was to consider leaving Auckland all together. This 'brain drain' is starting to affect public services in Auckland with a large number of schools reporting a lack of candidates to fill vacancies at the beginning of 2017 (Gerritsen, 2016). Where tenants continued in employment in Auckland some reported travelling long distances from their new rental to keep continuity with jobs and schools:

Yeah, severely. I mean I work in Onehunga but we live in Pukekohe because of that reason (Tenant).

Whereas others were reluctant to move from the property they were in, stating that a move would result in a significant increase in the rent they pay. As a result some tenants felt they had become 'trapped' in a good deal, even if the property was no longer suitable for their needs. This sentiment of feeling trapped in a cycle of renting is reflected by the following tenant, illustrating that being a long-term tenant is not a choice, but a necessity to many within the sector:

I feel trapped in some ways, not by my Tenancy Agreement but by the housing situation that I'm a single woman and I manage mental health concerns and I cannot, no matter how good I am with money and I'm pretty good, I cannot make a mortgage work in this city. So, in order to live the kiwi dream, I would have to move out of the city and to do that, I would have to have a pretty strong motivation because you're losing all your friends and contacts.

This tenant felt trapped by low rent in a one bedroom unit, where she lived with her partner and child with a new baby on the way even though it was no longer suitable for their needs:

Ah it's ridiculous the rent prices. We are lucky that we pay \$180 a week. that's part of the problem is that we have an insanely cheap weekly rent to now go from this, on average around \$400 to \$500 a week. My stubbornness is a home is not worth that amount unless it's your own.

One adaptive strategy reported by property managers was for tenants to rent poor quality housing and then attempt to have it upgraded while living there:

They don't want to spend a lot of money on a property to rent, so they are look at low rented properties. We tell everyone to ask any questions or whatever, why you are here, so this is what it is, this is why the rent is cheap if it's not the most salubrious of places. They will rent it and then as soon as they have moved in, start demanding that everything is improved. You know we want new curtains, we want new paint, we want new carpet, they are real obsessed about having a mixer taps instead of separate taps, we want the taps changed you know... and that can actually be a real hassle and take a heck of a lot of time and we have got a stock standard answer for anyone who does do that now before any of those people move in now and it is a broad brush but we have to stroke it unfortunately, you know, before you sign this agreement, you will be very clear the property is not getting any work done, it is what it is, it is a bit tired everything is working, it is insulated whatever the case, it is not going to look pretty, it is not going to get new paint (Property manager).

Solo mothers were reported as a group that particularly struggled to find suitable accommodation. With the acceptance of unaffordable accommodation increasing a family's vulnerability:

And we advertised, they wanted crazy amounts of money and we just said look this is, these are the stats, this is, we have a large portfolio here there is no way we can achieve this we will try, we will do the best marketing campaign possible, we will do viewings on short notice, but you know you are not going to get a quality tenant at this rent because they have 30 other properties they can chose from you know.

And we got an application from a, from a lady with children on benefit and we did the checks, we did the credit rating, bad, bad, bad and we said you shouldn't do this we have an application but it is not good, and she insisted that we put her in because she could move in straight away and money was guaranteed by WINZ you know, and it all looked good so we said fine, okay, whatever we put them in and then three months later partner moved in, she lost her benefit, they destroyed the house (Property manager).

The option of moving on is limited to those able to secure an alternative property that meets their needs for the right price in the right location.

5.3.3 Below market rents

Some landlords and property managers discussed the merits of keeping rental costs lower to encourage steady occupation of the property and also improve the chance of placing 'good tenants' in the house:

Yeah that's probably because I don't keep hiking the rent up every 6 months, like in a 4 year period it might go up twice if that you know, but that's probably because I can because I've had a lot of the property since 2000 so, I don't need to squeeze the orange too hard, I can just you know whereas with new investors they probably want to try and squeeze every last \$10 out if they can, you know ...a lot of landlords need to adopt a bigger picture where, if you're say in Auckland central these on average are going up 10% a year so, say you have a half million dollar property, on average over 10 years it's going to go up \$50,000 a year, so I kind of expect after 4 years they're going to move out and I'm going to spend \$3-5,000, \$10,000 at the tops but say \$5,000 but in that 4-5 years I've had \$200-250,000 capital gain, so why am I getting stressed out about spending \$4-5,000

Or why are you getting stressed out about you know squeezing another \$10 out of them (Landlord).

Others felt that high rental prices actually attracted worse tenants, potentially because poor references prevented them from obtaining more affordable properties:

Yeah well I guess I learned something too, you know that, I learned that the higher you have the rents the worse the quality of the tenant is (Landlord).

As noted not all property owners saw the benefit of financially squeezing their tenants to their limits, instead offering affordable rents with the following long time property investor stating:

We'll drop the rents when it's been tough. I've said to the agents themselves they like to bang on an extra \$10 every year- and I say don't do that. It's too hard for people. You know, like I mean, my mother-in-law always said leave something in for the next person, so, my translation of that is don't try and screw down to the last dime, you know. It benefits me and it benefits someone else because my tenants stay (Landlord).

Where participants reported good experiences, it was evident that this was a result of good people, rather than good rules. Many of the property owners reported protecting their tenants as far as

possible from intrusion, rental hikes and eviction. Likewise some tenants felt their property owners went above and beyond expectations to provide a good value and high quality standard of living.

5.4 Rental affordability summary discussion and recommendations

The main contributing factors to perceived decline in rental affordability was multi-faceted, and included competition between tenants, opportunistic price rises by landlords as well as other discretionary charges applied by property managers, in summary the lack of regulation in the private rental system increases vulnerability to price rises. Fear of rising rents was more commonly reported than actual price rises, and this affected the ability of tenants to feel settled and enjoy their home completely.

Longer term landlords and those with closer relationships to the tenants, tended to actively control rental costs and affordability for their tenants. Newer landlords and those with smaller portfolios were more focussed on capital gain growth. Tenants also reported being trapped in good deals, even when the property was no longer suitable for their needs.

Tenants showed resilience in the face of rising rental costs, finding adaptive measures including; moving out of Auckland; sharing housing costs or accepting poor quality housing for cheap rent and then requesting upgrades.

In order for New Zealand to develop a stable and secure private rental system, will require a review and rebalance of the tenancy laws. Strong contract and rental protection in concert with extensive tax incentives for new construction of rental properties can improve rental stability. Where stock quality is maintained and profits from rentals are primarily drawn from low risk, low yield rents, rather than runaway capital gains the system benefits all actors (De Boer & Bitetti, 2014).

Rental controls/caps could be considered as an alternative lever for stabilising the housing sector; however rental caps have been linked with the diminishing availability of private rentals in some jurisdictions, which could exacerbate the housing shortage problems and therefore should be introduced with caution (Hulse, et al., 2010). Examples of rental caps are found in some of the major cities in the USA, including New York⁷, although critics of the New York system report that rental caps disincentivizes landlords to improve the quality of housing stock, as well as deterring residents to move through the system. The Auckland Property Investors Institute (Lewis, 2017) agrees with this argument and is against caps. At present Auckland's rental yields are low and stock quality is already declining without caps. As evidenced in this report, tenants are currently unable to move along the housing continuum, so caps may compound these issues.

Rent stabilisation schemes are another option where longer term tenancies combined with stabilised rents could result in less negative impacts than a blanket rental cap. Scanlon and Whitehead, (2014), in a report for Camden Council, London, noted that some rent stabilisation schemes build in rental growth at the beginning with up to 50% higher rent than comparable

⁷ New York which has the biggest rental market in the country with 5.5 million of the 8.2 million residents renting

properties, but with much greater tenant rights and security. This provides some support to the landlord in case of unexpected changes in costs not covered by a basic rent. Scanlon and Whitehead (2014) also note that New York rent stabilisation schemes favour the better off who can secure the initial higher cost rental. Care would have to be taken in Auckland to not exacerbate the rental security for those on lower incomes further by also increasing the provision of social housing.

Other potential levers for New Zealand include the removal of tax incentives for investors including 'negative gearing' (Gower & Lynch, 2017). Again, without careful control, this could result in the further decline of housing stock quality.

The systematic causes for increasing rental costs included, limited price regulation, the commodification of housing, the accommodation supplement and increasing competition for private rentals. Without addressing these issues it will be unlikely that Auckland's private rental system will become more affordable.

6.0 Perspectives on housing stock quality

The second main theme that emerged from the data was the poor standard of stock quality in Auckland's private rental sector. This section explores the role landlords and tenants have in maintaining quality, or contributing to stock demise. Poor stock quality has serious impacts on health and well-being and stock quality is affected by the frequency of maintenance schedules (Howden-Chapman, 2015). The results of this study add to growing concerns about the quality of rental housing in Auckland. The study found interesting evidence that landlords' do not necessarily have the ability or willingness to maintain their properties, and tenants' are reluctant to report issues and get things fixed.

6.1 Rental housing stock quality

There are an estimated 300,000 older New Zealand homes which are un-insulated, damp and cold (Child Poverty Action Group, 2014). One method to improve the quality of the private rental stock in Auckland would be to introduce an enforceable minimum standard measure such as a warrant of fitness (WoF). Proposals to introduce a WoF for rentals have been discussed for a number of years (Gillespie-Bennett et al., 2013; Howden-Chapman et al., 2013). Auckland Council submitted in support of the Government implementing a wider reaching standard for rental housing during the consultation on the Residential Tenancies Amendment Bill (No 2) 2016 (Auckland Council, 2016).

Following the change of Government in 2017, a new Healthy Homes Guarantee Act has been proposed, which if passed into law will introduce minimum standards for heating, insulation, ventilation, draught stopping, and drainage (Twyford, 2017).

Despite the importance of providing good quality housing, only 42 per cent of the landlords interviewed in the quantitative CATI survey reported having a structural maintenance plan, notably a higher proportion of those using property managers had a maintenance schedule in place. The median maintenance spend for those with up to four properties was \$2000 per annum, this value fell significantly for landlords who owned more than four properties.

Satisfaction with the level of maintenance varied with 70 per cent of tenants indicating they were either very satisfied or satisfied. Of those unsatisfied, 16 per cent felt their house was unhealthy/damp and 15 per cent stated it needed improvements and repairs. It is noted that the tenants interviewed were not living in properties owned by the landlords interviewed.

6.1.1 Damp and mould

Damp and mould is commonly reported as an issue in New Zealand homes⁸. There is substantial evidence in the New Zealand literature on links between poor housing quality, particularly

⁸ Damp and mould are inter-related. A dwelling that is damp is hard to heat, and mould grows better in damp air (Howden-Chapman, 2015). Mould thrives on moisture and grows where there is dampness in or on a surface, such as walls, ceilings, floors, curtains or furniture, for a prolonged period of time (Housing New Zealand, 2016).

dampness and cold, with poor health outcomes (see for example Keall et al., 2010; Howden-Chapman, et al., 2007; Howden-Chapman, 2015; Bennett et al., 2016). Mould accumulates in damp and poorly ventilated buildings. Inhaling mould fragments or spores can inflame the airways, causing nasal congestion, wheezing, chest tightness, coughing and throat irritation, prolonged exposure to mould can reduce lung function and can cause or exacerbate pre-existing lung conditions such as asthma (Asthma UK, n.d.).

Poorly constructed dwellings, broken or inadequate building materials, damaged drainage systems and/ or lack of passive ventilation⁹ often show signs of damp and mould. One way of preventing mould is by modifying occupant behaviour although this can be challenging in older or poorly constructed buildings. MBIE's Tenancy Services information recommends occupants ventilate properties, avoid drying washing indoors and creating steam from uncovered cooking and use of electric rather than gas heaters. They note that it is the property owners' responsibility to provide a clean and mould free house at the beginning of the tenancy and the tenants' responsibility to maintain it in this state (Tenancy Services, 2015)¹⁰.

Laying the blame for issues with tenants was quite common among landlords:

You know you can talk to tenants but it's surprising how many people live in houses with the curtains pulled, windows shut and you know, and the houses sweat you know, and Auckland is such a damp environment yeah so, you know you can do your best (Landlord).

However, the qualitative interviewees indicated that experiences of properties which had not been maintained to a good standard were common. Complaints of mould, poorly maintained grounds, and plumbing and electrical problems, broken windows and doors, and infestations were the most frequently identified housing quality issues, which in some cases were causing ill health effects:

My son actually developed a bad cough that has been with him for a couple of years now from the mould that was growing around his bedroom (Tenant).

It is possible however that tenants are making the best of what they have, for example, if the landlord does not provide a 'dry' source of heating¹¹ and adequate insulation then condensation will be an inevitable, if not undesirable, result of keeping warm:

... As I say this house has mould, damp and mould problems, and so did the previous house that I was in. And yeah I mean, and it does get cold in Auckland in the winter time, not as bad as the south but it still gets cold, yeah (Tenant).

⁹ Passive ventilation takes advantage of wind and orientation of windows to cool or warm a property (BRANZ, 2015).

¹⁰ Records of the presence of damp in housing will be captured in the 2018 census using a dwelling dampness indicator and dwelling mould indicator, which will give a fuller picture of the extent of the problem in NZ (Stats NZ, 2017).

¹¹ Un-flued gas heaters commonly used for heating homes generate significant condensation.

Many tenants' reported sickness which they attributed to mould as well as damage to their possessions:

And it was just horrific and my children were always sick. I always had to clean mould off the walls, all my clothing had to go to a dry cleaner twice a year, and I couldn't cope with it (Tenant).

Despite adopting appropriate behaviour some mould issues were affecting the tenants interviewed, and their landlords showed little concern:

Oh yeah, I mean we keep on top of it a lot now but we would probably have to do the ceilings at least twice a year, sometimes three times just to get rid of it. And we air the place out all the time but in the winter obviously you can't air it out as much...

... yeah but I mean we have mentioned it to the landlady, but because she doesn't live in it and she has never lived in it, I don't think it really is a factor for her. When they did the bathroom we deliberately left the ceiling bad because we knew that she was coming in, normally we would, you know you would clean it on a regular basis but we just left it, unfortunately her father painted right over the top of everything (Tenant).

The difficulty in attributing responsibility to either the landlord for inadequate maintenance, or to a tenant for mould causing behaviour is indicated here:

Actually I am sure there are some properties where that is true and there is an equal number if not greater number that are down to the tenants and the way they live. Cheap heaters which are un-flued, pumping masses of moisture in to the house. A lot of people like to cook on the little portable gas cookers cause it works better with the wok and the amount of moisture that puts in, we have got tenants in one of the units here that is actually owned by the body corporate and on the last inspection the windows were totally wet, the curtains had rotten and they had only been in there two months. And yet prior to that we have completely renovated the place and they I mean it was faultless, it is, it is not only windows, they were using the un-flued heaters and such like. It's not in the landlords interests and I have also seen a lot of properties both as an agent and sort of from my own experiences elsewhere where you have ten, fifteen, twenty people living in a house that is intended for four you know (Landlord).

Several tenants also complained that the level of mould was too much to stay on top of, or that the property had been given to them in a poor condition. Some tenants were subsequently held responsible for the mould and had their bonds retained:

This argument about all the mould on the ceiling, they wanted us to clean it up and since it was a damp place, I had to complain about that and actually they took part of my bond for cleaning it up. They said it was our responsibility and being Auckland a place where moisture is a problem, it is our responsibility. If the home is a dry home, I mean, I didn't want to fuss it, it wasn't a big amount, about a couple of hundred dollars but I still believe that it wasn't our responsibly, the house was not up to standard (Tenant).

The need for education on the management and prevention of mould came through both the tenant and property managers' interviews:

I think maybe I contributed a little bit to that because, I was like back in my early days of renting as a young Mum with, you know, the kids Dad I wasn't aware of these little things so we bought a dehumidifier to solve that problem and that was just not having the windows open a lot because that house back then it wasn't insulated and it did get cold, so, I didn't understand about condensation and all that, so, I think some tenants maybe the younger ones need to be educated a bit, that don't understand, you know, these things (Tenant).

Property managers recognised that sometimes mould can be caused by structural issues such as water ingress from outside, but also saw that it was the responsibility of the tenants to keep on top of any mould and mildew issues, and some offered advice on this in the introductory packs:

The tenant is responsible to make sure that they ventilate adequately, we offer lots of advice to tenants on ventilation, we carry Exit Mould in our cars and we show them how to use it... (Property manager).

Some property managers commented that they need to take time to explain the causes of mould and remedial action that can be taken by tenants, and on occasion landlords, particularly to people from other parts of New Zealand or other countries.

Half the time it's a liveability thing, you know you get a new, a person from somewhere else in New Zealand that's not use to our conditions, we've got a heavy humidity even though cold wet in the winter, it's still high humidity, and once you get mould spores and they, they're underway you've got to kill them, and they can lay dormant, you can kill them but they're still dormant, they'll come out when the right conditions are there (Property manager).

Although in some cases mould can be controlled by the actions of the occupants, the predisposition to getting mould can often be addressed by the property owners, through the installation of ventilation systems and repairs to the building envelope, guttering and drainage.

6.1.2 Provision of heating

The problem of airing out properties in cold weather was raised by a number of those interviewed. Despite tenants complaining about a lack of heating, when asked to prioritise home improvements only 15 per cent of tenants prioritised heating over other improvements.

