



Te Tōpū Tiaki-ā-Kainoho
**TENANTS PROTECTION ASSOCIATION
(CHRISTCHURCH) INC.**

TPA (CHCH) RENTAL SURVEY 2013

A Study of Increasing Rents and Housing Conditions in the Greater
Christchurch Area

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June 2013

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Tenants Protection Association (ChCh) Incorporated/ Te Tōpū Tiaki-ā-Kainoho was established in the early 1980's. It is a regionally based NGO, providing services for tenants (and anyone who lives in a home they do not own).

Te Tōpū Tiaki-ā-Kainoho = to watch over/protect people who stay/settle in/live in a place.

Main Objectives / aims:

To advance generally, the rights, interests and wellbeing of residential tenants in the Greater Christchurch area. This is achieved through the provision of advice, information and advocacy services and education.

To advise, assist and support tenants generally in their dealings and disputes with landlords and other authorities in the Greater Christchurch region and to help seek redress for any wrongs tenants suffer.

To work in conjunction with other NGO's and other agencies and organisations that provide services for tenants in order to exchange ideas and information regarding issues affecting tenants and to promote joint action by and cooperation with them regarding common concerns

ACKNOWLEDGEMENTS

Tenants Protection Association (Christchurch) Inc. wishes to thank the hundreds of tenants across Canterbury who participated in this survey and shared their stories.

TPA also wants to thank the dozens of community groups, government agencies and individuals who assisted with the distribution and collection of the survey.

TPA gratefully acknowledges the Christchurch City Council for funding that made it possible to include the responses of members of migrant communities.

We want to thank the team at Interpreting Canterbury and Christchurch Resettlement Services for their help and support with getting surveys out to migrant communities and for interpreting services.

Many thanks to Lena Schallenberg, environmental scientist, for her support with the statistical analyses and to Cameron Schallenberg for his proofreading skills.

Thank you to Kay Saville-Smith for her constructive suggestions and superb editing skills.

TPA (CHCH) RENTAL SURVEY 2013

A Study of Increasing Rents and Housing Conditions in the Greater Christchurch Area

Overview

The earthquakes that hit the Canterbury region in 2010/11 destroyed a significant amount of rental housing and damaged many homes. This has resulted in reduced supply, increased demand and increases in rental costs. The average weekly rent in the Greater Christchurch area has increased 31% since August 2010ⁱ. Tenants are significantly affected by issues of affordability, accessibility and suitability of rental housing.

The TPA rental survey is a response to the concerns expressed by many tenants across Canterbury with these rent increases and with the quality of their housing.

This report considers the results of the survey which asked tenants questions about rent increases, quality of rental housing and the effects of rising rents on tenants' well-being post- earthquakes.

Survey Distribution

The survey was conducted in the Christchurch and Canterbury regions (including Ashburton, Waimakariri and Selwyn districts) over a 3 month period – from mid-February to mid-May 2013.

Questionnaires were distributed to tenants through the efforts of dozens of community organisations, NGO's and government agencies across the region; were made available at local Work and Income offices, local libraries and Probation offices; were handed out at shopping malls and community festivals and events. The questionnaire was translated into Korean, Chinese and Arabic and was distributed to these ethnic communities with the help of interpreters from Interpreting Canterbury and Christchurch Resettlement Services. The questionnaire was available to complete on the TPA website www.tpa.org.nz and TPA Facebook page. The survey was reported in local media – *The Press*, *The Ashburton Guardian* and *The Hurunui News*. It was also advertised on local radio – *PlainsFM* and was detailed in various community newsletters across the region.

These efforts resulted in 365 responses from across the region. Approximately half of the responses were completed online.

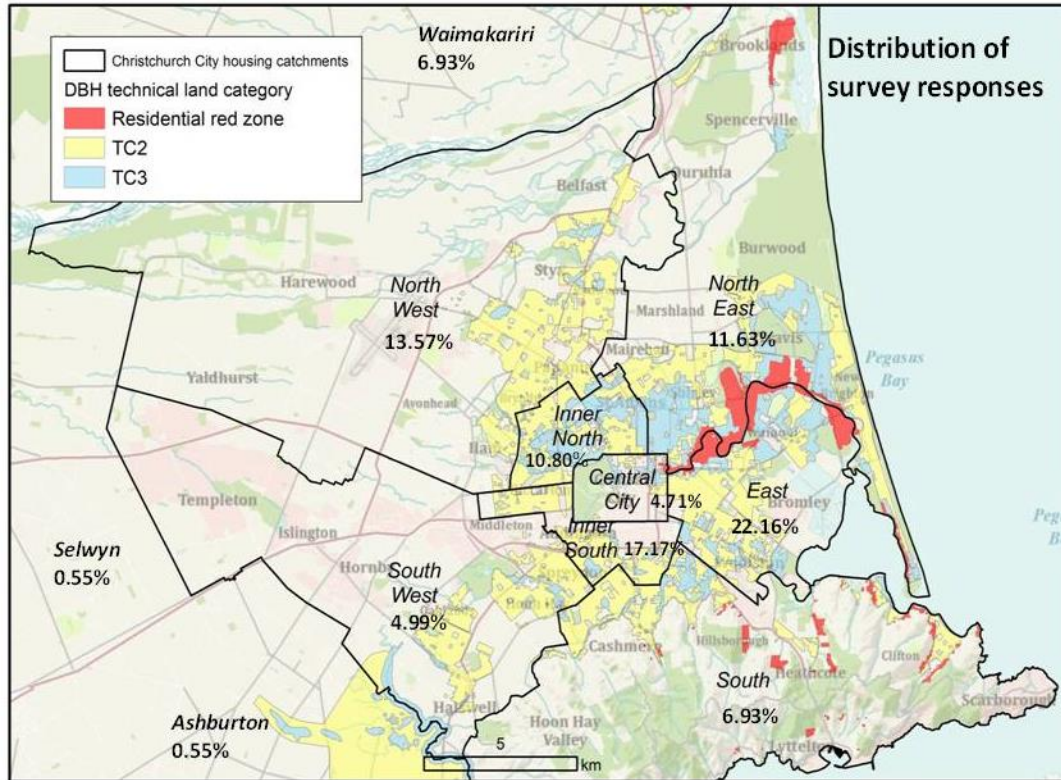
Survey participants were across Christchurch City with the largest concentration coming from the East (22.2%), followed by Inner South (17.2%), North West (13.6%), North East (11.6%) and Inner North (10.8%). Fewer responses came from the southern regions – South (6.93%) and South West (4.99%) and the Central City (4.71%) which is consistent with the reduction in new rental tenancy figures for the Central City ⁱⁱ.

Almost 7% of responses came from the Waimakariri district with the majority from Rangiora (3.33%), followed by rural North Canterbury (1.93%) and Kaiapoi (1.67%).

Two participants were based in Selwyn and two in Ashburton districts.

Map 1 illustrates the distribution of the survey respondents across the region by area.

Map 1: Distribution of survey responses by area



Map Source: Ministry of Business, Innovation and Employment.

