

# Property Management Focus.

Bringing you news from the world of New Zealand property management.



Better Property Management

## Help us protect tenants, landlords and property managers

**New Zealand is one of the few countries in the OECD that does not regulate its property managers. Property managers are the gatekeepers of housing for some of New Zealand's most vulnerable residents.**

With home ownership at its lowest level in 60 years and the demand for rentals increasing, the Real Estate Institute of New Zealand (REINZ) is calling on the Government to formally review the need to regulate the property management industry, including public consultation, and announce its recommendations for reform before the 2020 election. Harcourts fully supports this initiative by REINZ.

**Harcourts and REINZ believe that regulation is necessary to protect tenants, landlords and the reputations of those property managers who are acting professionally.**

### Why should property management be regulated?

The impact of poor property management practices is often reported in the media and is supported by research carried out by other groups who have called for regulation. Despite these reports, the changes in home

ownership levels and demand for rentals in recent years, comprehensive public consultation on the need to regulate property managers has not been undertaken by the government since 2009.

### No regulation means:

- Anyone can set up business as a property manager, without any experience or qualifications
- Property managers don't have to hold funds in a trust account
- Property managers don't have to hold insurance.
- Money collected by property managers can be paid into the property managers personal account.
- There is no compulsory code of conduct for property managers to keep them accountable.
- There is no clear mechanism to remove poor performers from the industry.

### Some examples of the damage caused by a lack of regulation:

- According to liquidators, a property manager allegedly went out of business owing around \$358,000 to 67 landlords.
- A property manager allegedly admitted to a Parliamentary Select Committee that she was asking tenancy applicants to provide their

bank statements to see where they were spending their money.

- A property manager allegedly charged a tenant \$4,140 as bond money and two weeks rent in advance, but failed to refund the amount when the tenancy application was rejected. View the Tenancy Tribunal Order [here](#).
- A property management company allegedly failed to lodge tenancy bonds and provide tenants with compliant insulation statements. View the Tenancy Tribunal Order [here](#).

### What could regulation look like?

Regulation could require property managers to have:

- A minimum level of education to operate, such as the NZ Certificate in Residential Property Management.
- Ongoing education obligations to ensure that they stay up to date with law changes.
- Police or background checks before operating.
- Tenant and landlord funds held in a trust account.
- A mandatory Code of Conduct or set of standards to keep them accountable.
- Fines or sanctions applied if they don't follow the Code of Conduct or standards.

Together with REINZ, Harcourts is committed to protecting tenants, landlords and the property managers who do act ethically and transparently, by advocating for the regulation of the residential property management industry.

In response to the property management industry becoming deregulated over a decade ago,

Harcourts offices maintained professional standards and our offices continue to hold rental funds in audited trust accounts and hold business insurance that protects our people and clients. Harcourts has its own accreditation programme that ensures our property managers maintain a high level of service and attend Harcourts and industry training annually.

Harcourts also supports our property managers who are working towards the NZ Certificate in Residential Property Management (level 4).

If you want to support this call for change, you can vote and share your story at [acallforchange.co.nz](http://acallforchange.co.nz)

## Healthy home standards – say what?

When new legislation is introduced, it is often misinterpreted. Sometimes this is the result of well-meaning people who simply lack knowledge, but it can also be the actions of those who wish to profit from exploiting others. Unfortunately, this is proving to be the case with the introduction of the healthy homes standards.

It is important that as an industry and as landlords, we ensure that the information we provide and receive is correct, and that we do not put unnecessary resources, time or money, into what may not actually be required.

Harcourts property managers are working closely with the Ministry of

Business, Innovation and Employment (MBIE) and are well-informed about what is required to meet each of the healthy homes standards. Speak to your Harcourts property manager before embarking on any work. You will find additional resources and information on the [Tenancy Services website](http://Tenancy Services website).

## Tips to help you comply with the healthy homes standards

Here are some tips that will save you time and help you get your property compliant with the healthy homes standards:

- If you need to top up your insulation, do this *before* assessing what heater you may need.
- If you have existing heating that doesn't have the required heating *capacity* for the room, you may be able to add a smaller fixed electric heater to 'top up' the heating. Make sure you are aware of the conditions.

- Use the Heating Assessment Tool to calculate the heating requirements for the main living room. You'll find it [here](#).
- If you need to upgrade your underfloor insulation, install your ground moisture barrier (if required) at the same time.
- Installing a timer on fans or a humidity sensor can improve ventilation. You can also connect the fan to the bathroom light.
- If you have an existing extractor

fan that is in good working order and is ventilated outdoors, then it doesn't need to meet the size or performance requirements. Only new fans need to meet the new specifications.

- Check if a gap is causing a draught by feeling for cold air along the gap with the back of a wet hand. Ask your tenants to inform you of any draughty conditions.
- Remember to keep records of everything you do in order to comply with the healthy homes standards.

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