Views varied on whether it was the landlord's responsibility to provide a source of heating, some of the tenants felt that it was a 'nice to have' but not a necessity:

I think probably culturally, we're just not used to it in New Zealand, you know, having heating provided (Tenant).

I think because there is a fireplace here and it has been boarded up but I think you know there should be, if it is not insulated then I think a landlord should have to supply

either heating or a heat pump of some sort. Because not everyone can afford you know to go out and buy heaters (Tenant).

Many had successfully arranged heating provision with their landlords and property managers:

We were dealing with Barfoot & Thompson, the real estate agents, and they were happy for me to gather quotes and get different companies into quote for having heat pumps put in or a HRV put in but I think, oh, I sort of think that should be mandatory, you know, in a house (Tenant).

The recent announcement of the Healthy Homes Guarantee Bill will require that landlords provide a source of heating as well as insulation (Twyford, 2017). Should the proposed Bill be made law tenants should see a significant improvement to their rentals, but it is unclear whether they will be protected from any incurrence of associated costs.

6.1.3 Tenant housing quality expectations

The general deterioration of rental housing stock and the inability of tenants to effect change have led to an acceptance of poor standards as the norm.

As with tenants finding affordable rentals, when tenants report having well-maintained mould-free properties they attributed it to 'good luck':

We haven't had any bad experiences renting and we have been lucky enough where we haven't necessarily had to live in homes that weren't insulated or have enough heating (Tenant).

It is arguable that having an affordable property, maintained to a good standard, which does not impact negatively on health or possessions, should be a standard expectation, not the experience of a 'lucky few', but this theme of luck was prominent throughout reports of good experience:

I say, in this place, it's probably been exceptional. Like, I'm aware that I'm very lucky (Tenant).

Experiences of requesting maintenance and repairs varied between the respondents, many of which were very satisfied with the level of service they received from their landlord or property manager:

Well, where I am now, is good. I mean, my landlord's onto it. You know, just email her and within 24 hours, the problem has been fixed (Tenant).

When tenants' experiences were positive with the landlord/ property manager, they indicated a greater willingness to commit to the property longer term. The tenants reported taking pride in the upkeep of the property on behalf of the owner, and in return expected the landlord to recognise this contribution:

If the landlord is fair and the tenant maintains the place nicely then I think they should base the rental on that, you know, keep it professional but not too, how would you put it? By the book if you know what I mean. I don't know, yeah, like you couldn't make fair judgments on what you can afford to get done and, you know, things like that drain

leaking, anything that puts the tenant out of pocket, I mean, if the tenant is willing to do some stuff then the landlord should take that into consideration as well that ok I'll get this major thing that needs to be done and, for me, for the amount of time that I've rented now I let the little things go, but I make sure that they know that it was like that when I got here (Tenant).

In other cases tenants' requests for maintenance and improvements took several attempts to secure action. The reasons for this varied. Some felt that the Property Managers were not passing on requests to property owners:

Dealing with an agent should be easy peasy, if I was the agent I'd be passing everything onto the landlord, and telling them and saying you need to fix this and do this that and the other thing but, clearly that doesn't happen (Tenant).

Or as Reid (2017) reported, Property Managers report maintenance requirements to landlords, but some landlords refuse to undertake the work. Property managers are not in a position to force landlords to undertake work, and in the worst case scenario they release landlords as clients.

The following extract illustrates the frustration some tenants feel when trying to get their home maintained:

I mean, the house was bloody cold but when I went under, there was nothing under the floors or anything like that so there was no insulation. He wanted everything but wanted to spend minimal. He was just greedy (Tenant).

Other tenants reported the frustration they felt with landlords prioritising cosmetic upgrades over making the property warm and dry:

Her father comes over from China and they redid the bathroom. Yeah so you know you I have got this quite a classy bathroom in this three bedroom bungalow, yeah not that he was a great tradesman but yeah...If I was given the choice, we actually asked her whether or not we could have insulation or a heat pump rather than the bathroom because there is no insulation in the place and it is a very cold house in the winter and you do get mould because of that (Tenant).

Neither expectations of standards nor priorities are aligned between many landlords and tenants. Property managers have limited capacity to enforce improvements. Where tenants have a good standard of care from their landlord they attribute it to luck.

6.2 Perceptions of maintenance responsibilities

An investigation into perceived standards carried out for BRANZ by Buckett et al. (2012) and updated by White, et al. (2017), found that tenants consistently overestimated the quality of their rental accommodation when compared to an independent assessor's review of the quality. Furthermore, private rental housing was independently evaluated as being of considerably lower standard than social or privately owned housing (Howden-Chapman, 2015).

The BRANZ Housing Condition Survey reported that the rental housing stock in New Zealand was significantly poorer than the owner-occupied stock, but that the quality of housing had improved

slightly since the 2011 study (White, et al., 2017). The role of landlords and tenants in housing maintenance is discussed below.

6.2.1 Tenants' role in maintenance

Tenants reported varying experiences and expectations around maintenance illustrating the ambiguity of the issue, and a lack of clarity about where responsibilities lie. Many tenants appeared to absorb the cost by undertaking the repairs themselves where feasible:

Yeah well it is, I mean if you can't get on with your landlady or whoever it is, then you've really got problems, the other house we used to rent off a guy, they were really nice as well, and I would just ring them and say something needs done, or you give me the money and I'll do it, because we quite like doing up places, you know what I mean? (Tenant).

Tenants reported a reticence to enforce their rights to good quality housing. This is reflected in the fact that only one out of seven cases heard by the Tenancy Tribunal in New Zealand in 2014/15 was brought by tenants (Howden-Chapman, 2015).

Being viewed as a 'bad tenant' and fear of rental price rises appeared to lie behind this reluctance to report maintenance and repair issues. This meant some tenants attempted to resolve problems themselves:

I mean you know unless there's something major going wrong or something, you don't like to be picky, I don't know you've got to be a little bit careful as well, I mean just you don't want to be seen as being overly fussy, or overly picky about things because you know there is always at the back of your mind, well they can say ok well we're not going to renew your lease, or they could put the rent up, you know things like that, there is always that, so while you know things are within your rights, you kind of think oh well you know, you'll sort it out or you won't worry (Tenant).

Where tenants were not concerned with issues of health and safety, many were reticent to request basic repairs and maintenance. The reasons for this were varied. Some claimed to not mind undertaking small repairs and maintenance, as they saw the property as their own and thus repairs as their responsibility.

I mean I've have always done small stuff around the place anyway rather than just go straight to either the agent or the owner because it is just the way I have been brought up I suppose. If something needs to be fixed, but yeah...

...Oh if I have to incur costs of it and it is only twenty or thirty dollars you don't bother you know you just wear it (Tenant).

It is not clear from the responses how high the standard of the tenant's repairs and maintenance was:

We went upstairs because of the kids when they were small, when they were growing up we moved back downstairs to get an extra bedroom, and I ended up doing most of the painting downstairs for free (Tenant).

Some tenants felt that their repairs and maintenance would not be of a good standard, so they did not request a reimbursement of costs incurred. There is a risk that the general standard of the housing stock could deteriorate due to tenants' DIY:

Well, I asked for top up paint so I can, if there's any damage to the walls, so I can do that. I haven't really asked or tried. Ah, honestly, I don't think he'd have a problem with it, if I was kind of covering the costs. But, I think, I imagine that he'd actually rather come in and do the job himself to do it up to the level some of the other units and that would then, you know, he'd be doing that properly rather than me putting a lick of paint on the wall (Tenant).

The cumulative impact on stock quality deterioration is demonstrated when neither landlords nor tenants are motivated to maintain a property:

Well, when I say the place was a tip, or is a tip, rather, the previous tenants obviously had holes in the walls, there was drawing on one of the bedroom walls. Um, it was dirty, the walls were dirty, so my attitude to him was, if you're happy to rent this to me looking like this, then you wouldn't mind if I just put pictures up anywhere, and, you know, with nails (Tenant)

I am lazy, I don't do regular maintenance. I only do it if they [tenant] ask for it. But, if it's in between tenancies, that is, if one tenant moved out, and I want to lease it out again, then I will do some cleaning/maintenance. Other times I don't, unless the tenant asks for it, otherwise I don't do it (Landlord).

This resistance to report problems, combined with a reluctance to maintain properties to a good level by property owners can be associated with the general perception of deterioration in the Auckland housing stock.

Some property managers expressed frustration at the lack of communication from the tenants they worked with:

These days I think a lot of it is, is cultural and communication issues with people. And often if people cannot communicate or they feel that they are likely to get in to trouble, they will avoid you, so there is just no communication, they just don't talk to you (Property manager).

As with the lack of clarity around housing quality, there are also limited requirements for communication between tenants and landlords set in statute. Tenancy services do recommend self-resolution of issues as the first action in a dispute and note that 'communication is key', this is nicely summarised by the following tenant:

I think communication with your landlord. You know, behaving like reasonable adults. If there's an issue, talking about it. Getting things sorted or, you know, coming to an arrangement. For me, paying your rent on time and then, yeah. Just basic stuff really (Tenant).

As with many aspects of the tenant experience there was variation. Some stated that they had reported maintenance and repair issues in their current rental and previous ones despite concerns that the costs would be passed on to them, for example:

Do you feel that you are able to go and complain about it or are you concerned that that might end up with costing more in rent?

Yes. I think it may end up in an increase in rent.

So, does that affect how often you report things?

No, everything gets reported (Tenant).

6.2.2 The impact of stereotypes of good and bad tenants

Marston (2000) and Bierre et al. (2009) have discussed the prevalence of the 'bad' tenant stereotypes in tenant identity discourse. It was notable that tenants in the qualitative study commented that they had a fear of being labelled a 'bad tenant', whereas the property managers only commented on 'good tenants'.

As Reid (2017) discusses a good tenant is tied to notions of paying the rent on time, maintaining the property, keeping it 'clean and tidy', and not asking for additional features to be added, or changes to be made to the dwelling:

Yeah, so what we do, when we do a fixed term tenancy, we write to the owner three weeks before the tenancy's up and say: "Look, the tenancy is up. Do you want us to keep going with these people? If they're not good tenants we'll move them on. If they are good tenants, then we'll renew their lease, if they want it." (Property manager)

Tenants had a fear that by asking for routine maintenance to be undertaken they would be seen as 'bad tenants', and jeopardise the security of their situation:

I would rather get somebody to do it for me or I do it myself. I mean, obviously if it's something major like, you know, there's a blocked sewerage pipe or something like that, I wouldn't try and fix that. But I try to keep it to a minimum because I don't want then to think she's always moaning (Tenant).

Yeah. I mean, I know that if I asked the lady she probably would push for it but I just don't, I am a bit afraid of them saying, "Ok, we don't want you guys here anymore". So, there is a little bit of concern, yeah. Because it's not easy to look for another house (Tenant).

Under the RTA S45 tenants' have a right to a clean house, in a reasonable state of repair, which complies with all building and health and safety legislation. Despite these rights, the fear of being labelled a 'bad tenant' appears to prevent tenants from exercising them.

Landlords also commented on the problem of tenants withholding complaints:

No they weren't very good at that sort of thing actually, and I found if you didn't inspect the properties regularly they didn't let you know about maintenance issues, it was a problem, you know inspections you do need to do inspections that's what I found (Landlord).

It was not just maintenance that went unreported; some major damage went unreported as noted by this property manager:

And in the end Michael went down to the property yesterday and caught her husband at home. And of course we had heavy rain...And he goes oh yeah there was a flood in the basement. You know we need to get the carpets dried out, all those sort of things so if he hadn't have knocked on the door we wouldn't know about it. And it is all avoidance (Property manager).

This property manager also confirmed that their role in improving housing stock is inhibited by tenants afraid of rental increases. This quote illustrates the precarious nature of pricing and affordability:

Yeah, if they are being charged \$320 a week and the rent should be \$380 and the landlord is refusing to bring the property up to standard and the tenant is going oh we don't want to upset him too much because otherwise our rent will go up, or he will kick us out or else you get the rent for \$320 (Property manager).

Many landlords considered regular maintenance and reinvestment into the property essential, in order to protect their asset and to keep good tenants:

Over time, that ends up going back into the property for deferred maintenance, because every 7-8 years you know you're giving it a paint or, you need to do a new kitchen or a new bathroom or what have you so, even though there's plenty of cash flow, and I guess that's what I'm saying it, cash flow it doesn't, you know if you're a good landlord and you're trying to keep your properties up to date, and you want good tenants you tend to put money back into the assets to keep them up to scratch, and it also keeps your values up too yeah (Landlord).

The findings of this research reflect a similar study into the Australian rental market (Choice, National Shelter and NATO, 2017). The Choice study indicated that one in seven renters, including a third who had previously had a dispute with a landlord or agent over a bond, had not made a complaint or asked for repairs for fear of blacklisting and other adverse consequences. Australia, like New Zealand, has similar levels of tenant protection, and similar poor tenant experience.

6.2.3 Landlords' role in maintenance

Reid (2017) identified that the biggest challenge for property managers in dealing with owners was the inability or lack of willingness by landlords to pay for maintenance and attend to repairs.

Some property managers put this down to a lack of understanding among owners of their responsibilities, particularly among landlords who originate from countries where maintenance obligations vary significantly to the New Zealand context:

Property owners, we don't have a lot of issue with them actually. I guess, one thing would be some of the Asian investors that we have, they tend to not like to do repairs and maintenance, and a lot of the inexperienced property owners tend to be a bit that way. They think it's like a term deposit and you just get your interest, right and they go what do you mean we've got to clean the gutters out or, you know water blast the

outside, regular maintenance right? Because you can just defer it on the house and not do it (Property manager)

Others noted that the lack of willingness to maintain rental properties among owners was linked to their lack of interest in the process of letting a property out, as their main rationale for entering into the rental market was for capital gain:

And the trouble I guess in recent years is that it doesn't matter to some of them, because they are just in it for the capital gain. And why spend any money when I can sit on it, do nothing and still makes hundreds of thousands of dollars in capital gain and flick it off in three or four years? And that's a real problem (Property manager).

Owners who don't want to spend their money ... they are just there as a cash cow, they are happy to be slumlords... how many of those are there out there really? Not a huge amount but even if its 5 per cent which I would roughly guess it might be ... that's a lot of properties (Property manager).

Qualitative interviews with landlords revealed a variety of views on the importance of maintenance, ranging from it being an essential part of asset protection:

Any repairs and maintenance we were onto it very quick, we made sure that we were, yeah I mean the properties weren't sort of run down, they were you know fairly high quality properties, and very well maintained, and a high standard, at the upper end so, and we were keen to maintain those properties, to our very best yeah (Landlord).

In contrast other landlords illustrated an unwillingness to pay for maintenance, seeing it as an inconvenience:

If your tenants are white people (Europeans), they will be more troublesome, if there are anything broken or anything not working properly, they will call you and want you to come straight away, they don't care if you are free or not, they want you to come immediately. So, things like maintenance would be more troublesome/tiresome, sometimes it will disturb your life and your plan, things like that (Landlords).

There was no clear distinction from the tenants' perspective as to whether property managers or landlords were more responsive to maintenance and repair issues. However, some respondents who had dealt with both individual landlords and property managers reported that property managers were much quicker at responding to complaints. They attributed this property managers being better resourced:

I've noticed that going through an agent, say like Barfoot and Thompson or something, you often get faster action than if you're dealing with the landlord, but I guess that's also just because they've got people on hand, you know on their books that they can send round it's probably easier (Tenant).

Equally others reported having poor experiences with property managers. As previously discussed, some property managers were accused of not passing on complaints to homeowners with tenants reportedly making many call-backs to resolve issues:

I'm not a person who bugs everybody but yeah, every time they came to visit for inspection, we had always advised them that this is what requires, because that's what they want us to tell them, when they come for inspection, if anything requires maintenance but it's only a formality. Nothing gets said (Tenant).

As Reid (2017) noted some property managers have such large portfolios that they struggle to maintain the service the tenants require. While landlords can be so financially constrained by mortgage costs that they cannot afford to maintain properties to a reasonable standard. These factors combined with the tenants resistant to report issues are compromising Auckland's housing stock quality.

6.2.4 Perceptions of the Warrant of Fitness

Despite the previous Government undertaking trials on the Warrant of Fitness in 2014, amendments to the RTA in 2016 were limited to a requirement for private rentals to have smoke alarms with immediate effect, and insulation by 2019. At the time of the interviews the Healthy Homes Guarantee Act had not been proposed. The participants were therefore asked to comment on the necessity for introducing a WoF and to make recommendations for its scope.

Views of the participants varied on the scope and need for a Warrant of Fitness. The main themes when asked about stock quality standards were that properties should be clean, warm and dry, with some form of heating:

I would say a certain standard of cleanliness, things like carpets cleaned before a new tenant moves in, and definitely things like DVS or heat pump that sort of thing, as well as obviously your basic insulation (Tenant).

The tenants were asked their opinion of the new RTA standard, and whether the property they were currently renting met the insulation and smoke alarm requirements of the Residential Tenancies Amendment Bill (No 2) (2016). Only one tenant in the sample had an existing working smoke alarm installed by the landlord or themselves:

I've shelled out for four, out of my own pocket for smoke detectors, only because I work in health and safety (Tenant).