Key Findings

- ❖ 70% of tenants reported having 1 or more rent increases in the 2 years post- earthquakes
- ❖ The Inner North area reported the highest percentage of tenants getting rent increases (81.1%)
- ❖ The North West area reported the lowest percentage of tenants getting rent increases (52.2%)
- ❖ Average total rent increase per week for all areas - \$42.90
 - Inner North area shows the highest average rent increase amount - \$60 per week
- ❖ There is a trend towards higher rent increase amounts with subsequent rent increases
- ❖ 88% of tenants reported paying over 25% of their annual income in rent
 - Over half of tenants (57.8%) reported paying over 40% of their annual income in rent
 - 34% of tenants reported paying over 50% of their annual income in rent
 - 8% of tenants reported paying over 75% of their annual income in rent
- ❖ Effects of Rental Increases
 - 34.7% of tenants reported they now have to find other accommodation due to not being able to afford the rental increases
 - 85.3% of tenants who reported having 1 or more rent increases said they are affected negatively by the increases.
 - Tenants have identified the following negative effects:
 - Inability to afford / find more suitable or appropriate housing

- Inability to afford any extras / discretionary spending such as holidays, petrol, school camps, clothes, leisure activities
 - Feeling stress, worry, depression, fear of the future
 - Inability to afford food
 - Lower standard of living
 - Need to move away from the city
 - Inability to afford heating / power bills
 - Inability to save for a house deposit
 - Needing to get extra flatmates
 - Inability to afford doctor's visits and medicine
- ❖ The majority of tenants reported that the very basic standards of housing were being met
 - Working toilet – 97.4%
 - Shower/bath/hand basin with hot/cold running water – 99.1%
 - Working oven/stove – 94.5%
 - Adequate water supply – 98.4%
 - ❖ Drainage of wastewater was reported to be a problem in over a quarter of tenant households (25.6%)
 - ❖ Almost half of tenants reported mould in their households (48%).
 - ❖ Less than half of tenanted dwellings were reported to be insulated (40%) and 26.9% reported they did not know if there was any insulation
 - ❖ The majority of tenants reported living in earthquake damaged homes (60%) with problems ranging from minor cracks to major structural issues

Results

Who Are these Tenant Households?

The majority of tenants who completed the questionnaire were female (75.4%-Table 1). All age groups were represented with over half of the respondents in the 30-49 age bracket(Table 2). The majority of respondents identified themselves as NZ European/ Pakeha (66.9%), NZ Maori next at 10.1% (Table 3). Over half of tenants (52.7%) reported their annual income at \$35 000 or less while 8.5% reported income over \$75 000 (Table 4, Figure 1). The average annual income for all respondents was calculated at \$36 193.

Table 1: Gender of tenant respondents

| Gender | Percent |
|--------|---------|
| female | 75.39 |
| male | 24.61 |
| Total | 100 |

Table 2: Age Brackets of tenant respondents

| Age | Percent |
|----------|---------|
| 18-29 | 26.75 |
| 30-49 | 54.04 |
| 50-64 | 14.25 |
| 65+ | 4.03 |
| Under 18 | 0.93 |
| Total | 100 |

Table 3: Ethnicities of tenant respondents

| Ethnicity | Percent |
|-------------------|---------|
| NZEuro/Pakeha | 66.91 |
| Maori | 10.05 |
| Chinese | 5.36 |
| Asian | 3.53 |
| Korean | 3.36 |
| Afghani | 1.75 |
| African | 1.68 |
| British | 1.24 |
| Samoan | 0.91 |
| Muslim | 0.64 |
| Bhutanese | 0.63 |
| Malaysian | 0.60 |
| Pacific islander | 0.57 |
| Egyptian | 0.49 |
| Indian | 0.41 |
| Australian | 0.41 |
| Somalia | 0.37 |
| Tongan | 0.32 |
| American | 0.24 |
| German | 0.19 |
| Dutch | 0.12 |
| Cook Island Maori | 0.12 |
| Canadian | 0.09 |

Table 4: Annual Income

| Annual Income\$ | Percent |
|-----------------|---------|
| 0-15000 | 16.14 |
| 16-20000 | 10.78 |
| 21-25000 | 6.73 |
| 26-30000 | 10.48 |
| 31-35000 | 8.56 |
| 31-36000 | 0.58 |
| 36-40000 | 8.82 |
| 41-45000 | 9.95 |
| 46-50000 | 5.51 |
| 51-55000 | 3.12 |
| 56-60000 | 6.00 |
| 61-65000 | 2.35 |
| 66-70000 | 1.61 |
| 71-75000 | 0.82 |
| 75000> | 8.54 |
| Total | 100 |

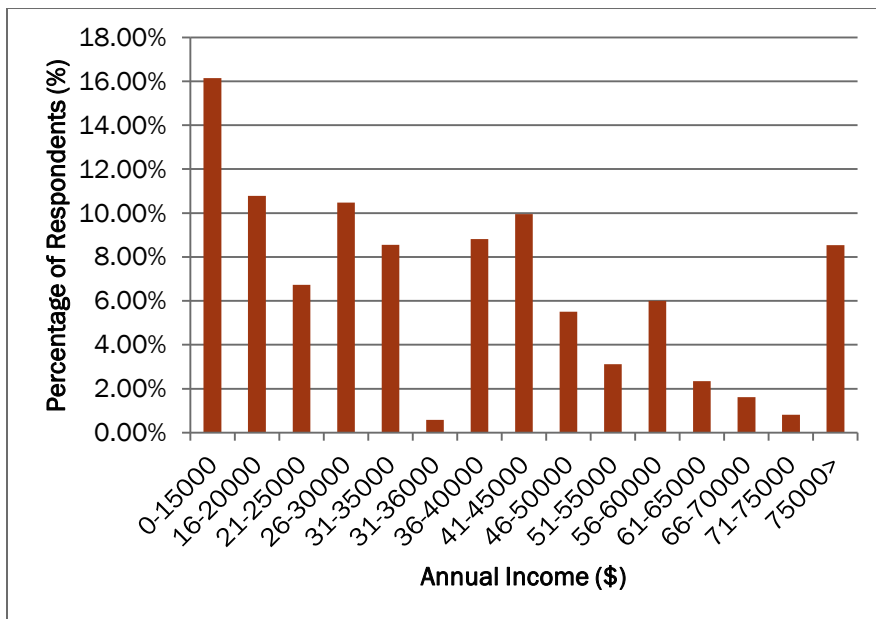


Figure 1. Annual income for all respondents.

Family Situation

The largest single group of participants are tenants who have families with children (over 40%). Table 5 shows that 205 respondents have children living with them. The majority of households have one or two children. Less than ten percent of households have more than three children.