Knowledge of the extent of the insulation in the property was varied. Many tenants attributed the warmth of their home to insulation without evidence that it was there.

A fear that the requirements of the proposed WoF were too draconian was also prevalent, with suggestions made that properties be evaluated on a case-by-case basis. A number of tenants in the qualitative interviews stated that despite their properties falling short of the new standards they provided adequate comfort. The main source of concern with a proposed WoF was that any additional requirements would be funded by tenants:

The trouble is the lowest denominator prevails you see, it's a real problem... I think there needs to be some standard but, it's I mean for instance if you make a regulation where you've got to provide heat, you know heat for all the properties, I mean if that's the standard, alright but then some properties may not need it, you see and the trouble

is the landlord then has got to fork out something that he doesn't really need to, and the tenants don't need it either (Landlord).

As this property manager highlighted, by legislating for the minority, the majority would pay the price for implementation of standards they already have:

I think a critical thing is fire and insulation, dampness, but you know those are the three ... clean, dry, safe is a requirement, and the tragedy for Auckland is in the lower end where that predominantly prevails. Those people don't have choices, so the landlords get away with it. So do you tarnish the other 80% or 90% because of 10% of the market, and make the cost greater? (Property Manager).

Practicalities and costs associated with the enforcement of the legislation were given as the rationale for rejection of the original proposal for the WoF by National Government. Tenants also raised concerns about how the WoF would impact on rental price rises:

From a renter's perspective, how do you make that happen without getting offside with the landlord? I mean it is all very well having legislation and I think it is a good thing but, to say to your landlord look do you realise that you have got to have this place insulated, I mean she is an intelligent woman this girl, she is an accountant you know, my fear would be that she will put insulation in and then the rent would go up again (Tenant).

Practical issues of implementing the legislation both due to the structural configuration of the building and also due to multi-title scenarios with body corporates were also raised:

I have two solid concrete terraced houses that have limited ability for me to put [insulation], cause they are basically a flat roof and the only way I can't get any insulation in there other than what was required by the building code at the time is by ripping the ceiling, or by modifying the whole roof structure, and to modify the roof structure cause I can't have access to the original architectural drawings and I don't think they would comply today anyway, I would have to get a structural engineer involved to inspect what is there and design a replacement and then for them to go to councils resource consent, you are probably talking somewhere like \$20,000, \$30,000 maybe even \$50,000 before I even start work and that is assuming I can get everyone else in the body corporate to agree to do it (Landlord).

Legislating to control costs being transferred on to the tenants was offered as an option, however without rental caps this would be difficult to implement:

I think if there was some way to stiffen that legislation alright, for the insulation and the fire alarms, so that if it fell on a place like ours that if the landlord was made to put insulation in they can't then automatically whack the rent up (Landlord).

And I think going forward that is going to be a big thing, because old houses are going to go up in price in 2017, 2019 when the insulation comes in to play. Because it's \$5000. To do a house is \$4000 for a three bedroom, \$5000 for a four bedroom. So straight away the owner goes where am I going to get the money from? You know? (Property manager).

Overall the need for safe and warm houses that meet the regulations was widely accepted. Despite support for improvement of rentals, tenants, landlords and property managers all raised concerns regarding financing the changes and enforcing the standards.

6.2.5 The role of inspections in stock quality

Inspections have a number of purposes, and their frequency varies depending on whether the property is managed professionally, and where it is not managed if the landlord initiates one. Property managers prefer to undertake regular scheduled inspections, which usually happen on initial occupancy after four to six weeks, then every four to six months depending on the landlord's insurance requirements and preference (Reid, 2017).

Inspections of properties are covered by S48 of the RTA, this specifies the requirements for notice, and limits inspection frequency to no more than once in any four week period, there is however no maximum period within which an inspection has to take place. Therefore some tenants reported very few inspections, with one tenant respondent reporting no inspection in eight years. Others had to initiate the inspections themselves:

We normally have to phone her and say look you haven't been around for a while do you want to come and have a look at the property (Tenant)

Property managers take a more structured approach. Inspections serve a number of purposes, including check for mildew, damage and wear and tear, but also to check on the tenants, such as looking for signs of overcrowding and sub-letting. All participants reported that tenants are provided with prior notice of inspections as per the requirements under the RTA:

So when we do our inspections, if the paint is starting to peel or something like that, it's a warning. It's looking good for another year or two, but you need to start budgeting for it, that sort of thing, so it's developing a rapport with our owners, that's a challenge, on how they see their investment, some of them just don't want to spend any money at all, and you'll get a feel for them fairly quickly. They don't tend to be long term owners, they tend to sell it off after they've extracted everything they can get out of it, but for most of our owners they are long-term owners, and it is really important for them to keep their investment maintained (Property manager).

Tenants reported mixed experiences of property inspections. Some tenants considered they offered an opportunity to highlight maintenance issues, although they do not always get addressed:

Well they come every three months to do an inspection. I have asked for gutters and things to be cleaned but nothing gets done (Tenant).

Other tenants felt the organised inspections were an invasion of personal space, and a judgement on them and their lifestyle choices personally:

I felt like you know we had to have the property tidy for the house inspections just through pride yeah (Tenant).

As this property manager observed it is a fine balance between protection of the landlord's property and invasion of the tenant's privacy:

You get that dichotomy with landlords who might have started off, thinking investment property is great, then it is them against tenants, because they had one bad experience, and then it becomes like 'watch them like a hawk' and they are riding them didn't have it as a home and they are trying to get in there as much as possible to make sure everything is going okay and you know also harassment in some ways but often legally (Property manager).

Inspections also offer an opportunity to test for methamphetamine contamination, which is a growing concern in the private rental system. The insurance industry has been particularly active in driving this issue. Under the RTA there is no specific requirement to test for methamphetamine during a rental inspection, however incorporating a methamphetamine test into the tenancy contract is now advocated prior to and during a tenancy, as a good protective measure for landlords and tenants alike¹². NZS8510.2017 is a New Zealand Standard which outlines contamination level assessment and decontamination processes (Standards New Zealand, 2017).

One tenant recommended the incorporation of testing for methamphetamine into a warrant of fitness.

Ah, one more thing on the Warrant of Fitness, as long as we pie in the sky, let's give it a chemical clearance, hey?

Yeah. Yeah. And I think the thing is too, that that's one that will really benefit tenants and landlords long term. You know?

There's a standard swab test that someone does (Tenant).

This landlord remarked on their concerns about the negative impact methamphetamine can have:

I think the worry of the tenants, you know now there's talk now about drugs, P for instance, you know you're not quite sure whether a tenant is going to be involved in that type of thing, in spite of a property manager, and yeah just the thought of things like that, it is a bit scary (Landlord).

This property manager felt that the landlords they dealt with were against methamphetamine testing:

They don't want to know about the potential for meth contamination, they don't want to have to, I mean the latest big thing with Tenancy Tribunal is the Osaki decision that basically means that you can't charge tenants for damages essentially (Property manager).

Other property managers did not see automatic testing as necessary, regarding the issue as being 'a bit of hysteria' (Reid,2017).

¹² Ray White Night, Landlords Event Takapuna November 2016

The lack of clear rules surrounding the scope and regularity of inspections results in an ad hoc approach. Although some tenants report not liking or needing inspections, should they have more defined purpose and scope, and maintenance issues arising from them were more adequately addressed, this would likely generate greater assurance for all parties, and increase satisfaction with them. The use of inspections with clear guidance of expectations for both parties would be of benefit to tenants and landlords alike.

6.3 Exit or voice – reactions to poor housing stock quality

Tenants are in many cases reluctant to enforce their rights under the RTA for good quality rental accommodation. Hirschman's 'exit or voice' framework was developed in the 1970s and has been used to consider the tenant experience by Chisholm, et al. (2016). Chisholm et al (2016) use the 'exit or voice' framework to describe the limited informal agency tenants have to address their dissatisfaction with poor quality rental housing. For example, if a tenant is unhappy with the level of maintenance that a landlord is undertaking on their home, rather than talking to the landlord (voice), they move on to a new property (exit).

Several of the tenants interviewed noted that they had decided to move from inadequate properties rather than try and resolve the issue:

The mould on all the ceilings would grow every couple of months and every time we would clean, in another couple of month or for two or three weeks it would just blackened. So actually we were glad that we moved out (Tenant).

The tenants' options to exit the market are contingent on finding alternative accommodation, which in Auckland's highly competitive market is quite restricted. One other issue with tenants exiting rather than voicing their concerns is that the property is likely to stay in the same condition. As Chisholm et al. (2016) note exiting tenants lose the opportunity to influence change in the rental. The poorest quality housing then becomes the only option for those unable to compete for quality stock in lower socio-economic groups. This has been demonstrated in recent times with reports of tenants occupying insanitary accommodation as it is their only option.

6.4 Rental housing stock quality summary discussion

Tenant experiences of the quality of rental stock were varied; some tenants reported limited issues, while others reported many. Of all stock quality issues, damp and mould were the most commonly reported, and there were mixed feelings on its cause and whose responsibility it was to address it.

Poor stock quality was attributed to both landlords' reluctance to pay for repairs and tenants failing to report issues or undertaking poor quality work themselves. All of these issues happened as a result of legislative weakness and lack of clarification around expected standards, reporting and inspections.

Until the Healthy Homes Guarantee Act (or similar) is brought into legislation the regulations controlling rental standards in New Zealand are limited to the Residential Tenancies Act 1986 (as reviewed 2015) and the Building Code and the Health Act 1956. Enforcement of breaches of these acts is largely reliant on complaints by tenants. According to Bennett et al., (2016), these

regulations are outdated, not enforced or only applicable to new builds. Bennett et al.'s. (2016) conclusions were supported by the views of the participants in this study. Not all participants reported having bad experiences, but this was widely attributed to luck. Property managers, landlords and tenants reported feeling frustrated at the lack of clarification around roles and responsibilities for improving stock quality.

Inspections are recognised as an important, if not intrusive, part of the rental system, to check for maintenance, overcrowding and repair issues. Inspections are limited however by a lack of clarity in the RTA (Section 45) around what is meant by the terms 'cleanliness or reasonable state of repair', which leaves interpretation of the terms open to the landlord, often to the dissatisfaction of the tenants.

In the quantitative survey, 88 per cent of landlords interviewed said they would support minimum standards regulations for rentals. Therefore there appears to be scope for rental regulations to be broadened and enforcement strengthened.

7.0 The perceived power imbalance in the private rental system

The power imbalance between agents in the private rental sector was the third main theme to emerge from the data. The findings of this research support the conclusions of McKee and Cooper, (2008) and Bierre, et al., (2009), who demonstrated that the concept of power is intrinsically linked to housing. Choice or the lack thereof, is the main reason for the imbalance of power between tenants and landlords. Brown and King (2005) saw that the ability to make effective choices in housing was directly related to access to resources. As Clapham, (2002) stated, not all households have the same capacity for choice. Participants' expressed their experiences through a range of examples which could be interpreted in the context of tenant disempowerment. This section explores the power imbalance in the heated Auckland rental market and discusses the role of the rental legislation and the Tenancy Tribunal in perpetuating the imbalance of power between tenants and landlords.

7.1 Impacts of the Auckland rental market on tenant disempowerment

As discussed in Section 5, Auckland's private rental market is becoming increasingly unaffordable and more competitive. As a result of rising rents in Auckland the capacity for tenants to make effective choices has been compromised (Johnson, 2017). Tenants reported an arduous selection processes for accessing rentals, and described the sense of disempowerment due to limited choices and discrimination by landlords and property managers.

7.1.1 Accessing accommodation and the tenant selection process

In a market characterised by high demand and limited availability, landlords can select the tenants they perceive as most desirable, and limit access for those they perceive as undesirable. As this tenant explains the application process can be competitive and long-winded:

I mean these days it's a fight for properties. It was like going to a job interview...Cos what they do now is they run open homes even on rental properties. You've got to apply and then you have to wait two to three weeks while they interview everybody and then the shortlist and, you know it can be quite a long process (Tenant).

Reid (2017) provides a detailed description of the tenant selection process described by property managers. A common theme she found was that the selection of tenants starts early on in the application process, and that first impressions are significant:

We start ranking the tenant from the first conversation...

What were they like on the phone? Plus, minus. When they turn up at the property is their car clean, did they park in the driveway or did they park on the road, because the way we view it is it is not their property so if they park on the driveway it is not favourable...

Do they take hats off, sun glasses off, do they take shoes off all without being asked, do they shake hands...

That is even before basically when they turn up at the property that they open their mouth.

When they are wandering around the house are their kids behaving or are their kids tearing off like loonies (Property manager).

Property managers, and in some cases letting agents, act on behalf of landlords in selecting suitable tenants. Some landlords employed relatively loose criteria for tenant selection. Others were quite explicit about which tenant would be acceptable to them to the point of discriminatory. The following property manager saw protecting against discriminatory tenant selections practises as their responsibility, even if this meant challenging the perception of landlords:

Some people, it is just a case of somebody who will pay the rent and look after the house. Right down to being far more specific than that. And of course we have to be very careful and advise them that we are dictated largely by the Human Rights Act as to what we can and can't discriminate against when it comes to tenant selection (Property manager).

Issues with discrimination were common in the CATI survey sample, 25 per cent of the tenants claimed that they had been unfairly turned down for a property. Reasons provided for rejections included, being a single mother, being on benefits, having a bad credit history or for the way they were dressed.

7.1.2 The use and misuse of background checks

Property managers and letting agents have many tools to screen prospective tenants. These include credit checks, debt collection agency checks, New Zealand Police record checks, and records from the Tenancy Tribunal (Reid, 2017). On occasion, letting agents or property managers may use less formal measures such as searching social media or canvassing the opinion of colleagues:

So that is basically what we do for each individual property, we will, and I say to the team, if they just get a gut feeling that something is not right, Facebook them, Google them.

Just see what comes up.

I had another property manager phone me last week saying these people haven't put you down as a reference but I have found them on the Ministry of Justice website there is a tribunal order can you tell me about it (Property manager).

Tenants approach the rental housing market from a position of disadvantage relative to landlords. For example, tenants have very limited means to carry out background checks on prospective landlords. Furthermore, some of the selection tactics reported by landlords and property managers appeared to breach privacy and potentially constitute a misuse of power, as evidenced with this landlord's practise:

Oh yeah, yeah but the thing I do now, and I should have done right from the beginning, is before I sign them up I say 'right let's go and look at your house', and go and have a look at their house

Yeah, yeah where they're living right then and there, I just say 'ok if you want it let's go round I need to have a look at your house and see how you're living', and if they go 'oh no, no it's alright' or you go round and it's clean and tidy yeah great, you look like a good tenant, or if it's not up to standard say 'look sorry it's really not up to standard, it's not going to work', and that's the best way of seeing what they're really like (Landlord).

The creation of a central registry for landlords and rental properties quality was suggested as a way to inform tenants about potential risks prior to being locked into an unsatisfactory situation.

I think the landlords need to be held accountable, and like I agree with this warrant of fitness thing, if it's done in, well I hope it's going to be done, you know, like that they do have a checklist I don't know how they would manage that and I think there should be a place where tenants can check a landlord because landlords can check tenants but, we are paying for something so I expect that we get, yeah, the minimum met (Tenant).

A similar scheme has recently been developed in Dunedin (Healthy Housing He Kainga Oranga, 2017), and offers a potential mitigation to the imbalance of power.

7.2 Power and the Residential Tenancies Act 1986

The RTA is the primary legislation for protecting the rights of all parties in the private rental sector. However, the RTA's ambiguity about rental quality standards and limited scope to control price increases reinforces the imbalance between tenant and landlord power.

7.2.1 Insecure tenure and involuntary exit

Under the RTA, selling and the landlord's re-occupation of rental properties are appropriate grounds for 42 day notice of eviction. This means the RTA is heavily weighted towards the rights of the property owner over the security of the tenant. Tenant protection in New Zealand is weak in contrast to other countries where tenant security is central to the private rental system. For example, deBoer and Bitte (2014) examined tenancy laws in four countries, Finland, Germany, Czech Republic and the Netherlands. In the Netherlands and Germany, tenancy protection rules are at the 'core of the construction of renting as tenure'. These countries have shifted away from home ownership as the ultimate expression of housing tenure. Instead private rental tenure is viewed in equivalent terms to homeownership. At the basis of this equivalence are tenancy regulations that ensure stability and reliability for tenants.

In contrast to these examples, fear of involuntary exit from rental properties in Auckland appears to be a major source of anxiety for tenants.

Ah, it's been quite stressful because, you know, it's a shit thing. I've got a pretty stressful sort of job. It's extra costs incurred you've got to get, you know, hire trucks

and all that to help you shift. It's just the whole upheaval of it, you know? With the expense, is the stress that comes with it, you know? (Tenant)

Even where tenants had open and positive relationships with their landlords, a sense of being at the mercy of someone else's decisions and life events was evident:

There is no surety, you know, you can also be turfed out, if something happened and she decided to sell her property in Te Atatu and move to this one then you know we don't have a leg to stand on, we are out (Tenant).

Results from the CATI survey showed that 42 per cent of the tenants interviewed had moved in the last two years, with 36 per cent of these moves initiated by the landlord selling the house. This timeframe aligns with the height of the market frenzy in 2015, where properties were reportedly changing hands several times per week with huge capital gains (Vezich, 2016).

It was notable that many of the landlords new to property investment, and those with smaller portfolios, saw their rental property purely as a commodity rather than a home and would sell the property to maximise their capital gains.

We have plans to start selling our properties, because you know, the house prices are very high at the moment, so if you don't sell it now, you may need to hold on to it for several more years. So we plan to sell those that have already increased in value and have no room (no potential) for further improvement or increase, we are going to sell those first. Because the house prices now are way too high, and my uncle said, there is a cycle for housing price, the cycle is about 9-10 years, if it dragged it will only drag a bit, so, basically, the time is almost up, it is at its peak now, it may last at most another one or two years, then it will drop again (Landlord).

An incentive for fast turnover of properties in Auckland includes rapid property value growth, where some landlords have been motivated to sell and realise the capital gains from their property:

I think a lot of landlords are just trying out being landlords for a while and are selling on, because the housing market has moved so much in Auckland in the last few years, and some are pulling out and taking their capital gain after a few years (Landlord).

One of the things that gets a lot of tenants here is people buying a place, having it for a year or two, selling it, buying another place, having it for a year or two, selling it. It means that the tenants then only get 18 months or 2 years and then they're forced to leave and find another place and find another place and find another place (Landlord).

In the longitudinal survey, Growing Up in New Zealand, (Morton et al., 2017), 7000 pre-schoolers in the survey were reported to be living in rental accommodation. Many lived with one parent and 50 per cent of children in rentals had moved at least once from the age of two. The following landlord expressed concerns about these trends:

Well obviously, I mean with younger people it's to do with the security of the children and their stability with schools, and so on. Not having to keep switching schools and that sort of thing. Yes, it's very expensive to move. If you have to pack up all your goods and move them it always is going to cost. So you know that's another thing that

people have to contend with, yes. Then there's the business about, well rents are market, especially in Auckland, there's a market value for rental property and landlords trying to keep up with the trend, so you know it's increasing all the time. Maybe the tenant hasn't got the income increase to go with it, so it puts them in a more precarious position all the time (Landlord).

Furthermore, a lack of security has significant impacts on mental health as eviction has been identified as a risk factor for depression and suicide, (Fowler, Gladden, Vagi, Barnes & Frazier, 2015 cited in Chisholm, 2015).

Financial strain is also caused by involuntary exit as costs associated with finding a new rental property and moving can be demanding. One tenant had rented the same property with her disabled child for 17 years so had a limited bond available to secure the next property:

I've seen a couple of houses like going through land agents and it's like over \$3000 to move into a house. It's just ridiculous...you've got to have three weeks bond, two weeks rent in advance and a letting fee to the agent. Yeah it's just astronomical (Tenant).

Added to the cost of securing the house is the time and financial cost of moving:

...you know finding a place is just very time consuming and stressful, financially paying for a move, you're probably looking at about \$1500 every time you move (Tenant).

Following eviction some tenants could no longer afford to rent in the same area as it had become too expensive during their tenancy. Tenants appear to be subject to the impacts of gentrification. This has negative financial and social implications for the individual households, and also for community cohesion as existing communities are forced apart (Cole, 2015).

This study found that landlords have a preference for longer term tenants:

I would hope this is a long term. I also hope my tenants can live there long term too. I don't like that kind of insecurity in property investment and renting out houses, you know, I hope my tenants can live there for longer period, I hope they can be more stable (Landlord).

However, it also appears that the landlords like to have these long term tenancies on their terms and were reluctant to grant longer lease period. One landlord pointed out that although they preferred long-term tenants, they also had the right to short-term contracts so they could sell should they wish:

With my tenants? No, I don't have any problems. I think, in fact, I am quite lucky, and also, when I made the decision, when I signed the contract, I am very clear. Our contract was very clear, very black and white, and we only sign long term contract, because we feel more secured this way, we don't like, unless we are planning to sell the house, only then we will sign contract that is 6 months or 3 months. Because, basically, we have the right to make those decisions (Landlord).

This demonstrates the way the RTA privileges the rights of landlords over tenants. The right to security in rental houses is constructed as less important than property owners.

7.2.2 Improving security of tenure in rentals

Hulse and Milligan (2014) argue for a new approach to the private rental system to rebalance the current privileging of homeowners over tenants. They argue that secure occupancy based on de facto rights for tenants',¹³ would allow greater security with a diminishing risk of eviction the longer the tenant remained in the property (Hulse & Milligan, 2014:640).

Increasing tenants' rights and offering security of tenure is also presented as a solution to rising unaffordability and associated involuntary exit by Eaquib and Eaquib (2015). They note that in Germany where there are strong tenancy laws, tenants have comparatively better satisfaction with their accommodation; standard tenancy periods are unlimited and landlord notice periods range between three and nine months depending on the time the tenant has been there.

The desire for improved tenant security was expressed clearly by this participant:

What can we change I mean the first thing we have to change is we change rental law, so that people have occupancy as a right, you can't kick somebody out of their home whether you own the home or not, people should have residency in a property as of right, they can only be kicked out you know if they're really bad tenants that don't pay the rent, those sorts of things, you know but effectively a home is a home, we should have policies that secure peoples' homes for them (Tenant).

Long-term tenure or short-term flexible tenure are not mutually exclusive options for tenant security. Ultimately the tenant interviews confirmed that tenants want peace of mind that they would not face involuntary exit within the timeframe of either a long or short-term agreement. For those wanting long-term agreements, there was an appetite for increasing rights relative to the tenure.

At present the balance of rights fall in favour of the landlord. Tenants have no right to remain in their home should a landlord wish to sell or reoccupy a property. Improving these rights would not necessarily harm the landlord's investments; in fact many landlords reported liking the stability of long-term tenants. Some landlords even maintained low rents to retain them. Improving rental security could in fact prove to be positive for all actors in the private rental system.

7.2.3 Landlord perceptions of power

The sense of insecurity under the current system also affects some landlords negatively:

We will do whatever the tenants wants; most of them are just periodic. I am happy to give them a one year fixed term or longer if they want but most tenants are happy, they just go on a periodic tenancy. I know you often hear stuff in the prints, you know the tenants have no security and all that sort of thing well neither do the landlords. You

¹³ De facto rights for tenants' means increasing right to security based on longevity of tenancy; the longer the tenancy the more secure it becomes (Hulse & Milligan, 2014).

know tenants up and leave whenever they feel like it whether they are given notice or not, hasn't happened to me a lot but it has happened and so it is a two way thing but you only ever really hear the other side of it (Landlord).

The following landlord described how the lack of tenure security can impact on the financial viability of their investment:

Well, most people I mean it's such a hassle selling a house, they don't do it lightly. They don't say, it's not like selling a car where you just drive it down to, the Ford dealer and say how much for my 2 bedroom you know, ford escort, and then the guys says I'll give you \$100,000, you go ok great and he gives you a cheque, you know from the day you decide to sell your house, it's probably 3 months before you get the money, and you're going to possibly lose 2 months of rent, maybe more, and you know perhaps \$20-30,000 in fees, everybody thinks they're a genius now if they've got a rental property aren't they (Landlord).

This landlord implies that the insecurity of the private rental market, although favouring landlords over tenants is not necessarily what they want. Evidence from the literature indicates that secure occupancy not only benefits tenants' individually, but creates societal benefits through community stability and cohesion, and reduced strain on health and education services. Property owners can also benefit from secure tenure. De Boer and Bitetti (2014) found that 'de facto' rights for tenants in Germany were associated with the stability of the rental market during the global financial crisis and protected landlord investments through the period of economic strain.

7.2.4 Power imbalance and the vulnerable

The most vulnerable in society are particularly harmed by the lack of rights and security in the private rental sector. Three of the tenants who took part in the semi structured interviews had undertaken specific adaptations to their property so they could support people with disabilities in their household. All three reported that they were due to be evicted, or feared they would be, due to the sale of their property. The tenants reported extreme anxiety at the prospect of finding suitable affordable alternative accommodation in the private sector:

Well, the negatives are there's no suitable houses out there for special needs kids. That would be the biggest negative. Prices would be the other one. The bond prices are absolutely astronomical. I mean, I've seen a couple of houses like going through land agents and it's like over \$3,000 to move into a house. It's just ridiculous (Tenant).

Involuntary exit is especially traumatic for tenants that require disability adaptations to their properties. Despite requirements for adapted properties, disabled tenants are subject to the same eviction rules under RTA S47 if the owners intend to sell:

I've got a special needs child ... if you go into another rental property, and need ramps put in and stuff like that cos she's in a wheelchair ... I don't think that you will get anything like that and I have rung Housing New Zealand but I got told from them that there are people out there who are more needy than what I am and they're not building anymore houses for special needs (Tenant).

Solo parents, more specifically mothers, emerged from the interviews as another disenfranchised group. Property managers and landlords expressed reservations about housing solo mothers, with a perception that they would get into rental arrears and bring unsuitable partners into the house:

I don't trust the person's got their finances [in order], also people, tenants they have problems dealing with the people that are in their lives. We get a lot of this from solo mums; they rent a property, and they've got a boyfriend who's just a pain in the arse guy, or whatever. He's in their life and they've got no control of people who they live with, or who they associate with, and that's reflecting on, and these people are affecting the neighbours. They're noisy, they turn on the stereo, they bring dogs around and all this sort of thing, and they can't say no to these people. They are not authoritative at all (Property Manager).

The following comment particularly illuminates the judgements directed at solo mothers:

They're very pleasant and all the rest of it, and they've got no-one in their lives. They're just a solo person on their own with a couple of kids. Fine, but then three months later, my god the gorilla's arrived, or whatever (Property manager).

Solo mothers also reported discrimination due to their situation:

I didn't get accepted for some. ... because I'm a single Mum on a benefit (Tenant).

An adaptive strategy reported by one solo mother was to offer above the market rent in order to secure a rental house:

I had, when I moved there – because it was taking so long for me to find a place, I was staying with friends at that time and it was just getting too congested with my three children as well, so, I offered an extra I think \$20 to secure the place if they let me have it because I was kind of, not desperate but I needed my own place with my kids to have our space... (Tenant)

This can further disempower a tenant especially if they have limited income.

7.2.5 Constructive eviction

Constructive eviction is a term defined in USA tenancy law and refers to the intentional neglect of rental property maintenance to instigate an eviction of tenants (Fishman, et al., n.d). This practise was observed by the participants. A further form of constructive eviction was also noted where landlords were considered to be raising rents to instigate evictions. Constructive eviction in the context of this study covers eviction caused by neglect of maintenance and escalation of rents.

Tenants in the qualitative sample reported how landlords had instigated a constructive eviction:

Finally after bloody all this time I found somewhere, this is the longest I've stayed somewhere for the last 18 years. You know, cos things happen, people, you know, previous landlords, I mean the last one prior to this, he wanted to up the rent by \$100 bucks extra a week....Which I know was a thing to get a family in there (Tenant).

Introducing greater tenant protection in legislation was met with caution by some tenants, who feared they could be trapped in a cycle of rent rises:

Would be interested if the rent was constant, not like we sign for five years and the rent and the landlord increases the rent every six months...nowadays there's no control of rents, the landlord just comes and they give us letter like from \$400 it will be like probably in two months' time we need to pay about \$450 goes up by \$50 and I had it before it was like only 2% the landlord can increase but now they can increase any amount they want (Tenant).

The provisions of the RTA do little to protect tenants from exploitative and retaliatory evictions initiated through uncontrolled rental increases. With the erosion of tenants' rights (Rolnik, 2013: 1062) and the increasing financial burden of rising rents is pushing people out of homes and has likely contributed to the rising rates of homelessness in New Zealand (Amore, et al., 2013).

7.2.6 Disregard for legislative protection

Disregard for legislative protection was also reported by tenants. Many tenants, despite knowing their rights under RTA legislation, felt powerless to defend them due to concerns of retaliatory actions by their landlord. Section 19 of the RTA requires landlords to lodge a tenants' bond within 23 working days of receiving it with Tenancy Services. One key purpose of lodging the bond with Tenancy Services is so that an impartial body can mediate between parties in the event that a claim is made against the bond.

This study found a lack of consistency around bonds. Some tenants reported up to \$2000 dollars for a bond, and some reported landlords failed to lodge the bond:

Okay. and the bond that's been paid, do you know if it's been lodged officially?

I don't think so.

But you have paid a bond?

Yes

Some tenants feared or experienced landlords contesting the return of the bond due to issues that were pre-existing in the property:

They might blame these little things that were already wrong with the property when I got there (Tenant).

Some tenants experienced landlords intentionally breaching rental contracts:

I was supposed to be on a 3 year fixed term...The landlord's wife found a property over the North Shore and put pressure on him to buy the house; he had to sell the rental property. So we were a year and a half into a 3 year fixed term contract and it got terminated and the house got sold (Tenant).

Other tenants found that landlords were not signing rental contracts in good faith::

We took [the rental property] because we could have pets, and they said, Look it's going to be 5 to 6 years before the landlord wants to do anything with the property. I was like, ok, that seems fine so we moved in and then I think we were in there for about 6 weeks and then we had people knocking on the door going, We're having a look at houses for sale and we're going no it's not, so we had a bit of an issue there and we ended up getting I suppose reimbursed with a lot of our rent and stuff like that and we just moved out...

but the house was definitely for sale because we found it on Trade Me and it was on there even after we told her about it but it finally got taken down (Tenant).

Although the tenants in this case objected to the breach of contract, they nonetheless moved out, 'exited', rather than fight the decision). The tenants were disempowered and reported experiencing anxiety, disruption and costs caused by the involuntary exit.

Even where a clear instruction to sell had not been issued, fear of eviction impacted on the tenants' enjoyment of their home:

Um, any minute it will not be home, they just recently had the house painted, and I'm aware of the fact that, that could very easily mean they are investors. They do have four or five other homes that they rent out and I realise that they could sell it any time they wanted. And so you try not to get emotionally attached (Tenant).

Many of the tenants had signed agreements for either six months fixed term or on a periodic basis. However, this landlord highlights that there is little incentive for longer-term fixed tenure and the terms of the contract are decided by the landlord:

Well I guess you can always enter in to a longer, I mean you can have a one year lease without any trouble. I don't have any of mine on a lease. I think anything much longer than that and you know life can change so quickly for anybody that I think that might be detrimental to both parties really unless there was some out clause (Landlord).

Acceptance of greater rights for tenants will take a cultural shift in New Zealand. When tenants were asked whether they favoured greater protection through long-term tenure or rental cost controls the latter appeared to be the preferred option. Notably many of the landlords were in favour of secure tenure, stating it was much more preferable to rapid churn of tenants.

Security of tenure provides benefits individually and societally, as it contributes to well-being, family functioning, childhood development, economic and social participation and physical and mental health and improved socio economic outcomes (Hulse & Milligan, 2014; Desmond, 2012; Hoolachan, 2016).

7.3 Tenancy Tribunal

The Tenancy Tribunal plays a major role in structuring power relations in the private rental system. The Tribunal processes are defined by the RTA; its purpose is to resolve disputes between tenants and landlords¹⁴. Evidence from the findings and the literature (Chisholm, et al., 2017), indicate that a large barrier to improving tenant experience is fear of requesting better standards of accommodation and fair rents, and the complexity of the tribunal process.

The Tenancy Tribunal is usually used by property owners to resolve issues of unpaid rent and enforce evictions. The Tribunal does not uphold any quality standards for the property (Howden-Chapman, 2015).

7.3.1 Tenants perceptions of the Tenancy Tribunal

Tenants' reluctance to use the Tenancy Tribunal was indicated in the interviews. Many tenants expressed that they were scared to use the Tribunal. Where tenants had used the Tribunal they had to represent themselves and found the process daunting:

It was horrible really because I didn't actually understand what I was doing, I didn't know how to do it and all I knew that is what I, what I was entitled to and it was just quite difficult (Tenant).

Bierre, et al. (2014), have explored the imbalance in the tribunal system. They found that tenants feel vulnerable due to their lack of formal legal representation and a lack of knowledge or experience of tenancy law. This put tenants at a disadvantage to the more experienced and resourced property managers and landlords. Bierre et al. (2014) found that the RTA needs to be clear and unambiguous so that non legal professionals can understand.

Bierre et al. (2014:2), express that the intention for the RTA to clearly define the rights and responsibilities of both landlords and tenants has been achieved. They conclude this as the RTA does not use archaic legal jargon. However, as the RTA does not define exactly what is meant by 'housing of adequate quality or condition', the intent of the statute is fundamentally undermined. The importance of clear and complete information to ensure positive outcomes for tenants and to redress the imbalance in power between parties is captured in the following extract from a report on rent stabilisation undertaken for Camden Council London, and holds relevance to this research:

There are major issues of asymmetry and power inherent in a contract where neither side has full information and these problems become more extreme in times of scarcity or when the distribution of income is uneven (University of Cambridge 2012: 26).