Table 5: Number of children

| Number of children | Number | Percent |
|--------------------|------------|------------|
| 1 | 78 | 38.1 |
| 2 | 63 | 30.7 |
| 3 | 44 | 21.5 |
| 4 | 13 | 6.3 |
| 5 | 4 | 1.9 |
| 6 | 2 | 1 |
| 9 | 1 | 0.5 |
| Total | 205 | 100 |

Over a fifth of respondents are single persons (22.6%). Over 15% of tenants are in a flatting situation, 14.25% are couples and over 7% of tenants are boarding. (Figure 2)

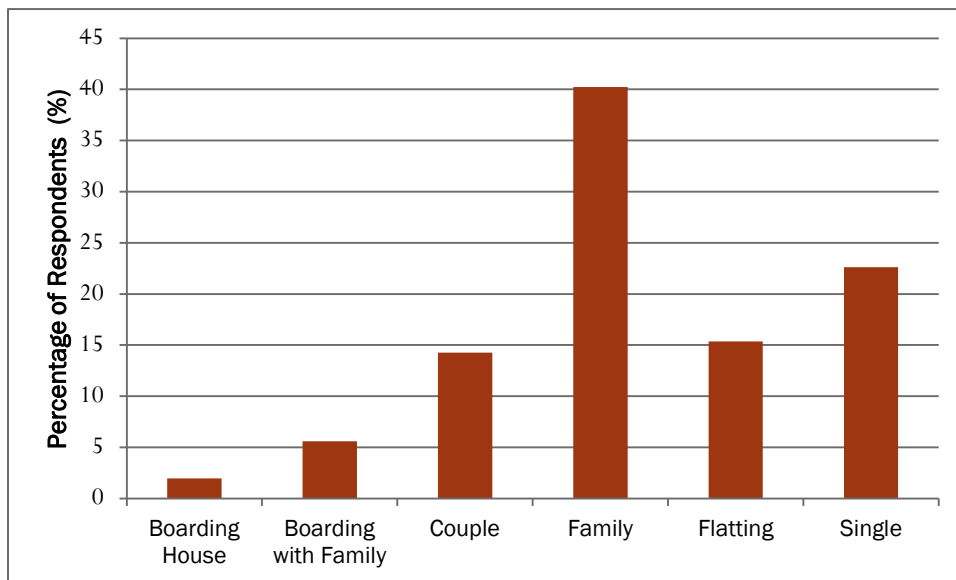


Figure 2. Percentage of respondents in different living situations.

Dwelling Conditions

The vast majority of households reported having a working toilet, a shower/bath and hand basin with hot and cold water, a working stove/oven, and an adequate supply of water. This is an encouraging sign that the very basic conditions of housing are being maintained. However tenants in a quarter of all households reported problems with drainage of wastewater (Table 6). This could be a health hazard and is deserving of further investigation.

Table 6: Basic conditions of housing

| Working toilet | Percent | Shower/sink-hot/cold water | Percent | Working Stove/oven | Percent |
|----------------|------------|----------------------------|------------|--------------------|------------|
| yes | 97.37 | yes | 99.06 | yes | 94.45 |
| no | 2.63 | no | 0.94 | no | 5.55 |
| Total | 100 | | 100 | | 100 |

| Adequate Water supply | Percent | Wastewater drainage problems | Percent |
|-----------------------|------------|------------------------------|------------|
| yes | 98.4 | yes | 25.59 |
| no | 1.6 | no | 74.41 |
| | 100 | | 100 |

The majority of tenants reported heating their homes with heat pumps (55.3%), followed by electric heaters (19.23%) and wood burners (14.2%). Over 90% of households reported that their heaters work. Over 5% of tenants reported having no heater at all (Table 7).

Table 7: Heating of households

| Heating | Percent |
|-----------------|------------|
| Heat pump | 55.29 |
| Electric heater | 19.23 |
| Wood burner | 14.15 |
| No heater | 5.16 |
| Other | 5.15 |
| Gas | 0.14 |
| Open fire | 0.08 |
| Total | 100 |

Less than half of all households were reported to be insulated (40%) and 26.9% did not know if their home is insulated (Table 8). It is likely, given the prevalence of mould (see Table 9), that these dwellings are not well insulated. These dwellings will be expensive to heat and can be expected to have low winter temperatures.

Table 8: Insulation of households

| Insulation | Percent |
|------------|------------|
| yes | 40.07 |
| no | 33.04 |
| Don't know | 26.89 |
| Total | 100 |

Almost half of respondents report mould in their homes (48%-Table 9). Mould is a serious health hazard. Moulds such as *Stachybotrus chartarum* release substances that are toxic. Some moulds cause allergies, aggravate asthma and other respiratory problems and can cause skin irritations, headaches and nauseaⁱⁱⁱ. The cost to the health system of medical issues related to mould could be lessened if both landlords and tenants take precautions to reduce moisture in the home. Better ventilation, heating and higher levels of insulation can help prevent the growth of mould. Households in this survey that reported having insulation show a lower percentage of mould (Table 10). The same trend is evident in households that reported adequate ventilation in the kitchen (Table 11) and bathroom (Table 12).

Table 9: Mould in households

| Mould | Percent |
|-------|------------|
| no | 51.98 |
| yes | 48.02 |
| Total | 100 |

Table 10: Mould in Households with Insulation

| Mould in insulated houses | Percent |
|---------------------------|------------|
| no | 59.44 |
| yes | 40.56 |
| Total | 100 |

Table 11: Mould in Households with Ventilated Kitchens

| Mould in kitchens with adequate ventilation | Percent |
|---|------------|
| no | 67.40 |
| yes | 32.60 |
| Total | 100 |

Table 12: Mould in Households with Ventilated Bathrooms

| Mould in bathrooms with adequate ventilation | Percent |
|--|------------|
| no | 66.64 |
| yes | 33.36 |
| Total | 100 |

The majority of tenants reported earthquake damage in their households (60.2%-Table 13). Tenants described minor to major structural damage. The damage type included:

- cracks in walls, ceilings and floors
- sunken floors, uneven piles
- leaky roofs
- wastewater problems
- gaps around windows and doors
- doors not shutting
- dampness and mould
- liquefaction under the house
- broken pipes

Table 13: Earthquake damaged households

| EQ damage | Percent |
|-----------|------------|
| yes | 60.15 |
| no | 39.85 |
| Total | 100 |

Rents

Table 14 and Figure 3 show weekly rental amounts. The first rental band \$50-100 per week is likely to reflect the income related rent of Housing New Zealand tenants (25% of annual income). 20% of tenants paid between \$301-350 per week in rent. 60.7% of tenants paid between \$201 -400 per week in rent.