¹⁴ The Tenancy Tribunal is part of the official disputes process for landlords and tenants in New Zealand. The Tribunal holds hearings to settle disputes and can formalise what is agreed at mediation, or can make a ruling on an issue that cannot be resolved. Legally binding orders can be issued by the Tribunal on the parties involved in the dispute. All Tribunal orders are public and can be searched online on the Ministry of Justice website.

<https://forms.justice.govt.nz/search/TT>

As reported by the tenants interviewed for this study and the tenant advocates reported in Chisholm et al. (2017), tenants are wary to assert their rights for a number of reasons, including that they lack confidence, are afraid of repercussions, or are unaware of their rights.

7.3.2 Property manager and landlord perceptions of the Tenancy Tribunal

Property managers reported using the Tenancy Tribunal for a variety of reasons. Background checks on prospective tenants can include a check of any appearances at the Tribunal, including whether they initiated proceeding or had they taken against them. Property managers also use the Tribunal to recover rent arrears and deal with disputes (see Reid, 2017).

The lack of definition in the RTA on standards of cleanliness and responsibilities for maintenance in the RTA has led to a lack of consistency in Tribunal rulings, as demonstrated by this property manager's view:

The main challenges are that there is not enough consistency in the Tribunal system. They all follow the law but they have got words like 'average' and 'reasonable'. Straight away, you can't be consistent with that already (Property manager)

In some cases the adversarial nature of the Tribunal was noted by Property Managers:

but what is more than that, is that half the time when I do go to tribunal, half the time I am made to play the evil villain. And I have got \$3000 worth of debt I want to claim. And I come in as the evil villain. If I come in with \$3000 worth of debt, don't you think the evil villain is the next person? (Property manager).

Mainly professional property managers use the tribunal as a resource to ensure due process is followed:

To what extent are you willing or able to go in and work with that person and find out what their personal circumstance is?

Frequently, (but) we will still go through that process. And if we end up basically, if the tenant enters into dialogue with me and we can say 'okay you're \$500 in arrears on your rent' and they say 'look I am really stuck but we can pay it at \$20 a week for the next however many weeks it is' and they go 'yes', I will then go to the Tribunal because by then we have already had an application lodged properly.

I will then go to the Tribunal and ask for a mediator order to that effect ... with a consequential clause in it. Basically saying that if they miss any payment by two days it is termination. Which puts it back on the tenant to do what they said they were going to do. (Property manager)

Landlords not associated with a property management firm reported less satisfaction with the Tribunal process, which was generally used to pursue rental arrears:

Yes, we went to the Tribunal in more recent times over, I think it was the back rent of at least 3 months. It wasn't very helpful in the end and I ended up passing it over, I did my best for a long time, and I passed it over then to management and they eventually managed to get the tenant out, owing a lot of money (Landlord).

I had one tenant vacate the property; take half the contents that was left within the actual property for them to actually use. Didn't pay almost 6 weeks' worth of rent despite the fact that I was chasing the property management company and they disappeared overseas and when we took them to the tribunal which, quite frankly I think's got as much as much teeth as a gummy old geriatric granny claimed: "Ah well, you know, unfortunately they don't have much of an income so we'll get them to pay you \$10 a month" (Landlord).

From the property owner's perspective, there are also risks which cannot be protected against. Some of the interviewee's relayed stories where they felt that their rights were not protected despite the Tribunal, for example, a case where the tenants failed to pay the rent and the Tribunal ordered them to pay to no avail:

We went to the Tribunal in more recent times, over; I think it was the back rent of at least 3 months. It wasn't very helpful So you never got the money back? No, no they never made up the amount ... so the tribunal is no guarantee that costs will be recovered for either party (Landlord).

Landlords and property managers also felt let down by the protracted process of evicting tenants:

The other big problem, it is not a big problem in number wise but a big problem when it comes up and very difficult to deal with is removing tenants from a property if they need to be gone. It is very hard to get rid of them in some cases. Not only because there is so much stuff you have to go through to get to the point of being able to prove whatever they are doing and try to get an eviction, but also because of the amount of time it takes to get to a Tribunal. I mean it has gotten worse recently as well. It can take, you know, from us going these tenants have stopped paying their rent, they look like they have abandoned or they have trashed the place or whatever, put your Tribunal application in, it can take anywhere... you know, it could take six weeks (property manager)

Likewise this landlord noted the deficiencies of the Tribunal and the bond process. They stated that the bond does not cover the amount damaged, or if the landlord has no forwarding address of the tenants, then procedures may not be able to be followed:

So, sometimes there may be situations where the tenants leave and the landlord doesn't know their address but the Court won't do anything unless we provide the address...

I suppose in that case you do have their bond though still don't you?

Not always. You may need more than what the bond covers.

Or maybe the bond was not sufficient. Maybe not all the bond was paid – all this happens (Landlord).

Reliance on the Tenancy Tribunal in its current form to improve the rental experience is unlikely to yield positive results (Howden-Chapman, 2015).

7.3.3 Avoiding adversarial relationships

Communication between tenant and landlords appears vital to a successful rental relationship. As demonstrated through the interviews, where tenants and landlords reported good communication, their satisfaction with the experience was greatly improved:

I think good communication between the landlord and the tenant, expectations you know both ways as well, what they expect from you and what they're prepared to, what you're prepared to do for them, what they're prepared to do for you, you know along the way so expectations on both sides, just a fairness if you're going to leave you know give good notice, and likewise, I suppose just also, I mean we're pretty experienced in it now but if people were not, just the landlord or the agent you know making sure that the people, that the renters do understand the contract and the expectations (Landlord)

Common to those who reported a positive experience in the rental system was a view that mutual respect was important, including the respect for privacy and allowing tenants to make adaptations to enhance their home, as well as a shared responsibility for maintaining the standard of the house. Where landlords were relaxed with tenants over DIY, pet ownership and home decoration, the tenants reported greater satisfaction with their property. None of these elements are currently supported explicitly within the rules of the RTA, instead the rules focus on mediation, rather than avoidance of adversarial relationships. This could be avoided with clearer regulations for landlords on tenant security plus responsibilities for maintenance and repair expectations and control of rental price.

7.4 Power imbalance summary discussion

Many of the tenants and landlords reported feeling unsatisfied with the balance of power in the private rental system. Tenants however emerged as the most disenfranchised. Hampered by ambiguous legislation, insecure tenure, competition for properties, rising costs and a fear of reprisals, the most common reaction was to exit the situation. As noted, the tenants interviewed for this research were generally middle income earners but despite this apparent security many were financially stretched due to the frequency they had to move and the lack of suitable alternatives.

The power imbalance also leads to tenants withholding information or exiting properties without informing landlords about maintenance needs. This means landlords unaware of problems cannot improve them and future tenants will be exposed to the same issues. Tenants particularly vulnerable to either of these scenarios are those on low incomes and the disabled.

Although tenants emerged as most disempowered by the Tenancy Tribunal, landlords also complained about the deficiencies in the system. They reported an inability to recover unpaid rent not being recovered and that bonds were insufficient to cover damage to properties. These sentiments reflected a general sense that the legislative tools available in the private rental system are ineffective.

It appears that fundamental to addressing any power imbalance in the rental system are unambiguous, defined rules which protect tenants from poor living conditions, unrestricted rent

risks and constructive eviction. Regulating the property manager sector would also provide greater accountability to tenants, and enhance the reputation of the sector. While views differ on the utility and bias of the legislation underpinning the current rental system it is apparent that no particular group is being served by its current form.

8.0 Discussion and conclusions

The purpose of this study is to give an Auckland specific account of the private rental system by building on the BRANZ funded New Zealand Rental Sector study (Witten et al., 2017). The study found that tenants, landlords and property managers have both positive and negative experiences in the private rental system. However, the complexity of the sector is defined by a narrative that can describe Auckland's private rental system as largely unregulated, chaotic and insecure. This section offers some reflections on the findings of the research along with potential solutions to some of the issues. Many of the solutions are beyond the scope of Auckland Council; however as the local authority with jurisdiction over the largest population of renters in New Zealand there is an important role for Auckland Council to advocate for change.

8.1 Increasing affordable housing

Rentals in Auckland were widely reported as unaffordable by tenants, landlords and property managers. The cause of rising unaffordability was reported as: landlord focus on capital gains, strong competition among tenants for properties, and low rental yield due to high house prices. The context for these causes is the commodification of housing supported through beneficial tax incentives and weak legislation. Competition in the sector is compounded by high immigration levels and limited alternative accommodation in social housing (Howden-Chapman, 2015).

The Residential Tenancies Act (1986) provisions for controlling rental affordability were seen by tenants and landlords alike as ineffective. The RTA currently controls for the frequency of rental increases, but not the amount. Reports of rents rising to unaffordable levels were common. Tenants tended to move out rather than contest the rise, exiting rather than voicing their dissatisfaction (Chisholm, et al., 2016). For some tenants this resulted in displacement to cheaper parts of the city, or exiting the city altogether.

The causes of affordability issues in the private rental system are clearly complex, and lead to inappropriate behaviour from tenants and landlords. This was evidenced by increased competition amongst prospective tenants trying to gain unfair advantage, or by property managers and landlords initiating bidding wars between tenants. Tenants, landlords and property managers operate within an unregulated and ambiguous legislative framework, so many of the issues described here are symptomatic of system failures, rather than individual intentions to create a poor experience for others.

In contrast where tenants had a reasonable rent they reported becoming trapped, unable to move on even when the property no longer met their needs. Rent stabilisation is an alternative to rental caps which reportedly pose significant risks to blocking access in to the rental market (Lewis, 2017). Rent stabilisation has been successfully introduced in London, another heated rental market (Scanlon & Whitehead, 2014). Rent stabilisation allows landlords to budget and forward plan for repairs and maintenance, while giving tenants both long-term secure tenure and peace of mind due to predetermined incremental rent rises. The introduction of rent stabilisation schemes for Auckland would require a change in legislation. To date, rent stabilisation schemes have not been tested in New Zealand. In 2013 a Member's Bill to introduce rent stabilisation in Christchurch was

proposed but failed (Landlords for Kiwi Property Investors, 2013). If rent stabilisation was used in the Auckland context, where rents are already relatively high, lower income earners could be excluded from accessing this type of agreement due to the higher initial rental rates. Rent stabilisation schemes alone would not address affordability issues.

Alternatively existing legislation could be tightened to ensure rental increases are controlled to a reasonable level. Increased Government support for the Community Housing sector could also relieve the pressure off the private rental sector and provide affordable rentals in Auckland.

When Community Housing Providers cannot access Crown land in Auckland they currently have to compete with other developers at market rates. This restricts the scope in which they can develop affordable housing. There may be a role for Auckland Council to enhance their support for Community Housing providers and establish more enabling policies and planning zones for them to help meet demand for rentals.

8.2 Improving housing stock quality

The deteriorating housing stock quality emerged as the second theme in the data. Severe mould and mildew issues were the most common, and apportioning responsibility for the issue was challenging. The lack of definition under Section (45) of the RTA on expectations of cleanliness further complicated the issue. Mould and mildew indicators will be added to the 2018 Census which should give a wider understanding of the extent of the issue.

The findings of this research show many Auckland renters are living in 'inadequate housing'. The tenants interviewed for this research represented average and above average, wage earners struggling in a failing rental system. Where tenants had additional needs, such as those on low incomes, the elderly or those with disabilities, the challenges of the current rental system were felt even more acutely, leading to stress anxiety and deteriorating health. Poor quality accommodation was not common to all participants but this was attributed to 'luck', rather than as an expectation of the rental housing system. The expectation of a good quality property for a fair rent was conspicuous in its absence.

Auckland Council has previously indicated support for the introduction of a Warrant of Fitness and the new Labour Government has proposed a new Healthy Homes Guarantee Bill. This will enforce better rental standards but caution is needed to ensure the upgrading of the rental housing stock does not pass on financial costs to tenants.

8.3 Addressing the power imbalance in private rentals

The final theme that emerged from the data was the imbalance of power between landlords and tenants. The power imbalance was demonstrated through involuntary exit due to the sale or repossessions of homes, unregulated price rises, bond retention or failure to lodge bonds, intrusive profiling of tenants, and tenant's fear of demanding their rights.

Even where tenants had not experienced these issues directly, the potential threat was enough to cause anxiety and stress. Tenants were mindful of not jeopardising the security of their housing through being labelled a 'bad tenant.'

Securing a rental tenancy was reported as competitive, intrusive and costly. Tenants were subject to profiling due to their personal circumstances. Unlike prospective landlords, tenants were unable to access background information about the property and landlord. Property managers reported using records of the Tenancy Tribunal, informal canvassing of colleague's opinions and social media profiles to determine the suitability of prospective tenants.

Tenants expressed feelings of being expendable and powerless to make changes through the Tenancy Tribunal system which they saw as heavily weighted in favour of landlords. Likewise landlords felt the system was ineffective for them, with many reporting difficulty recovering unpaid rent and damage repairs.

Private landlords invest in property rentals primarily to make a profit, but many landlords also ensured that the properties they let out were of a high standard and let under fair terms. Many tenants also reported that they had good experiences of the private rental system. Again, good experiences for tenants were attributed to luck, rather than system controls that ensure good standards for all.

Introducing de facto rights for tenants and the option of longer term fixed tenancies would redress some of the imbalance of power, provided this was done in concert with protection against unfair price increases.

Opportunities for Auckland Council could also include introducing a registry of landlords and increased support for tenants through the Tribunal process.

8.4 Regulating the property management sector

The property management sector has an influential role on the experiences of private tenants. Their role as intermediaries and managers means they dictate timeframes for maintenance and repairs. When property managers have multiple properties to manage this can result in lengthy waits for issues to be addressed. More importantly property managers act as 'gate keepers' to the rental sector, with access to information on tenants that an individual landlord would not necessarily have. Black listing and profiling of tenants was reported during the property manager interviews, and tenants reported incidences of perceived prejudice, where their marital status, children or pets stopped them from securing a tenancy.

Property managers themselves reported an appetite for an improvement in standards and recognition of good practice, noting that poor practice by some was damaging the overall credibility of the profession, with the following property manager noting:

... people would see more value, because they would see that on the whole, property managers are doing the right thing and doing it well (Property manager).

At present property managers are unregistered or licensed and charge uncontrolled fees for services which may result in increased charges to tenants and/ or remove profits from landlords. Without licensing and regulation there is little accountability and no means to ensure best practice.

8.5 Improving Auckland's rental system: local council and national government roles

Auckland Council has an important role to represent and protect the well-being of all of its residents regardless of tenure. Access to good quality housing is set out as a key objective in the Auckland Plan and Auckland Council has committed to exploring the legislative, regulatory and voluntary measures that can achieve this objective. Prioritising ratepayer concerns is likely to disenfranchise large groups of the Auckland population as the city moves beyond the homeownership norm. It is of economic, social and environmental importance that Auckland's rental accommodation is of a good standard and that tenants can access warm, safe dry properties for a fair rent. Community cohesion relies on stability of housing tenure, and with many tenants facing frequent involuntary exit, the opportunity for investment and development of local communities is being eroded. Health outcomes for those in private rental accommodation are poorer and the associated strain on physical and mental healthcare systems is demonstrated in areas that have large private tenant populations (Auckland Council, 2014). From an environmental perspective, lack of insulation and investment in low energy technology in rentals results in poor environmental performance, this affects Auckland Council's ability to reach its carbon reduction objectives.

The causes of the issues in the private rental system in Auckland are numerous. Improving the system will require a multi-pronged approach which could potentially include, rental stabilisation schemes, regulations for health and safety standards to be rolled out in conjunction with insulation grants or low interest loans for private landlords to bring rentals up to a good standard. In addition, increased affordability in the house buying sector, controlled immigration (or redirection from Auckland), increased provision of social housing and an alternative to the accommodation supplement could all improve the situation.

Fundamentally the most effective means of releasing pressure from the rental market is to open two valves. The first valve being in the lower income section of society, which historically would have been housed in social housing built and maintained by the government or local authorities (Howden-chapman, 2015). Currently local government is unable to access funding from the income related rent subsidy, so is limited in its efficacy for providing social housing.

The effect of moving low income tenants out of private rental and in to social housing would be two-fold. Firstly, it would reduce the reliance on the accommodation supplement, which is currently being used by some private landlords as a mechanism to extract rent beyond the means of the tenants they house. The second benefit would be to remove the demand in the private housing sector which is generating the appeal of property investment. Notably as yields in Auckland are low this would not fully address the problem as many investors in Auckland do so primarily for long-term capital gains.

The second valve is at the higher end of the rental market where tenants would traditionally move into homeownership. Several suggestions have been made to reinvigorate this movement into full homeownership, freeing up more rental accommodation. A capital gains tax could be used to firstly deter property speculation, but also to create revenue for housing development. Another option

could be tax breaks for housing developers committed to the provision of a proportion of affordable homes; this would require a change in national law. Finally, rent to buy and also shared equity schemes are working with success in Australia, with four of the major banks offering special mortgages on 75 per cent of the property's value. All of the suggestions above would require a Central government commitment and are beyond the scope of local territorial authorities.

The imperative of the housing crisis is well recognised by Auckland Council, as demonstrated with the recent development of the Mayor's Housing Taskforce. At present the main remit of this group has been to look at blockages to house building. If their recommendations are implemented, it may improve long-term prospects for private tenants by addressing the blockage out of private rental tenure into homeownership. Auckland Council also holds a pivotal advocacy role to lobby Central Government to make the necessary legislative changes to improve outcomes for tenants.

Improving the rights and experiences of tenants could enable a shift in perspective about the value of rentals. Currently there is a fixation on the idea that everyone in New Zealand should travel along a housing continuum to the ultimate goal of home ownership. An alternative to this route would be to improve the health, welfare and financial outcomes for tenants so that renting can be viewed as an attractive and equivalent long term option for housing.

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Appendix A: Interview schedules

Schedule of questions: tenants: revised March 2

Case-frame: young adults, older adults, families with children.

Tease out dynamics and diversity of perspectives and experiences.

Start out focusing on current experience and then get tenants to relate experiences (good and bad) over the past decade or so later on.

Explore reasons for renting; renting seen as permanent or temporary – if permanent, how to have sense of belonging/home in rental properties

Hi my name is Dr Jennifer Joynt; I am calling from Auckland Council. I believe either Penelope or Lanuola contacted you from SHORE to check you were happy for me to interview you about your experience of renting in Auckland? I am going to record the interview and it will be transcribed confidentially, your name won't be linked to any of the comments you make, and I will just use it to make sure I know who I have contacted.

The interview will take up to 1 hour and there are no right or wrong answers I'm just keen to hear about your personal experience.

Write name _____

Check the details against what we have.

How long have you lived in your current rental property?

How did you become a tenant? Have you ever owned?

How and when did you acquire your current place (through landlord, letting agency, flat-mate changed tenancy over?). Reasons for choosing your current place?

Is this your first rental property? If not, how long have you been renting overall?

Who do you live with? Eg Sole household/Flatmates/family/partner?

Are you the principal person on the rental agreement?

What type of rental agreement do you currently have?

What's included in your tenancy? Water etc.

Do you feel like your place is your home/can you make a home in your current rental situation ?

If yes, what makes it feel like home? Why, why not?

If no, is this a problem for you? What could make it feel more like 'home'?

Do you have the right to make small changes? Have you made any?

Do you/would you like to have a pet?

Are you planning to move in the next six months?

What are your plans for the next few years?

Affordability; housing supplement; need to share to cover costs

How difficult was it to find a place that was affordable?

(If appropriate): Do you share to cover costs, or through choice?

Experiences (good and bad) with past/present tenancies; duration; problems or not; how/why they have ended.

What are your experiences as a tenant (over the past ten years) – good/bad? Elicit examples. (If appropriate): How/why have any previous tenancies ended?

Dynamics of landlord/tenant relationship and interaction re bonds/repairs and maintenance/tenants' rights to make small changes

At present, do you deal directly with a landlord or through an agent of some sort? How much contact do you have with your landlord/property manager?

Positives and negatives re: Bonds – lodgement and return? Repairs and maintenance – do landlords/agents respond promptly – how long does it take?

Do you know as a tenant you have certain rights under the RTA?

Healthy homes

There is now legislation requiring insulation and smoke alarms. If there was a WOF for rental properties, what do you think should be included?

Is your place insulated? (ceiling, underfloor, walls)

Do you feel the provision of heating is the rental property owner's responsibility?

Tenure security versus flexibility

What do you think are the plusses and minuses of tenure security versus flexibility?

Impact of residential uncertainty and mobility of different household members, including children and older people

Have you had to leave a rental property when it wasn't your choice to do so? What has been the impact – for example: Impact on neighbourhood/friend/family connections?

Getting to work?

Impact on children/schooling if children involved?

What were your experiences of finding another place?

Final general questions:

What are the positives and negatives about renting?

What do you think makes for a good rental experience?

What would you change about renting?

What would be your ideal living situation in 10 years' time?

Schedule of questions: rental property owners

Case-frame: duration as a continuous landlord; number of rentals; dwelling type; use/not of property manager; age (over/under 50); gender; ethnicity.

Tease out dynamics and diversity of perspectives and experiences.

Conduct interview after reading interviewee's survey answers. Many of the questions below will already have been answered. Some may need clarifying/exploring further. Focus on those not already answered in the survey, such as interviewees perspectives on healthy homes; importance of and facilitating sense of home; future of the rental housing market.

QUESTIONS

Explore reasons for being a rental property owner:

How and when did you get into acquiring rental property?

Perceived benefits/ disadvantages

What are the reasons you decided to acquire rental properties?

What do you see as the advantages – financial and other?

Re financial advantages (capital gain and rental income etc)

Do you use the 'losses' from your rental properties for 'negative gearing' (offsetting other income), or do you make a profit?

Any disadvantages of having rental property?

Has the experience of being a rental property owner changed your views of the advantages/disadvantages /plans over time?

Do you see yourself as a property owner, property investor or landlord

Timeframe in mind:

Do you see your investments in rental property as short-term or long-term?

Do you plan to 'cash in' your investments to provide a retirement income; to live off the rent; or hand them on to your children/other beneficiaries? Family Trust?

Reasons for use/not of property manager: perceived benefits/disadvantages

I see that you use/do not use a property manager...what do you see as the advantages/disadvantages?

If you use a property manager, how often are you in contact?

If you do not use a property manager, how often are you in contact with your tenants?

If you are away for a period of time, do you provide your tenants with an alternative contact? Did you know that this was a requirement under the RTA Act?

Experience with past/present tenancies; duration; problems or not; how/why they have ended

Thinking about your tenancies – past and present – how long have they lasted? Why/how have they ended?

Have you faced any problems with your tenants?

Where do you go for advice if there are problems?

Dynamics of landlord/tenant relationship and interaction re bonds/repairs and maintenance;
Where do you go for advice around tenancies/rental properties?

How much contact do you have with your tenants?

Thinking about areas that can be problematic in landlord/tenant relationships, have there been any problems specifically around payment of rent, bonds, repairs and maintenance?

Do you have a regular schedule of maintenance/ up-grades?

How do you handle repairs? Do you feel you are alerted soon enough? How long does it take you/your property manager to respond?

Healthy homes

There has been a lot of recent publicity about cold, damp homes causing ill-health. What do you think about this?

There is now legislation requiring insulation and smoke alarms. Do you know what insulation is there in your rental properties?

If there was a WOF for rental properties, what do you think should be included? In some other countries, the provision of a means of heating is the landlord's responsibility. Do you see it as yours?

Tenants' rights to make small changes

Most of us want where we live to feel like 'home' and this often means making small changes. (For instance one of the first things people seem to do when they buy a home is change things to make it 'theirs')

Do you allow your tenants to make small changes like hanging things on the walls, or bigger ones like changing colour schemes?

Tease out 'meaning of home' for interviewee and how they think people who will be renting their whole lives may be able to have a sense of home about where they live

Thinking about the meaning of 'home', what does 'home' mean to you? What is important to you about where you live (and do you live in a house or apartment?) Have you ever been a tenant yourself? Experiences/learnings?

Preferred tenants.

How do you find tenants? What might make it easier to find them? How do you choose your tenants?

Financial and other incentives/disincentives to provide rental housing, including impacts of recent tax and regulatory changes relating to rental properties (eg capital gains tax from October 2015).

What do you think of the financial incentives/disincentives to provide rental housing, including the capital gains tax and 30% loan-to-value ratio to obtain mortgage?

(For longer-term rental property owners only): ***Going back a bit, how do the changes around depreciation affect you?***

What affect (if any) have they had/will they have on what you do in terms of rental properties?

Do you still see it as worthwhile to invest in rental housing?

Final general open questions:

Given fewer and fewer people own their own homes and an increasing proportion rent – and will continue to do so – do you have any suggestions for improving the rental market over the long term?

Do you feel there is a responsibility for rental property owners to consider long-term security of tenure and quality rental housing?

(For Christchurch rental property owners only): ***Do you think there is anything distinctive about the Christchurch rental market?***

Appendix B: Thematic codes

Nodes		
	Name	
[-]	Tenancies	
	Tenure	
	'Home'	
	Experiences of tenancies	
	'Rules' for tenants	
	Reflections on practices	
[-]	Property management	
	Repairs, maintenance, upgrades	
	Management approach	
	Expectations, experiences of property standards	
	Earthquake-related	
[-]	Policy environment	
	What is needed	
	Existing regulations	
[-]	Knowledge	
	Sources of information and support	
[-]	Future	
	Views on rental market	
	Intentions	
[-]	Establishing rental properties	
	Selecting, getting existing rental properties	
	Rents, affordability	
	Renting rationale, history	
	Ownership styles	
	Ideal tenant, practices	
	Ideal landlord, practices	
	Financing	
	Family	

Appendix C: CATI survey questions

I'll just tell you a bit about the study. Home ownership is declining across NZ. The demand for private rented accommodation in NZ is projected to grow significantly. However, it is unknown whether the private rented market can meet this demand. We want to hear landlords' and tenants' views about the private rented sector.

Everything said is strictly confidential. To check the quality of our work we have a Supervisor who can switch in to any call. This study is completely voluntary.

LANDLORDLIVESHERE

I'd now like to ask you a few initial questions and then tell you a bit more about the study. If you like I can give you a number to ring so you can check that I'm with the university. (0800 116 018) Does anyone in this household own a residential rental property, or has anyone owned a rental property in New Zealand in the last two years? (Do not include holiday homes you rent out.)

☐ Yes

☐ No

I'd now like to ask you a few initial questions and then tell you a bit more about the study. If you like I can give you a number to ring so you can check that I'm with the university. (0800 116 018)

SPEAKTOLANDLORD

Can we speak to the person who owns the rental property (if it is not the person speaking)? If *No*, make an appointment.

☐ Yes, that person is on the line

RENTALPROPERTY

Could you please tell me if you pay rent where you live or if it is owned by the household?

☐ Rental property

☐ Owned by the household

RESPONSIBLERENT

Are you responsible for paying rent for this accommodation?

☐ Yes

☐ No

PARTNERRENT

Are you the partner of the person responsible for paying rent on this accommodation? If *No*, make an appointment for person responsible (or partner?).

☐ Yes

NUMBERRENTALPROPERTIES

How many residential rental properties (i.e. separate house, terraced house, flat, apartment etc) do you currently own in New Zealand? Do not include holiday homes you rent out.

(0 - 500)

INVESTOR

Have you ever owned a rental property as an investment? (Including now.)

☐

Yes

☐

No

HAVEYOUOWNED

Have you owned any rental properties within the last 2 years?

☐

Yes

☐

No

☐

Don't read: Don't know

☐

Don't read: Refused

WHYSELL

What were the main reasons you sold your rental property or properties?

☐

Tenants too difficult to manage

☐

Too difficult to manage

☐

Needed capital for other reasons

☐

Returns too low

☐

Made capital gain

☐

Investing in property is too risky

☐

Other :

☐

Don't read: Don't know

☐

Don't read: Refused

MIWHYSELL

What was the most important reason for selling your rental property or properties?

☐

Tenants too difficult to manage

☐

Too difficult to manage

☐

Needed capital for other reasons

☐

Returns too low

☐

Made capital gain

☐

Investing in property is too risky

☐

Other :

☐

Specify : ☐ *Don't read: Don't know*

☐

Don't read: Refused

In your current rental portfolio

NUMUNITSENTED

How many properties are currently rented?

(0 - 500)

NUMUNITSVACANT

How many properties are currently vacant?

(0 - 500)

That does not add up to the number of rental properties given earlier (which was {#NumberRentalProperties})

WHYVACANT

Why are these properties vacant?

- ☐ Currently looking for a tenant
- ☐ Currently trying to sell
- ☐ Currently being refurbished / modernised
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

loop: **DescribeRentalsLoop**

Separate house

Semi-detached or terraced house

Single flat/apartment

Other

STUDIO

Studio

(0 - 100)

ONEBEDROOM

1 bdrm

(0 - 100)

TWOBEDROOM

2 bdrm

(0 - 100)

THREEBEDROOM

3 bdrm

(0 - 100)

FOURBEDROOMPLUS

4+ bdrm

(0 - 100)

end loop(**DescribeRentalsLoop**)

SAMEBUILDING

Are any of these rental properties in the same complex / building?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

OWNSAMEBUILDING

Do you own all the properties in the complex / building or just some of them?

- ☐ All
- ☐ Some
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

PROPORTIONSAMEBUILDING

What proportion of the total number of rental properties in the complex / building do you own? (PERCENTAGE?)
(1 - 100)

NEWORSECONDHAND

When investing, do you purchase just newly built rental properties, just second hand rental properties or both types of properties?

- ☐ New properties
- ☐ Second hand properties
- ☐ Both types of properties
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

NEWADVANTAGES

What are the advantages of newly built rental properties from an investment point of view?

- ☐ Frequently better quality etc -- can often charge higher rent
- ☐ Less requirement for maintenance
- ☐ Possibility of acquiring at attractive 'developer' pricing
- ☐ None
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

NEWDISADVANTAGES

What are the disadvantages of newly built rental properties from an investment point of view?

- ☐ Often restricted in terms of type and location
- ☐ Smaller pool of total properties to choose from
- ☐ Re-sale market may be restricted to other investors
- ☐ More difficult to rent out
- ☐ None
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

SECONDHANDADVANT

What are the advantages of second hand rental properties from an investment point of view?

- ☐ Cheaper to purchase
- ☐ Larger pool of properties to choose from
- ☐ Resale market often wider because includes both other investors and owner occupiers
- ☐ None
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

SECONDHANDDISADV

What are the disadvantages of second hand rental properties from an investment point of view?

- ☐ Frequently lesser quality
- ☐ Greater requirement for maintenance
- ☐ None
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

RENTALLOCATIONS

Which locations do you own rental properties in? READ ALL

- ☐ Auckland region
- ☐ Wellington region
- ☐ Christchurch region
- ☐ Dunedin region
- ☐ Other region (specify) :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

OTHERREGION

NUMAUCKLAND

How many rental properties { #DoDid} you own in Auckland?

(1 - 1000)

NUMWELLINGTON

How many rental properties { #DoDid} you own in Wellington?

(1 - 1000)

NUMCHRISTCHURCH

How many rental properties { #DoDid} you own in Christchurch?

(1 - 1000)

NUMDUNEDIN

How many rental properties { #DoDid} you own in Dunedin?

(1 - 1000)

NUMOTH

**How many rental properties { #DoDid} you own in the other region?
{ #OtherRegion}**

(1 - 1000)

AUCKLANDSUBURBCODES

Which suburb or suburbs in Auckland { #DoDid} you own rental properties in?

- ☐ Airport Oaks
- ☐ Albany
- ☐ Alfriston
- ☐ Arch Hill
- ☐ Ardmore
- ☐ Avondale
- ☐ Balmoral
- ☐ Bayswater
- ☐ Beach Haven
- ☐ Beachlands
- ☐ Belmont
- ☐ Birkdale
- ☐ Birkenhead
- ☐ Blockhouse Bay
- ☐ Brookby
- ☐ Browns Bay
- ☐ Bucklands Beach
- ☐ Campbells Bay
- ☐ Castor Bay
- ☐ Chapel Downs
- ☐ Chatswood
- ☐ Cheltenham
- ☐ Clendon
- ☐ Clevedon
- ☐ Clover Park
- ☐ Cockle Bay
- ☐ Conifer Grove
- ☐ Crown Hill
- ☐ Cuthill
- ☐ Dannemora
- ☐ Devonport
- ☐ East Tamaki

- ☐ Eastern Beach
- ☐ Eden Terrace
- ☐ Eden Valley
- ☐ Ellerslie
- ☐ Epsom
- ☐ Fairview
- ☐ Farm Cove
- ☐ Flamboro Heights
- ☐ Flat Bush
- ☐ Forrest Hill
- ☐ Freemans Bay
- ☐ Glen Eden
- ☐ Glen Innes
- ☐ Glendene
- ☐ Glendowie
- ☐ Glenfield
- ☐ Glenvar
- ☐ Golflands
- ☐ Goodwood Heights
- ☐ Grafton
- ☐ Green Bay
- ☐ Greenhithe
- ☐ Greenlane
- ☐ Greenmeadows
- ☐ Greenwoods Corner
- ☐ Grey Lynn
- ☐ Gulf Harbour
- ☐ Half Moon Bay
- ☐ Henderson
- ☐ Herne Bay
- ☐ Heron Point
- ☐ Highbury
- ☐ Highland Park
- ☐ Hill Park
- ☐ Hillcrest
- ☐ Hillsborough
- ☐ Hobsonville
- ☐ Howick
- ☐ Kelston
- ☐ Kingsland
- ☐ Kohimarama
- ☐ Konini
- ☐ Laingholm
- ☐ Long Bay

- ☐ Longford Park
- ☐ Lynfield
- ☐ Mahia Park
- ☐ Mairangi Bay
- ☐ Mangere
- ☐ Mangere Bridge
- ☐ Mangere East
- ☐ Manly
- ☐ Manukau
- ☐ Manukau Heights
- ☐ Manurewa
- ☐ Manurewa East
- ☐ Maraetai
- ☐ Marlborough
- ☐ Massey
- ☐ Meadowbank
- ☐ Meadowlands
- ☐ Meadowood
- ☐ Mellons Bay
- ☐ Middlemore
- ☐ Milford
- ☐ Mission Bay
- ☐ Morningside
- ☐ Mount Albert
- ☐ Mount Eden
- ☐ Mount Roskill
- ☐ Mount Wellington
- ☐ Murphys Heights
- ☐ Murrays Bay
- ☐ New Lynn
- ☐ New Windsor
- ☐ Newmarket
- ☐ Newton
- ☐ North Harbour
- ☐ North Park
- ☐ Northcote
- ☐ Northcote Central
- ☐ Northcote Point
- ☐ One Tree Hill
- ☐ Onehunga
- ☐ Opaheke
- ☐ Orakei
- ☐ Oranga
- ☐ Oratia