Table 14: Weekly rental bands

| Rental Bands\$/wk | Number | Percent |
|-------------------|------------|------------|
| 50-100 | 23 | 5.98 |
| 151-200 | 34 | 8.01 |
| 201-250 | 41 | 10.74 |
| 251-300 | 52 | 15.29 |
| 301-350 | 67 | 20.14 |
| 351-400 | 43 | 14.49 |
| 401-450 | 24 | 8.19 |
| 451-500 | 10 | 2.92 |
| 501-550 | 5 | 2.16 |
| 551-600 | 5 | 1.87 |
| 601-650 | 4 | 0.95 |
| 651-700 | 1 | 0.45 |
| 701-750 | 1 | 0.41 |
| 801> | 1 | 0.48 |
| Total | 351 | 100 |

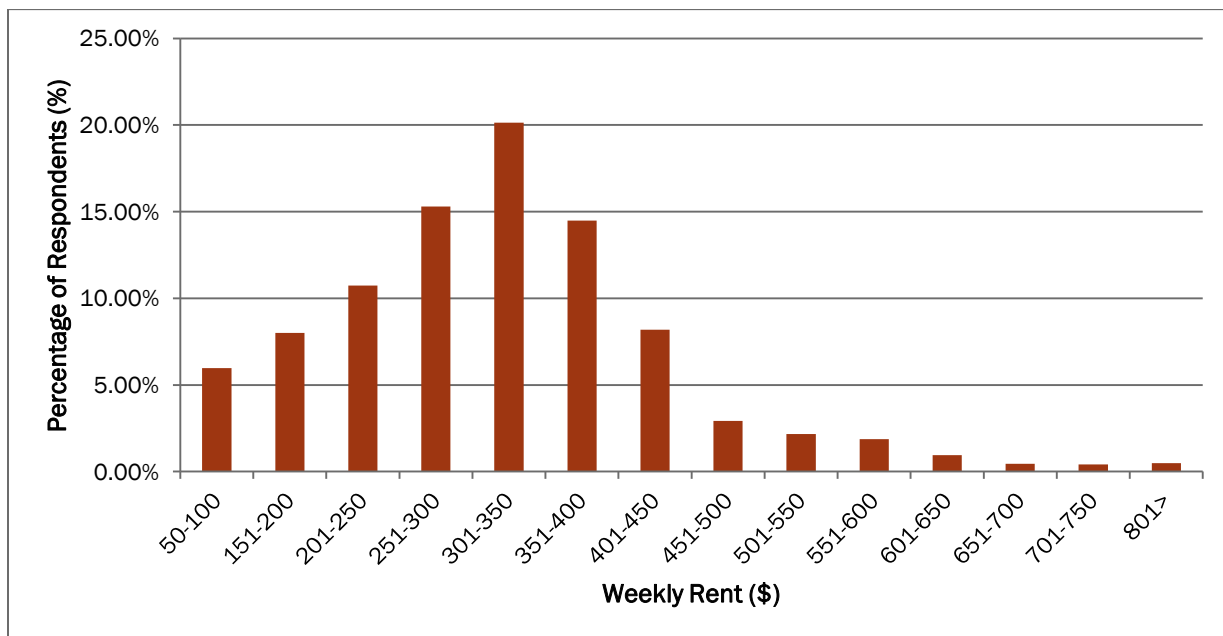


Figure 3. Weekly rental amount.

Table 15 shows the respondents' average rents per bedroom type for the various areas. The East and Central City have higher than average rents for bedsit type households. For 1 bedroom households North East, North West and South West have higher than average rents. In the 2 bedroom category South, North West, South West, Central City and Waimakariri show higher than average rents. In 3 bedroom households South, Inner North and Selywn have higher rents. For 4 bedroom households South, North East, Inner North, Inner South and Waimakariri have higher than

average rents. In 5 bedroom types East and Waimakariri have the highest rents. In the largest households (5+) North West and Inner South show higher than average rents.

Table 15: Average rents in Bedroom Types by area

| Average rent\$/wk | Bedrooms | | | | | | |
|-----------------------|----------|--------|--------|--------|--------|--------|--------|
| AREA | Bedsit | 1 | 2 | 3 | 4 | 5 | 5+ |
| South | | | 310.15 | 396.75 | 430 | | |
| East | 240 | 170.91 | 228.82 | 290.96 | 284.5 | 490 | 240 |
| North East | | 197.5 | 251.67 | 304.67 | 433.33 | | |
| North West | | 216.8 | 323.89 | 321 | 341.11 | | 750 |
| South West | | 225 | 320 | 268.81 | 283.33 | | |
| Inner North | 115.5 | 184.57 | 270.09 | 389.88 | 400 | | 368 |
| Central City | 170 | 178.75 | 307.78 | 335 | | | |
| Inner South | 97.33 | 160.7 | 252.75 | 307.22 | 407.14 | 276.67 | 636.67 |
| Selwyn | | | | 440 | | | |
| Waimakariri | 140 | 170 | 308.33 | 337.27 | 445 | 460 | |
| Ashburton | | | 245 | | | | |
| Average totals | 152.6 | 188 | 281.8 | 339.20 | 378 | 408.9 | 498.7 |

Rent Increases and Affordability

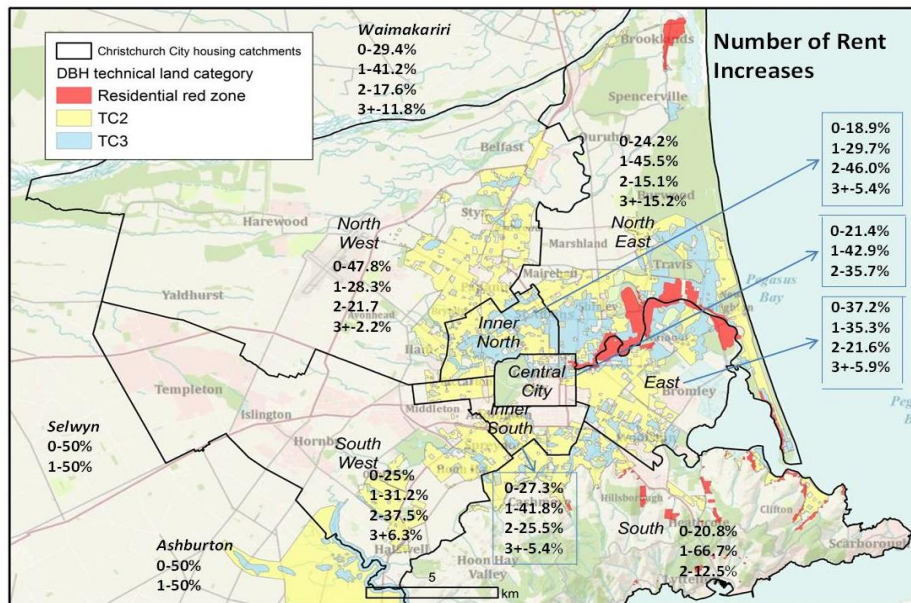
Almost 70% of tenants reported having one or more rent increases in the last two years. Most tenants reported having one rent increase (39.46%), and well over a quarter (30.4%) reported having two or more rent increases in the two years post-earthquakes (Table 16).

Table 16: Number of rent increases over 2 year period

| Rent Increases | Percent |
|----------------|------------|
| 0 | 30.10 |
| 1 | 39.46 |
| 2 | 24.75 |
| 3 | 5.02 |
| 4 | 0.33 |
| 5 | 0.33 |
| Total | 100 |

Map 2 illustrates the breakdown of number of rent increases by area. Tenants in the East and the North West were less likely to experience a rent increase with 62.7% in the East and 52.2% of the North West tenants reporting an increase. The Inner North zone reported the highest percentage of households getting rent increases (81.1%) followed by the South on 79.2% and the Central City on 78.6%. The North East area recorded the largest number of tenants getting 3 or more rent increases (15.2%) followed by the Waimakariri District (11.8%).

Map 2: Number of Rent Increases by Area



Map Source: Ministry of Business, Innovation and Employment.

Rent increase amounts were reported to vary from \$2 per week through to \$240 per week.

There is a trend towards higher rent increase amounts with subsequent rent increases. For tenants with one rent increase the average amount was \$28.60 per week. The second rent increase average amount was \$28.90 per week. The average amount for third or more rent increases was \$36. (Table 17)

Table 17: Average Amount of Rent Increases

| Rent Increases | Average Amount of Rent Increase in \$/Week |
|----------------|--|
| 1 | 28.60 |
| 2 | 28.90 |
| 3+ | 36.00 |

The average amount of all rent increase amounts for the 2 years post-earthquakes was \$ 42.90. This figure includes the rent increase amounts for tenants with multiple increases as well as rent increase amounts for tenants with only one rent increase.

Table 18 shows total rent increase amounts paid by tenants. Over half of tenants (56.7%) reported having paid between \$11 and 50 per week rent increase over the last 2 years. A quarter of tenants (25.1%) reported paying over \$50 per week in rent increases. Over 18% of tenants reported a rent increase of between \$ 1 and 10 per week.

The Inner North shows the highest average rent increase amount of \$60 per week followed by Waimakariri on \$55 per week and the Central City with average rent increase of \$53 per week

(Table 19). The areas that show the lowest average amount of rent increase are Selwyn with \$20 per week (sample size of 2) and the Inner South with an average rent increase amount of \$33 per week.

Table 18: Rent Increase amount totals in last 2 years

| Rental Increase totals in \$/week | Percent % |
|-----------------------------------|-----------|
| 1-10 | 18.21 |
| 11-20 | 18 |
| 21-30 | 13.53 |
| 31-40 | 10.93 |
| 41-50 | 13.34 |
| 51-60 | 6.05 |
| 61-70 | 1.24 |
| 71-80 | 2.79 |
| 81-90 | 3.74 |
| 91-100 | 4.68 |
| 101-110 | 0.64 |
| 111-120 | 1.47 |
| 121-130 | 1.44 |
| 131-140 | 0 |
| 141-150 | 1.64 |
| 151-160 | 0 |
| 161-170 | 0.63 |
| 171-180 | 0.69 |
| 181+ | 0.03 |

Table 19: Average Amount of Rent Increase per week by area

| Area | Average Rent Increase \$/wk |
|--------------|-----------------------------|
| Inner North | 60 |
| Waimakariri | 55 |
| Central City | 53 |
| North West | 43 |
| South | 41 |
| Ashburton | 40 |
| North East | 39 |
| South West | 36 |
| East | 35 |
| Inner South | 33 |
| Selwyn | 20 |

The ratio of housing cost to income is often used as a way of measuring housing affordability. The ratio is calculated as housing cost as a proportion of annual income after tax. A housing cost to income ratio of 25 percent is widely used as a threshold both nationally and internationally^{iv}.

Over 88% of tenants reported paying over 25% of their annual income in rent. Table 20 and Figure 4 illustrate the breakdown of percentage of income paid in rent. Almost 60% of tenants reported paying over 40% of their income in rent. 34% of tenant households reported paying over 50% of their income in rent. 8% of these households reported paying over 75% of their income in rent.

It can be assumed that some of the people paying 25% of their income in rent (11.4%) are renting from Housing New Zealand which charges rent at 25% of household income. A separate calculation was done to isolate Housing New Zealand tenant data from the total data set in order to establish what percentage of tenants in the private sector reported paying 25% or less of their income in rent. This was done by taking responses that identified both 25% of income paid in rent and weekly rent of less than \$100 (HNZ rent is commonly under \$100 per week for tenants on the unemployment, sickness, invalid's benefit or Superannuation) out of the analysis. 6% of total respondents fit this criteria. This would indicate that approximately 5% of tenants in the private sector report paying 25% or less of their income in rent.

It is likely that most tenants reported their net weekly income to calculate percent income paid in rent although it is possible gross weekly income figures could have been reported in some responses. Irrespective of how annual income was recorded, the figures show a majority of tenants paying over 40% of their annual income in rent, well over the 25% housing affordability threshold. This illustrates a major housing affordability problem in the Greater Christchurch Area.

Table 20: Percentage of Income Paid in Rent

| Percent Income in Rent | Number | Percent |
|------------------------|------------|----------------|
| 0-25 | 35 | 11.38% |
| 26-30 | 24 | 8.60% |
| 31-35 | 30 | 12.68% |
| 36-40 | 30 | 9.58% |
| 41-45 | 32 | 9.38% |
| 46-50 | 46 | 14.41% |
| 51-55 | 22 | 7.10% |
| 56-60 | 22 | 6.55% |
| 61-65 | 17 | 5.34% |
| 66-70 | 16 | 5.32% |
| 71-75 | 7 | 1.64% |
| 76-80 | 9 | 2.95% |
| 81> | 15 | 5.06% |
| Total | 305 | 100.00% |

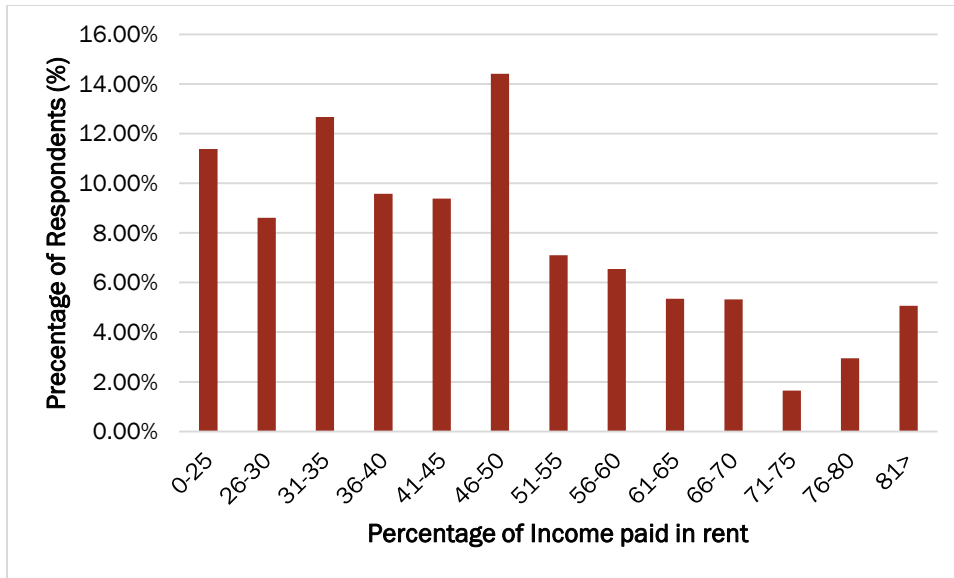


Figure 4. Percentage of weekly income paid in rent.