- ☐ Orere Point
- ☐ Orewa
- ☐ Otahuhu
- ☐ Otara
- ☐ Oteha
- ☐ Owairaka
- ☐ Pahurehure
- ☐ Pakuranga
- ☐ Panmure
- ☐ Papakura
- ☐ Papatoetoe
- ☐ Parnell
- ☐ Penrose
- ☐ Piha
- ☐ Pinehill
- ☐ Point Chevalier
- ☐ Point England
- ☐ Ponsonby
- ☐ Porchester Park
- ☐ Puhinui
- ☐ Randwick Park
- ☐ Ranui
- ☐ Red Beach
- ☐ Red Hill
- ☐ Redoubt Park
- ☐ Remuera
- ☐ Richmond Park
- ☐ Rosedale
- ☐ Rosehill
- ☐ Rothesay Bay
- ☐ Royal Oak
- ☐ Saint Heliers
- ☐ Saint Johns
- ☐ Saint Mary's Bay
- ☐ Sandringham
- ☐ Sandspit
- ☐ Settlers Cove
- ☐ Shelly Park
- ☐ Silkwood Heights
- ☐ Silverdale
- ☐ Sommerville
- ☐ Stanley Bay
- ☐ Stanmore Bay
- ☐ Stonefields

- ☐ Sunnynook
- ☐ Sunnyvale
- ☐ Swanson
- ☐ Takanini
- ☐ Takapuna
- ☐ Tamaki
- ☐ Te Atatu
- ☐ Te Papapa
- ☐ The Gardens
- ☐ Three Kings
- ☐ Titirangi
- ☐ Torbay
- ☐ Totara Heights
- ☐ Tuscany Estate
- ☐ Unsworth Heights
- ☐ Waiake
- ☐ Waatarua
- ☐ Waikowhai
- ☐ Waimahia Landing
- ☐ Waimauku
- ☐ Wairau Valley
- ☐ Waitakere
- ☐ Waiwera
- ☐ Warkworth
- ☐ Waterview
- ☐ Wattle Cove
- ☐ Wattle Downs
- ☐ West Harbour
- ☐ Westfield
- ☐ Westlake
- ☐ Westmere
- ☐ Weymouth
- ☐ Whenuapai
- ☐ Whitford
- ☐ Windsor Park
- ☐ Wiri
- ☐ Other (please specify) :

RENTALOVERSEAS

Do you own any rental properties (i.e. separate house, terraced house, flat, apartment etc) in other countries?

- ☐ Yes
☐ No
☐ *Don't read:* Don't know ☐ *Don't read:* Refused

WHICH COUNTRIES

Which countries?

- ☐ Australia
☐ Canada
☐ Germany
☐ Spain
☐ France
☐ United Kingdom
☐ Ireland
☐ India
☐ Italy
☐ Sri Lanka
☐ Pakistan
☐ United Kingdom
☐ USA
☐ Other (specify) :
☐ Other (specify) :
☐ Other (specify) :
☐ Other (specify) :
☐ Other (specify) :
☐ *Don't read:* Don't know
☐ *Don't read:* Refused

loop: **NumOtherCountriesLoop**

Australia
Canada
Germany
Spain
France
United Kingdom
Ireland
India
Italy
Sri Lanka
Pakistan
United Kingdom
United States
{ #oc1}
{ #oc2}
{ #oc3}
{ #oc4}
{ #oc5}

NUMBERPERCOUNTRY

(0 - 100)

end loop(**NumOtherCountriesLoop**)

What is the approximate current market value of your rental property or properties? TOTAL FOR ALL PROPERTIES

MARKETVALUENZL

New Zealand properties (in New Zealand dollars)

(1 - 2000000000)

MARKETVALUEOVERSEASL

Overseas properties (in New Zealand dollars)

(1 - 2000000000)

WEEKLYRENTNZ

What is the approximate total weekly rent collected from your New Zealand rental properties?

(1 - 2000000000)

WEEKLYRENTPREV

You told us that you used to own rental properties in New Zealand. Could you tell us the approximate total weekly rent collected from these rental properties?

(1 - 2000000000)

REASONLATESTPROP

What were the main reasons you acquired your most recent rental property?

- ☐ As a form of retirement savings
- ☐ Capital gain
- ☐ No confidence in the share market
- ☐ Better bet than finance companies
- ☐ Possible future home
- ☐ Rental income
- ☐ Negative gearing (maximising tax deductions)
- ☐ Originally bought it to live in
- ☐ I inherited it
- ☐ Ability to control
- ☐ Ability to add value
- ☐ For other family members to live in
- ☐ Investment (didn't specify further)
- ☐ Other specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

OTHREAS

MOSTIMPORTANTREAS

And what was the most important of these reasons (for acquiring your most recent property)?

- ☐ As a form of retirement savings
- ☐ Capital gain
- ☐ No confidence in the share market
- ☐ Better bet than finance companies
- ☐ Possible future home
- ☐ Rental income
- ☐ Negative gearing (maximising tax deductions)
- ☐ Originally bought it to live in
- ☐ I inherited it
- ☐ Ability to control
- ☐ Ability to add value
- ☐ For other family members to live in
- ☐ Investment (didn't specify further)
- ☐ { #OthReas }
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

LOCATIONCHOICE

Following on from the last question, what were the reasons for buying in the location you chose (for your most recent property)?

- ☐ Expectation of strong growth in house prices
- ☐ Good income returns (yields)
- ☐ Dwelling type available for purchase in the location
- ☐ Good supply of rental properties
- ☐ Many good tenants in this area
- ☐ Good return on investment
- ☐ Location not chosen by me (e.g. inheritance)
- ☐ Close to where I live
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MILOCATIONCHOICE

And what was the most important reason?

- ☐ Expectation of strong growth in house prices
- ☐ Good income returns (yields)
- ☐ Dwelling type available for purchase in the location
- ☐ Good supply of rental properties
- ☐ Many good tenants in this area
- ☐ Good return on investment
- ☐ Location not chosen by me (e.g. inheritance)
- ☐ Close to where I live
- ☐ Other :
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

YEARSASINVESTOR

How many years have you been (or were you) an investor in rental properties? (1 - 100)

ORIGINALREASONS

What were your original reasons for deciding to invest in rental property?

- ☐ Capital gain
- ☐ Rental income
- ☐ As a form of retirement savings
- ☐ Good returns
- ☐ No confidence in the share market
- ☐ Better bet than finance companies
- ☐ Negative gearing (maximising tax deductions)
- ☐ Ability to leverage /borrow
- ☐ Ability to control
- ☐ Ability to add value through improving the property
- ☐ Took over from parent /partner - inheritance
- ☐ Originally bought to live in
- ☐ Possible future home
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MIORIGINALREASONS

And what was the most important of these reasons?

- ☐ Capital gain
- ☐ Rental income
- ☐ As a form of retirement savings
- ☐ Good returns
- ☐ No confidence in the share market
- ☐ Better bet than finance companies
- ☐ Negative gearing (maximising tax deductions)
- ☐ Ability to leverage /borrow
- ☐ Ability to control
- ☐ Ability to add value through improving the property
- ☐ Took over from parent /partner - inheritance
- ☐ Originally bought to live in
- ☐ Possible future home
- ☐ Other :
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

PLANNINGTOBUY

Are you planning to buy any more rental properties in the next two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WHYMORE

What are your reasons for planning to buy more rental properties?

- ☐ Optimistic about property market
- ☐ Good returns
- ☐ Tax advantages
- ☐ Enjoy the business
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WHYNOMORE

What are reasons for planning to not buy more rental properties?

- ☐ Cannot finance
- ☐ The 30% deposit required for bank loans for rental properties
- ☐ Minimum standards or Warrent of Fitness requirements
- ☐ Happy with current properties
- ☐ Too difficult to manage more
- ☐ Don't think returns are worth it
- ☐ Worried about prospects for rental market
- ☐ No good properties around where I might invest
- ☐ Happy with current returns/yield
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

BARRIERS

In today's market are there any other barriers to investing in rental properties?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WHATBARRIERS

What are the barriers to investing in rental properties?

- ☐ Obtaining or access to finance
- ☐ Lack of good rental properties
- ☐ Returns too risky (uncertainty)
- ☐ Unsure about current and proposed changes to government policy
- ☐ Changes to the way IRD treat investment policies
- ☐ Returns are too low
- ☐ Tenants are a problem to deal with
- ☐ Property market conditions (low or negative growth in values, low rents, lack of tenants)
- ☐ Cannot find a good property manager
- ☐ Minimum standard or WoF requirement
- ☐ The 30% deposit required for bank loans for investment property
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MAINBARRIER

What would you consider to be the main barrier?

- ☐ Obtaining or access to finance
- ☐ Lack of good rental properties
- ☐ Returns too risky (uncertainty)
- ☐ Unsure about current and proposed changes to government policy
- ☐ Changes to the way IRD treat investment policies
- ☐ Returns are too low
- ☐ Tenants are a problem to deal with
- ☐ Property market conditions (low or negative growth in values, low rents, lack of tenants)
- ☐ Cannot find a good property manager
- ☐ Minimum standard or WoF requirement
- ☐ The 30% deposit required for bank loans for investment property
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

GENERATEDEPOSIT

How did you generate the deposit (equity) for your first rental property?

- ☐ Savings
- ☐ Family Loan/gift from parents
- ☐ Inheritance
- ☐ Used equity from your home
- ☐ Proceeds from sale of family home
- ☐ Money from a pension
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

EQUITYASDEPOSIT

Have you used equity from an investment property that you own as a deposit in purchasing a rental property?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

BANKENCOURAGED

Have you been encouraged by a bank to use equity from your existing property portfolio as a deposit on new rental properties?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MORTGAGETYPE

What type of mortgage do you have on your rental properties -- interest only, or interest plus principal?

- ☐ Interest only
- ☐ Interest and principal
- ☐ Combination
- ☐ No mortgage
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

LOANTOVALUE

What is the average Loan-to-value ratio on your rental properties?

- ☐ 100%
- ☐ 90%
- ☐ 80%
- ☐ 70%
- ☐ 60%
- ☐ 50%
- ☐ Less than 50%
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

PLANTOSELL

Are you planning to sell any of your current rental properties in the next two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

REASONSELL

What are your reasons for planning to sell?

- ☐ Need capital for other reasons
- ☐ Too difficult renting out
- ☐ Returns too low
- ☐ Going to buy a different rental property
- ☐ Made capital gain
- ☐ Alternative investment plan -- non rental market
- ☐ Health issues
- ☐ Change in employment circumstances
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

MAINREASONSELL

What is your main reason for planning to sell?

- ☐ Need capital for other reasons
- ☐ Too difficult renting out
- ☐ Returns too low
- ☐ Going to buy a different rental property

- ☐ Made capital gain
- ☐ Alternative investment plan -- non rental market
- ☐ Health issues
- ☐ Change in employment circumstances
- ☐ Other :
- ☒ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SOLDANYLATELY

Have you sold any rental properties in the last two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

REASONSSOLD

What were the reasons for selling?

- ☐ Needed capital for other reasons
- ☐ Too difficult renting out
- ☐ Returns were too low
- ☐ I was buying a different rental property
- ☐ I had made a sufficient capital gain
- ☐ I wanted to invest the money not in property
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MAINREASONSOLD

What was the main reason for selling?

- ☐ Need capital for other reasons
- ☐ Too difficult renting out
- ☐ Returns too low
- ☐ Going to buy a different rental property
- ☐ Made capital gain
- ☐ Alternative investment plan -- non rental market
- ☐ Health issues
- ☐ Change in employment circumstances
- ☐ Other :
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

TOTALDEBTNZ

What is the total amount of debt you owe on your New Zealand rental portfolio?

AVERAGEYIELD

What is your average rental yield on your rental property or properties (annual rental income as a % of the current value of the property)?

- ☐ 1%
- ☐ 2%
- ☐ 3%
- ☐ 4%
- ☐ 5%
- ☐ 6%
- ☐ 7%

- ☐ 8%
- ☐ 9%
- ☐ 10%
- ☐ Above 10%
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

INCOMEEXCEEDSMORTGAGE

Does your current rental income exceed your mortgage payments?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

REFINANCE

Have you had to refinance all or part of your debt in the last two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

IMPACTPORTFOLIO

What has this meant for your portfolio?

- ☐ It has had no effect
- ☐ Had to sell some rental properties to reduce debt
- ☐ Had to change banks or finance provider to obtain refinancing
- ☐ Had to change banks to get the best deal
- ☐ Prevented spending on refurbishing or repairing properties
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

STRUCTMAINT

Do you have a structured maintenance management plan for your portfolio? If they don't know what this means then enter No

☐ Yes

☐ No

☐ *Don't read:* Don't know

☐ *Don't read:* Refused

loop: **TypicallySpendLoop**

First property

Second property

Third property

Fourth property

Fifth property

Sixth property

Seventh property

Eighth property

Ninth property

Tenth property

TYPICALLYSPEND

(0 - 20000000000)

end loop(**TypicallySpendLoop**)

AVERAGESPEND

On average, how much would you typically spend in a year on each property in your portfolio?

(1 - 20000000000)

SPEND10K

If you had \$10,000 to invest to improve a rental property, what would you be most likely to spend the money on?

- ☐ Kitchen
- ☐ Bathroom
- ☐ Insulation
- ☐ Leaky roof
- ☐ Drainage
- ☐ Heating
- ☐ Landscaping
- ☐ Redecorating
- ☐ Improving security e.g. locks and doors
- ☐ No preference
- ☐ No improvement necessary
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

PROPERTYASSOCIATION

Are you a member of a property investment association?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MANAGEYOURSELF

Do you manage your properties yourself or do you use an agent?

- ☐ Manage them myself
- ☐ Employ staff to manage property
- ☐ Engage a property management company
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SERVICEPROPMANA

How satisfied or dissatisfied are you with the competence of the property manager? READ

- ☐ Very Satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

VALUEPROPMANA

Are you satisfied or dissatisfied that you get value for money from your property manager? READ

- ☐ Very Satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

SELECTTENANTS

How do you select / choose your tenants?

- ☐ They have a secure job
- ☐ Family type
- ☐ Good references
- ☐ Good impression on meeting
- ☐ Manager/agent does it
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

WHICHNICHE

Have you considered targeting any of the following niche tenant markets? READ

- ☐ Students
- ☐ Nuclear families
- ☐ Older people
- ☐ Recently released prisoners
- ☐ People suffering from mental illness
- ☐ No, I do not target and have not considered targeting these markets
- ☐ Other :
- ☐ *Don't read: I already target these markets SELECT MARKETS THEY ALREADY TARGET*
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HOUSINGANDHEALTH

Do you think there is a link between someone's housing and their health?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

WHYTENANTSLEFT

In your experience as a landlord, why have your tenants vacated your rental properties?

- ☐ Buying their own home
- ☐ Tenants unhappy with accommodation -- too big, too small, too far away from work, family etc
- ☐ Moving city
- ☐ Tenants cannot pay rent
- ☐ I have to evict tenants
- ☐ Tenancy expired and was not renewed
- ☐ Tenant turnover not a problem in my properties
- ☐ No tenants have left yet
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MAINWHYTENANTSLEFT

What was the main reason your tenants vacated your rental properties?

- ☐ Buying their own home
- ☐ Tenants unhappy with accommodation -- too big, too small, too far away from work, family etc
- ☐ Moving city
- ☐ Tenants cannot pay rent
- ☐ I have to evict tenants
- ☐ Tenancy expired and was not renewed
- ☐ Tenant turnover not a problem in my properties
- ☐ No tenants have left yet
- ☐ Other :
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WHYEVICT

Why do you have to evict tenants?

What is the average length of time tenants stay in your property or properties?

AVERGESTAYYEARS

Years

(0 - 100)

AVERGESTAYMONTHS

Months

(0 - 11)

ACCOMSUP

Are any of your tenants receiving the Accommodation Supplement?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

PROPORTIONSUP

How many of your tenants receive the Accommodation Supplement?

(0 - 1000)

TOTALTENANTS **And how many tenants do you have in total?**

(0 - 10000)

GOVTVAR

- ☐ to buy more rental properties
- ☐ invest in the rental market again

GOVERNMENT

Is there anything the government could do to encourage you to {#GovtVar}?

- ☐ Alter tax structure to make rental investment more profitable
- ☐ Change laws making it easier to evict bad tenants
- ☐ Stay out of the market themselves -- i.e. sell-off privatise HNZC
- ☐ Stop interfering
- ☐ No, there is nothing the government could do.
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

RETIREMENTPLANS

If you're not already retired, what do you plan to do with your rental portfolio when you retire?