Effects of Rental Increases

Table 21 compares the percentage of tenants that have had to look for accommodation in the past 2 years because of unaffordable rent increases and tenants who now need to look for other accommodation because they are unable to afford the rent increase. Almost 35% of tenants report they now need to look for other accommodation due to increased rents. The costs and effects of finding and applying for housing, household moving expenses and paying new bonds and letting fees is huge on tenants. They report high stress and anxiety in not only finding the money to cover the initial costs but also the effects on their children of having to move to a new district and new school and being further away from social supports.

Table 21: Moving due to Rent Increase

| Looked for accomm-past | Percent |
|------------------------|------------|
| no | 71.26 |
| yes | 28.74 |
| Total | 100 |
| Looking for accomm-now | Percent |
| no | 65.25 |
| yes | 34.75 |
| Total | 100 |

The costs and effects of finding and applying for housing, household moving expenses and paying new bonds and letting fees is huge on tenants.

Of those tenants who have reported getting a rent increase within the last 2 years, 85.3% report being negatively affected by the increased rent costs. 14.7% of tenants who had rent increases report not being affected or affected very little by the increased rent costs.

Tenants were asked to explain how the rental increases affected their and their families' well-being. The main categories identified by the tenants are:

- Inability to afford / find more suitable or appropriate housing
- Inability to afford any extras / discretionary spending such as holidays, petrol, school camps, clothes, leisure activities
- Feeling stress, worry, depression, fear of the future
- Inability to afford food
- Lower standard of living
- Need to move away from the city
- Inability to afford heating / power bills
- Inability to save for a house deposit
- Needing to get extra flatmates
- Inability to afford doctor's visits and medicine

The rising cost of rental housing has clearly had significant effects on tenants, particularly the vulnerable and disadvantaged such as young people, the elderly, solo parents, families with low incomes, people with health issues, and people with poor credit ratings. Tenants of all income levels with dogs report extreme difficulty finding housing. Many tenants have reported incidents of rent gouging (excessive rent increases e.g. \$80per week, \$100per week and more) which has far-reaching effects on tenants' lives, especially those on fixed incomes.

Some tenants have identified the letting fee as being a significant barrier to getting rental housing. With rising rental costs, the extra burden of paying the agent's letting fee (1 weeks' rent plus GST) is causing extreme hardship.

The Ministry of Social Development does not give an advance on a benefit to pay this fee. With no other financial resources and no assistance from the Government to pay this fee some families state that they are facing homelessness.

Some tenants report that they believe they have received notices to terminate the tenancy so that landlords can increase the rent before the required 180 day separation between rent increases. The legislative provision that allows landlords to end a tenancy with 90 days' notice without cause is seriously undermining tenants' security of tenure. Given the current lack of housing supply, the effects on tenants are extreme. More families face the prospect of homelessness or dislocation and all of the social and health problems that result.

Many tenants report that a major effect on them of the rent increases is the inability to find or afford better housing. Tenants who have been encouraged by medical professionals to find a warmer, drier home to address chronic health problems cannot afford a better standard of housing and thus remain unwell. Families that need to find housing with more bedrooms to accommodate a growing family cannot afford the rising costs and end up in overcrowded living situations and face greater risk of the associated problems that go hand-in-hand with overcrowding such as more frequent

Tenants who have been encouraged by medical professionals to find a warmer, drier home to address chronic health problems cannot afford a better standard of housing and thus remain unwell.

illnesses, stress and domestic violence. People living in overcrowded circumstances also fit the definition of homeless as used by Statistics New Zealand:

“living situations where people with no other options to acquire safe and secure housing: are without shelter, in temporary accommodation, sharing accommodation with a household or living in uninhabitable housing”

While most tenants report that the very basic standards of housing such as toilets, running water, etc as detailed in this study are being maintained, they report other problems with their dwellings such as broken/cracked windows and windows that don't open, doors that are stuck, broken pipes, unsafe flooring and leaking roofs are not being repaired. If a Warrant of Fitness for Rental Housing programme was in existence then a landlord would be required to meet standards that would address these problems before they were able to rent out their properties. The recent announcement that the Government will implement a Housing Warrant of Fitness system in Housing New Zealand properties is welcome but must be extended to include the private sector as soon as possible given that this sector houses the majority of tenants.

Hundreds of tenants have described how they have been affected by rent increases in the Greater Christchurch Area. Here are some of those stories:

“The increase in rent at our former flat necessitated looking for somewhere new. It took three months of searching to even be considered for a flat - any and all properties listed with rental agencies a) were tenanted within a few days of being listed, b) came with rent increases, some drastic, and c) they came with letting fees and bonds of at least \$2000. Those on low incomes, such as myself, and even with higher incomes, cannot find accommodation in a suitable price range. Searching for a new flat was a hugely stressful exercise, and took a toll on my health and mindset.”

-Flatting in St Albans

“I had to have a flatmate move in as I couldn't afford the property alone any more. More than that, I want to move out since the house is damp and dirty, but I can't imagine finding anywhere that will let me take a cat for the same price, so I feel stuck here. It means I feel like whatever the landlord/property manager wants to do I have to just put up with because I'm in the worst position - if they kick me out, they'll easily find someone else willing to pay higher rent”

-Tenant in Waltham

“The stress of having to commute daily an extra 11km each has been hard enough but to increase the rent was enough to push us out. Don't get me wrong, we want to be back in Kaiapoi as this was where we were made 'red zone' and had to move to Rangiora. I like Rangiora but it is just the bit too far from Christchurch and I work in town. Something needs to be done about capping rents. I strongly feel that if a local resident prior to the earthquakes has had to move then they should not be paying over and above what their previous rent was..... Renters do not get assistance to move or a pay out. Yes, this was not our house but it was our home and we were forced to leave due to nature!! I feel so penalised for being a renter!! All I have been striving for is to own my own home but with rents increasing, that is totally impossible to save for a deposit!”

-Family in Rangiora

"Now just breaking even. Concerned that if it goes up again I will need to move, but when I've looked for alternatives, anything more affordable is either foul, cramped and disgusting (e.g. old caravans in caravan parks) or has been snapped up immediately e.g. landlords say "oh sorry we've already had 27 applicants, but if none of them prove suitable we'll re-advertise"

-Single person in Avonhead

"We have recently relocated from Auckland back to North Canterbury for family reasons, plus this is where my heart feels at home and I want to help Canterbury rebuild. The rental increase added to the large reduction in Accommodation Supplement means my family is \$60 week worse off with worse living conditions than what we had. This has taken us below the poverty line, which is having a huge affect on our physical and emotion well-being."

-Family in Kaiapoi

Where do I start? We cant afford to live.. even on a middle income salary... we use foodbanks.. we never have much food in the fridge or petrol in the petrol tank..... The stress of how we are going to afford to pay the bills causes relationship tension and arguments and makes us snappy with each other and the kids. We can only afford to live in mouldy musty homes which aggravate my allergies. We have had to take out increases in our credit card limits to pay letting fees etc..... we have nothing flash or do nothing flash like go on holidays or have ipads or smartphones anything like that - we never go out. When the phone/fridge/microwave breaks we cant afford to replace it. We are constantly having to chase extra part-time work to top up a regular salary. We can't afford to drive far. We have had to apply for red cross grants to help cover living costs - I have had anxiety and depression. Lie awake worrying at night about money and how we will pay the bills..."

-Family in St Albans

"Essentially have no disposable income and an inability to save any money now. Have used our savings and if something unexpected happens we have to go without food."

-Family in Beckenham

"Life is more costly, heating a home now poorly insulated cost huge expense in winter. We do not go out and often my children and self struggle with food for a fortnight. I do not get assistance with bills or anything, being on my own I now consider myself to be the working poor! it is all relative. I constantly worry that my rent will be increased and that the owners will sell, I would not be able to afford more money on rent and the asking prices for rentals now is disgusting."

-Family in Sydenham

"has made it hard to survive . I am struggling at times meet costs of living even though i work as my rent is over 50% of my wage but want to be on my own after a year and a half of boarding with lots of people."

-Single person in Phillipstown

"Not yet but I fear that when the term of my lease comes to an end that the rent will increase substantially or my tenancy will be terminated in favor of someone willing to pay escalated rates"

-Flatting in Central City

"We can't afford to move into a safer house."

-Couple in Kaiapoi

"Cannot save money at all - just keeping my head up and hoping I don't need to buy or pay for anything unusual like clothes, dental or doctors."

-Boarding in Ilam

"We are stuck in a sort of limbo where we can't afford to live well but can't afford to get out of our situation into something better/ healthier. We don't eat well, we worry constantly and cannot afford to prepare for our first baby due in July. We are reliant on my parents to pay for extra bills that we cannot pay such as car rego & bills."

-Couple in New Brighton

"My husband, myself and our son have had to move in with Hubby's family as we have two dogs and there were no rentals that would allow dogs and if they did the price was at least \$100 more than what we were currently paying. We would turn up to showings for houses that said they would consider dogs only to arrive with 20+ other people and to be told only one small dog. We have been asked to pay for our own credit checks as well as paying a finders fee if we were successful. We are fortunate that we could stay with our family but it hasn't been easy dealing with a lack of privacy and personal space. I realise that there are people out there in far worse situations than we are and I know how hard done by I feel about the injustice with rental prices and availability following the EQ. The price landlords are asking are virtually the same as a mortgage so we are currently putting what we would be paying in rent away for a deposit on a house loan"

-Boarding with family in South Area

"Been very difficult finding suitable accommodation that is affordable. Landlords increasing rent or ending contract due to wanting to increase rent after ECQ work has been completed. It has taken us 3 months to find suitable accommodation. We had to live apart as a family, staying with various family members during this time."

-Family in Addington

"increased stress, less coming in and everything else is rising, no payrise in 5years!! May have to look at moving in near future if this continues (perhaps away from CHCH)"

-Family in New Brighton

"It hasn't affected me yet, however my doctor has advised me to move to a warmer flat for the sake of my health however I cannot afford to pay the rental prices being asked in my area (and those nearby) and moving to the areas I can afford means shifting my son to another school - but there is no school within walking distance of where I can afford."

-Family in Parklands

Housing As A Human Right

After food and medical care, housing is the most important need of people after a natural disaster. Low-income families and communities often suffer disproportionately from disasters. They often lack assets, have little if any insurance, and have fewer options to find a place to stay if they have to vacate their homes. There is a perception that public policies tend to focus primarily on the concerns of businesses and affluent constituents rather than the poor. Governments tend to view rental housing as a private sector business abandoning regulation in favour of a market model of supply and demand. This leaves some of the lowest-income individuals and families at risk when there is little available rental housing.

Everyone shares the right to a decent standard of living. Essential to this right is adequate housing. Security and adequacy of housing have far-reaching effects on the health, development and educational achievement of children. The International Convention on the Rights of the Child recognizes the right

“to a standard of living adequate for the child’s physical, mental, spiritual, moral and social development”

And obliges States to provide material assistance when needed with regard to nutrition, clothing and housing^{vi}



The most significant legal source of the right to adequate housing is the International Covenant on Economic, Social and Cultural Rights (ICESCR). Article 11(1) asserts:

“the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.”^{vii}

In 1991 the United Nations Committee on Economic, Cultural and Social Rights broadened the interpretation of this right in General Comment 4 by including:

- legal security of tenure,
- availability of essential services,
- affordability,
- habitability,
- accessibility,
- a location with access to employment, health care, schools and similar services, and
- cultural adequacy

This Committee also cited victims of natural disasters as among those disadvantaged groups that should be ensured “some degree of priority consideration in the housing sphere”^{viii}. This reflects the rejection of housing as just shelter and introduces a rights-based concept “to live somewhere in security, peace and dignity”.

The right to housing is well recognized in international law and yet advancing this right even under normal circumstances is challenging for Governments. When a disaster strikes, the State's commitment to housing rights becomes clear. If a Government fails to respond to the housing needs of the displaced population, "it is unlikely to garner the political will to progressively achieve the housing rights of its general population"^{ix}.

This report highlights some key areas of human rights legislation that need to be acknowledged and protected by the NZ government:

- security of tenure – legal protection from eviction without reason
- affordability – housing cost as a ratio of income
- habitability – structural soundness, free from dampness and overcrowding

As a State party to ICESCR and the Convention on the Rights of the Child, New Zealand has a duty to respect, promote, protect and fulfill the right to housing^x.

Summary Statement

The results of this rental survey have confirmed the same issues of most concern that tenants tell TPA consistently on a daily basis....

"...my rent is going up by \$100 per week! Is this a fair increase?"

"...I've just received a 90 day notice, but I've always looked after the place and paid my rent....I can't afford the rents now...where will I go...what can I do?"

"I'm scared to ask for anything to be fixed...he might put the rent up again...or worse...he might kick me out for complaining!"

There is a serious problem with rental housing affordability in the Greater Christchurch Area. Tenants are struggling with the high costs of renting and their health and/or well-being are suffering as a result. Most of these tenants have children living in their households. In the following pages, we outline our recommendations to address these critical issues.

Recommendations

1. Rent stabilization

The Government should implement rent stabilization measures immediately. This will contribute to neighbourhood stability, allow children to remain in their local schools, give tenants the freedom to make healthy housing choices and ease the growing financial burdens on, and the displacement of struggling tenants. The Government, under its Human Rights obligations, has a duty to provide adequate and affordable housing to its vulnerable citizens. There are examples around the world of successful rent control programmes that balance a fair return on investment with protection from excessive rents. In response to the economic crisis in Europe, France's Minister of Territorial Equality and Housing last year looked to the successful rent control models in Germany, the Netherlands, Switzerland and Sweden.^{xi} Rent stabilization laws exist in 140 municipalities in the United States in order to protect tenants from excessive rent increases^{xii}.