- ☐ I'm already retired
- ☐ Continue to let out properties, i.e. live off cash flow
- ☐ Sell up properties
- ☐ Continue to let out some properties, and sell others
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SIGNEDTENANCYAGREE

Do you have signed tenancy agreements for all your rental properties?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

PROPORTIONSIGNED

What proportion of your tenancies have signed tenancy agreements?

PERCENTAGE

(0 - 100)

FIXEDLONGTERM

Do you have any fixed long term tenancies? (I.e. Non periodic tenancies)

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

ADVANTAGESLONGTERM

What are the advantages to a landlord of fixed, long term tenancies?

- ☐ Certainty around cashflow period
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

PROPOSEDMINSTAND

Are you aware of the proposed minimum standards for rental properties regarding smoke alarms and insulation?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

SUPPORTMINSTAND

Do you support minimum standard regulations for rental properties?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HAVESMOKEALARMS

Do your rental properties have smoke alarms? Code 'Yes' only if all properties have them.

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HAVEINSULATION

Do your rental properties have underfloor and above ceiling insulation?

Code 'Yes' only if all properties have both types.

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

COLLECTBOND

Do you collect and lodge bonds for all your properties? *If an agent collects the bond on their behalf, answer Yes*

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

FOLLOWUP

Would you be willing to be contacted for a follow up interview about the private rental housing market?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

NAME

Name

EMAIL

Email

TEL

Phone number

AGE

Could you please tell me your age? (In years)

(1 - 130)

SEX

Don't read this, just record gender based on voice

- ☐ Male
- ☐ Female
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

OCCUPATION

Can you please tell me if you are... READ

- ☐ A school student
- ☐ A tertiary student (tech/Uni/teacher training)
- ☐ Working in paid employment
- ☐ Unemployed
- ☐ Sick or an invalid
- ☐ Retired
- ☐ Parenting/caregiving or doing unpaid work at home
- ☐ Self employed
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

ETHNICITY

Could you please tell me which ethnic group or groups you belong to?

- ☐ New Zealand European
- ☐ Maori
- ☐ Samoan
- ☐ Cook Islander
- ☐ Tongan
- ☐ Niuean
- ☐ Chinese
- ☐ Indian
- ☐ Other (specify) :
- ☐ Other (specify) :
- ☐ Other (specify) :
- ☐ Other (specify) :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

BORNINNZ

Were you born in New Zealand?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HOWLONGNZ

How long have you lived in New Zealand? YEARS

(1 - 100)

WHICHTOWNSUB

Which town or suburb do you live in?

MARITALSTATUS

Can you tell me if you... READ

- ☐ Are living with a partner (i.e. married or de facto)
- ☐ Were previously living with a partner (e.g. widowed/divorced/separated)
- ☐ Are single
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SHAREHOUSE

Please describe all the people who live in the same household as you. READ ALL

- ☐ My spouse or partner
- ☐ My mother and/or father
- ☐ My son(s) and/or daughter(s)
- ☐ My brother(s) and/or sister(s)
- ☐ Another family
- ☐ Other family members
- ☐ Flatmates (how many) :
- ☐ Boarders (how many) :
- ☐ None of the above -- I live alone
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

OTHERLANDLORDS

How many other people in your household (besides you) are landlords?

(0 - 100)

INCOMEALL

Please tell us all the sources of income you have received in the last 12 months PROBE TO NO

- ☐ Wages, salary, commissions, bonuses, etc, paid by my employer
- ☐ Self-employment, or business I own and work in (other than residential rental property)
- ☐ Interest, dividends, other investments
- ☐ Rent
- ☐ Regular payments from ACC or a private work accident insurer
- ☐ New Zealand Superannuation or Veteran's Pension
- ☐ Other superannuation, pensions or annuities (other than NZ Superannuation, Veteran's pension or war pensions)
- ☐ Unemployment benefit
- ☐ Sickness benefit
- ☐ Domestic purposes benefit
- ☐ Invalid's benefit
- ☐ Student Allowance
- ☐ Accommodation Supplement
- ☐ Temporary Accommodation Assistance
- ☐ Other government benefits, government income support, war pensions, or paid parental leave
- ☐ Other sources of income, counting support payments from people who do not live in my household
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MAININCOME

Which one is your PRIMARY or main source of income?

- ☐ Wages, salary, commissions, bonuses, etc, paid by my employer
- ☐ Self-employment, or business I own and work in (other than residential rental property)
- ☐ Interest, dividends, other investments
- ☐ Rent
- ☐ Regular payments from ACC or a private work accident insurer
- ☐ New Zealand Superannuation or Veteran's Pension
- ☐ Other superannuation, pensions or annuities (other than NZ Superannuation, Veteran's pension or war pensions)
- ☐ Unemployment benefit
- ☐ Sickness benefit
- ☐ Domestic purposes benefit
- ☐ Invalid's benefit
- ☐ Student Allowance
- ☐ Accommodation Supplement
- ☐ Temporary Accomodation Assistance
- ☐ Other government benefits, government income support, war pensions, or paid parental leave
- ☐ Other sources of income, counting support payments from people who do not live in my household
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

HOUSEHOLDINCOME

Which of the following brackets would your household income from all sources fall into? Before tax or anything was taken out of it. In the 12 months that will end on 31 March 2016 Includes everyone in the household combined

- ☐ Loss
- ☐ Zero
- ☐ \$1 - \$5,000
- ☐ \$5,001 - \$10,000
- ☐ \$10,001 - \$15,000
- ☐ \$15,001 - \$20,000
- ☐ \$20,001 - \$25,000
- ☐ \$25,001 - \$30,000
- ☐ 30,001 - 35,000
- ☐ \$35,001 - \$40,000
- ☐ \$40,001 - \$50,000
- ☐ \$50,001 - \$60,000
- ☐ \$60,001 - \$70,000
- ☐ \$70,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 or more
- ☐ Don't read: Don't know
- ☐ Don't read: Refused

If you like I can give you a number to ring so you can check that I'm with the university. (0800 116 018)

TRUSTSCREENER

Can I check; do you pay rent to a family trust?

- ☐ Yes
- ☐ No

TRUSTBENEF

Are you a beneficiary of the trust?

- ☐ Yes
- ☐ No

SCREENER

Can I just check; your household pays rent to a private landlord, trust or business for your current accommodation?

- ☐ Yes
- ☐ No

BOARDERCHECK

Can I also check: are you a boarder or lodger in this house?

- ☐ Yes
- ☐ No

DWELLINGTYPE

What type of dwelling is your home? READ

- ☐ Separate house

- ☐ Semi-detached or terraced house
- ☐ Single flat/apartment
- ☐ Other
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

WHERE DWELLING

Where is it located? (Suburb)

OFTEN PAY

How often do you make rental payments? READ

- ☐ Weekly
- ☐ Every two weeks
- ☐ Monthly
- ☐ Other frequency (specify) :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HOW MUCH

How much is each rental payment? DOLLARS

(1 - 10000)

SIGNED AGREEMENT

Have you signed a tenancy agreement for this property?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

PAY BOND

Did you pay a bond to the landlord (or to a property management company)?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

BONDLODGED

Do you know if the landlord lodged the bond with the Department of Building and Housing? READ

- ☐ I know they did
- ☐ I know they did not
- ☐ I don't know if they did or not
- ☐ DON'T READ -- Refused

NUMBEDROOMS

How many bedrooms are there in this dwelling?

(1 - 100)

MONTHS

Months

(0 - 24)

WEEKS

Weeks

(0 - 4)

DAYS

Days

(0 - 7)

PRIORRENTALS

How many rental properties did you apply to rent before securing your current home?

- ☐ None
- ☐ 1 - 2
- ☐ 3 - 5
- ☐ 5 - 10
- ☐ More than 10

TURNEDDOWN

Sometimes people feel landlords don't want them as tenants because they have children, or because of their age or ethnicity. Do you feel you have ever been unfairly turned down by a landlord?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

REASONTURNEDDOWN

Why do you feel you were unfairly turned down? IF GIVES MORE THAN ONE REASON, ASK FOR MAIN REASON

- ☐ My age
- ☐ My ethnicity
- ☐ My children
- ☐ My pets
- ☐ Other (specify) :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

TIMERENTEDYEARS

Years

(0 - 100)

TIMERENTEDMONTHS

Months

(0 - 11)

TIMESMOVED

How many times have you moved in the last five years?

(0 - 1000)

BEENOWNER

Have you ever been a home owner? *New Zealand homes only.*

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HAVEYOUSOLD

Have you sold the house or do you still own it?

- ☐ I've sold it
- ☐ I still own it
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

WHYSOLD

Why did you sell?

- ☐ Moved for work
- ☐ Could not afford the mortgage repayments
- ☐ Marriage / de facto relationship break up
- ☐ Sold and shifted -- renting in the interim
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

STAYLENGTHYEARS

Years

(0 - 100)

STAYLENGTHMONTHS

Months

(0 - 11)

PRIVATE

Was your previous residence, before the house you currently live in, a private rental property rented from a landlord?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MOVEDRECENTLY

Did you move from your last residence within the last two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WHYMOVED

What were your reasons for moving from your last residence?

- ☐ Closer to work
- ☐ Closer to family
- ☐ For health
- ☐ For education (e.g. closer to school or in the right school zone)
- ☐ To cheaper accommodation
- ☐ To better quality accommodation
- ☐ Closer to child care
- ☐ Located better relative to key transport routes
- ☐ Relationship terminated
- ☐ Was evicted
- ☐ Landlord sold the house
- ☐ Moved from parental home
- ☐ Other :
- ☐ *Don't read:* Don't know ☐ *Don't read:* Refused

MIWHYMOVED

What was the most important of those reasons for moving?

- ☐ Closer to work
- ☐ Closer to family
- ☐ For health
- ☐ For education (e.g. closer to school or in the right school zone)
- ☐ To cheaper accommodation
- ☐ To better quality accommodation
- ☐ Closer to child care
- ☐ Located better relative to key transport routes
- ☐ Relationship terminated
- ☐ Was evicted
- ☐ Landlord sold the house
- ☐ Moved from parental home
- ☐ Other :
- ☐ Specify :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

ADEQUATE

In your opinion is your current accommodation adequate for your household's needs?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

INADEQUATE

What are the reasons that your current accommodation doesn't meet your household's needs?

- ☐ Too small
- ☐ Too large
- ☐ Too expensive to rent
- ☐ Too expensive to heat
- ☐ Unhealthy/damp
- ☐ Too far from work
- ☐ Too far from shops
- ☐ Needs improvement/repairs
- ☐ Feel unsafe / rough neighbourhood
- ☐ Too far from public transport
- ☐ No garden/outside space
- ☐ Don't like neighbourhood
- ☐ Problem neighbours
- ☐ Too far from family/friends
- ☐ Too far from school
- ☐ Other :
- ☐ *Don't read:* Don't know ☐ *Don't read:* Refused

MIINADEQUATE

What is the key limitation of the current property relative to your household's needs?

- ☐ Too small
- ☐ Too large
- ☐ Too expensive to rent
- ☐ Too expensive to heat
- ☐ Unhealthy/damp
- ☐ Too far from work
- ☐ Too far from shops
- ☐ Needs improvement/repairs
- ☐ Feel unsafe / rough neighbourhood
- ☐ Too far from public transport
- ☐ No garden/outside space
- ☐ Don't like neighbourhood
- ☐ Problem neighbours
- ☐ Too far from family/friends
- ☐ Too far from school
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

HOWMANYADULTS

Number of adults (18 years of age and over), not including yourself
(0 - 100)

HOWMANYCHILDREN

Number of children (17 years and under)
(0 - 100)

MOVEPLANNED

Are you planning to move in the next two years?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MOVETOWHAT

What type of accommodation are you planning to move to? READ

- ☐ Other rented accommodation
- ☐ Property you currently own
- ☐ Property you plan to buy
- ☐ Planning to move overseas
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MOVEREASON

What are your reason(s) for your planned move?

- ☐ Want larger accommodation
- ☐ Want smaller accommodation
- ☐ Want to own house
- ☐ Closer to family
- ☐ Closer to work
- ☐ Want to live in a safer/less rough neighbourhood
- ☐ Want to live closer to public transport
- ☐ Want garden/outside space
- ☐ Want to live in a neighbourhood that I like
- ☐ Closer to schools educational opportunities for household members
- ☐ Health reasons
- ☐ Landlord planning to sell the dwelling
- ☐ Want better quality accommodation
- ☐ Want cheaper accommodation
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MOVEREASONOTHER

MIMOVEREASON

What is the key reason for moving?

- ☐ Want larger accommodation
- ☐ Want smaller accommodation
- ☐ Want to own house
- ☐ Closer to family
- ☐ Closer to work
- ☐ Want to live in a safer/less rough neighbourhood
- ☐ Want to live closer to public transport
- ☐ Want garden/outside space
- ☐ Want to live in a neighbourhood that I like
- ☐ Closer to schools educational opportunities for household members
- ☐ Health reasons
- ☐ Landlord planning to sell the dwelling
- ☐ Want better quality accommodation
- ☐ Want cheaper accommodation
- ☐ {#MoveReasonOther}
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

HOUSINGANDHEALTHTENANT

Do you think there is a link between someone's housing and their health?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SAVEINVEST

Is your household managing to save/invest any money at the moment?

- ☐ Yes
- ☐ No
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

SAVEHOWMUCH

How much over the last year? DOLLARS

(1 - 1000000)

SAVETYPE

What types of savings / investments?

- ☐ Savings account
- ☐ Stocks, shares or bonds
- ☐ Other financial investing
- ☐ Property
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

DEBTLEVEL

Is your level of debt currently increasing or decreasing at the moment?

- ☐ Increasing
- ☐ Decreasing
- ☐ Neither
- ☐ I don't have any debt
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

INCREASEDDECREASED

- ☐ increased
- ☐ decreased

DEBTHOWMUCH

How much over the last year has your debt {#IncreasedDecreased}? DOLLARS

(1 - 1000000)

KIWISAVERJOINED

Have you joined KiwiSaver?

- ☐ Yes
- ☐ No

- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

KIWISAVERWITHDRAW

Do you plan to withdraw your KiwiSaver contributions at some stage to buy a house?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

FAMMEMBERHOUSE

If you were planning to buy a house could a family member give you some financial help?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

PROPERTYMANAGEMENT

Do you pay rent to your landlord or to a property management company?

- ☐ Landlord
- ☐ Property management company
- ☐ Other :
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HOMESMOKEALARMS

Does your home have smoke alarms?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

HOMEINSULATION

Does your home underfloor and above ceiling insulation?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

CONTACTMAINT

Have you ever contacted the landlord/property management company concerning maintenance on the property?

- ☐ Yes
- ☐ No
- ☐ *Don't read: Don't know*
- ☐ *Don't read: Refused*

WHATMAINT

What was the most recent maintenance issue?

- ☐ Plumbing minor -- leaky tap
- ☐ Plumbing major -- sewerage leak
- ☐ Electrical fault
- ☐ Leaky roof
- ☐ Broken window
- ☐ Mould
- ☐ Vandalism damage
- ☐ Weather damage
- ☐ Other :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

TIMETOFIX

How many days did it take to have the issue fixed or resolved?

(0 - 1000)

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WISHFIX1

If the landlord was to spend \$10,000 on improving your home, what would you most like them to spend the money on?

- ☐ Kitchen
- ☐ Bathroom
- ☐ Insulation
- ☐ Leaky roof
- ☐ Drainage
- ☐ Heating
- ☐ Landscaping
- ☐ Redecorating
- ☐ Improving security e.g. locks and doors
- ☐ No preference
- ☐ No improvement necessary
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WISHFIX2

And what, if anything, would be the second thing you would most like them to spend money on?

- ☐ Kitchen
- ☐ Bathroom
- ☐ Insulation
- ☐ Leaky roof
- ☐ Drainage
- ☐ Heating
- ☐ Landscaping
- ☐ Redecorating
- ☐ Improving security e.g. locks and doors
- ☐ No preference
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

WISHFIX3

And what, if anything, would be the third thing you would most like them to spend money on?

- ☐ Kitchen
- ☐ Bathroom
- ☐ Insulation
- ☐ Leaky roof
- ☐ Drainage
- ☐ Heating
- ☐ Landscaping
- ☐ Redecorating
- ☐ Improving security e.g. locks and doors
- ☐ No preference
- ☐ Other (specify) :
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

MAINTSATIS

In general how satisfied or dissatisfied are you with the maintenance service provided by the landlord/property management company? READ

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ *Don't read:* Don't know
- ☐ *Don't read:* Refused

RECEIVEACCOMSUP

Did you receive the Accommodation Supplement?

☐ Yes

☐ No



Don't read: Don't know



Don't read: Refused

Those are all the questions we have today. So thank you for helping us with the study, we really appreciate it. In case you missed it I'm _____ from Massey University and I hope you enjoy the rest of your evening/day. Thanks, we are not looking to interview you today.

INTERVIEWERCOMMENTS

End of survey. If you, the interviewer, have any comments, leave them in the box below.

[Press next to finish the survey

Find out more: phone 09 301 0101, email
rimu@aucklandcouncil.govt.nz or visit
aucklandcouncil.govt.nz and knowledgeauckland.org.nz