TPA recommends the implementation of a rent stabilization programme.

2. Abolish Letting Fees

Section 17 (4)(c) of the Residential Tenancies Act 1986 permits a letting fee of up to 1 weeks' rent plus GST to be charged to tenants by letting agents. This fee is charged for services rendered by the agent in relation to the granting or assignment of a tenancy but in practice has also been successfully charged for the variance, renewal and ending of a tenancy. The free market theory that competition amongst property managers and real estate agents would likely result in a decrease of letting fees has not occurred. There is no evidence that competition has decreased the charging of letting fees. In fact, private landlords also try to charge letting fees^{xiii} even when they have no legal entitlement. TPA believes it is unfair and unjust to charge this fee to the tenants as it is a fee pertaining to the contract between the letting agent and the owner of the property. Letting fees also contribute to the loss of security of tenure for tenants because the more frequently a letting agent lets the property, the more income they will receive - a high tenant turnover is to their economic advantage. Last year the Scottish Government held public consultations on the charging of unfair premiums by landlords. The outcome resulted in legislation that prohibits charging a fee for the drawing up of a tenancy agreement and considers it an offence to charge a premium as a condition for the grant or continuance of a tenancy. Only rent and a refundable deposit can be charged to tenants^{xiv}. In both Canada and Australia tenants cannot be charged letting fees.

TPA recommends abolishing letting fees.

3. Security of Tenure – No more 90 day notices without reason

New Zealand tenancy law allows landlords to terminate tenancy agreements for no reason with 90 days' notice to the tenant. This seriously undermines tenant well-being and community cohesion. Tenants tell us they feel like they are being treated like "second-class citizens" when they are given a 90 day notice to end their tenancy for no reason when they look after their homes well and pay their rent on time. They are forced back into finding another rental property at a higher rent, more start-up costs, dislocation for the family, stress, etc and at no fault of their own. TPA considers these notices as arbitrary and unreasonable evictions. TPA recommends amending the current legislation so that all notices to tenants to end a tenancy must be given with reason. The National Association of Tenant Organisations in Australia produced a report in 2010, *A Better Lease on Life: Improving Australian Tenancy Law* which sets out recommendations for establishing security of tenure. The following list includes some of those recommendations.

A landlord should be entitled to give notice to terminate a tenancy on reasonable grounds only such as:

- Uninhabitable premises e.g. premises made unfit to live in due to a natural disaster.
- Sale of premises – the contract of sale requires vacant possession- landlords should not be allowed to give notice on this ground during the fixed term of a tenancy.
- Landlord requires the premises for their own housing, or an immediate family member's housing – landlords should not be allowed to give notice on this ground during the fixed term of a tenancy.
- Demolition, or major renovation – landlords should not be allowed to give notice on this ground during the fixed term of a tenancy.
- Tenant has ceased to be employed by the landlord – where the tenancy arose out of a contract of employment between the landlord and the tenant, and the landlord needs the premises to house another employee. Landlords should not be allowed to give notice on this ground during the fixed term of a tenancy.

Housing New Zealand and other social housing providers should not give 90 day notices to end tenancies, in particular, before an investigation of misconduct is completed or as a response to

neighbour and behavioural disputes. They should practice early intervention and work collaboratively with health and community support services and should provide their tenants with the grounds for termination and give tenants the opportunity to respond.

Every year, as home ownership becomes more unaffordable, the rental market grows. It's timely to revisit the concept of security of tenure and stabilizing the rental market so that renting is seen as a housing choice that allows for security, a sense of home and a sense of place in the community long term.

TPA recommends amending legislation so that all notices to tenants to terminate a tenancy must be given with reason.

4. Warrant of Fitness for all rental properties

Many tenants in Christchurch report that their rental housing is in some state of disrepair or damage from the earthquakes, or is in substandard condition due to non-maintenance or deferred maintenance. Many of these tenants are fearful of requesting repairs or maintenance because of the prospect of further rent increases or receiving a 90 day notice to end the tenancy.

There are inexpensive actions that landlords can take to help address problems such as mould and dampness. They can take advantage of the generous insulation subsidy programmes such as those offered by the Community Energy Action Charitable Trust ^{xv} and install extractor fans and lockable window venting fasteners in their properties.

The Government has announced that a Housing Warrant of Fitness system will be put in place for Housing New Zealand rental properties.

TPA recommends that a Warrant of Fitness system should be extended to the private sector as soon as possible.

TPA also recommends the development of a Register of Rental Properties and Landlords in order to establish a database of rental supply and monitoring of rental housing quality, particularly in regards to the 60% of landlords who rent to tenants who receive the Accommodation Supplement ^{xvi}.

Endnotes

- ⁱ Ministry of Business, Innovation & Employment “*Housing Pressures in Christchurch: A Summary of the Evidence*” (March 2013), p.8.
- ⁱⁱ Ministry of Business, Innovation & Employment “*Housing Pressures in Christchurch: A Summary of the Evidence*” (March 2013), p.6.
- ⁱⁱⁱ *Risks to Health from Moulds and Other Fungi*, Occupational Safety and Health, Dept. of Labour, Workplace Health Bulletin No. 17, Nov. 2002
- ^{iv} Statistics New Zealand, *Statistics on Housing Affordability*, www.stats.govt.nz
- ^v Statistics New Zealand . *New Zealand definition of homelessness*. 2009
- ^{vi} International Convention on the Rights of the Child, art.27(1),(3), adopted 1990
- ^{vii} International Covenant on Economic, Social and Cultural rights, adopted 1966
- ^{viii} U.N. Comm. On Econ., Soc & Cultural Rts., *General Comment 4: The right to adequate housing, par.8*
- ^{ix} Gould, Charles W. *The Right to Housing Recovery After Natural Disasters*, Harvard Human Rights Journal, 2008.
- ^x Human Rights Commission, *Human Rights in New Zealand today: Chapter 13: The Right to an adequate standard of living: focus on housing*, p.3
- ^{xi} *Rent Control: A Success Across Northern Europe*”, <http://en.myeurop.info/2012/06/06/rent-control-a-success-across-northern-europe-5530>
- ^{xii} http://www.policylink.org/site/c.lkIXLbMNJrE/b.6644939/k.9948/Rent_Control/apps/nl/newsletter2.asp
- ^{xiii} <http://tvnz.co.nz/fair-go/private-landlords-charging-letting-fees-they-re-not-entitled-video-5432033>
- ^{xiv} <http://www.scotland.gov.uk/News/Releases/2012/08/Tenants-Charges26082012>
- ^{xv} <http://www.cea.co.nz/subsidies>
- ^{xvi} Housing Shareholders Advisory Group (HSAG), *Home and Housed: A Vision for Social Housing in New Zealand. Report for Minister of Finance and Minister of Housing*, 2010