



## Rent arrears – information for landlords

When it comes to problems with rent payments, early intervention is the key to sorting it out. As a landlord, you need to keep good rent records, and monitor them, so you will know if rent starts to fall behind.

### When is rent in arrears?

If your tenant's rent runs out today, it will be in arrears tomorrow. But it will only be one day in arrears, even if your agreement is for rent to be paid two weeks in advance. Rent will be 21 days in arrears in 21 days' time. You cannot count rent in advance that has not been paid as rent arrears.

### My tenants rent is in arrears - what should I do?

As soon as your tenant's rent is in arrears, contact them and discuss the situation. The sooner you talk to the tenant, the sooner the problem can be sorted out. It may be that there has been a bank error or a misunderstanding about when rent was due. Most tenants don't want to lose their home and are willing to sort something out to get the rent back on track.

If your tenant cannot pay all the rent due, encourage them to pay what they can rather than miss the whole rent payment. It may be helpful to come to an agreement with your tenant about how they will pay the arrears and put the agreement in writing. Make sure you and the tenant both sign the agreement and keep a copy.

It can be much harder to sort out missed rent with a tenant after the tenancy has ended, so keeping the tenancy going is the best way to collect unpaid rent.

### What is a 10 working days' notice?

A 10 working days' notice is a letter that alerts the tenant (or landlord) to an issue and gives them 10 working days to resolve it.

If your tenant's rent is in arrears, you should give them a 10 working days' notice telling them how much rent is in arrears (and give them 10 working days to pay). Our website [www.dbh.govt.nz](http://www.dbh.govt.nz) has examples of letters you can use to give tenants 10 working days' notice to resolve rent arrears or other breaches of the Residential Tenancies Act (or your tenancy agreement).

Personally handing the 10 working days' notice to the tenant will speed up the process, but if you are not able to do that, you can deliver it to the letterbox or post it. Make sure you keep a copy of the letter.

### Can I apply to the Tenancy Tribunal for help?

Yes, if your tenant's rent is **less than 21 days in arrears**, you need to send your tenant a 10 working days' notice first, alerting them to the rent arrears. Once you have sent the tenant a 10 working days' notice, you can apply to the Tenancy Tribunal and ask for arrears to be paid under section 56 of the Residential Tenancies Act 1986. You can apply to the Tenancy Tribunal before the 10 working days' notice expires.



If your tenant's rent is **more than 21 days in arrears**, you can apply to the Tenancy Tribunal and ask for arrears to be paid under section 55 of the Residential Tenancies Act 1986. You can also ask the Tribunal to end the tenancy. You do not need to send a 10 working days' notice to your tenant.

## How do I apply?

You can apply online at [www.dbh.govt.nz](http://www.dbh.govt.nz) and pay the \$20 application fee with a Visa or MasterCard.

You can also complete a paper application form and send it by:

- mail to PO Box 50546, Porirua
- fax to 04 237 1058
- email to [ttapplications@dbh.govt.nz](mailto:ttapplications@dbh.govt.nz)

You must pay the \$20 application fee before submitting your application. You can pay at any Westpac branch (by eftpos, cash or cheque) or at the Department of Building and Housing in Auckland, Manukau, Hamilton, Wellington or Christchurch (eftpos only).

If you have given your tenant a 10 working days' notice, make sure you provide a copy of the notice and include details on the application form, including:

- when the 10 working days' notice expires
- the date it was served
- how it was served (for example, by post or by hand).

You also need to provide a copy of your tenancy agreement with the application.

Once we have received your application, we will send you and your tenant a letter acknowledging the application and inviting you to a mediation meeting. Mediation will be held after the 10 working days' notice expires.

## What happens in mediation?

A mediator will help you and your tenant identify the issues and reach a workable solution. You should bring your tenancy agreement, rent records, and any other supporting documents to mediation.

Once you and your tenant have reached an agreement, the mediator can write a legally binding and enforceable order to give effect to your settlement (eg, payment for the arrears, termination of the tenancy). You won't need to go to the Tribunal if you reach an agreement in mediation.

For more information about mediation, see the Department's guide *Sorting out renting problems* or call 0800 TENANCY (0800 83 62 62).

## What if we don't reach an agreement in mediation?

If you and your tenant don't agree to a solution in mediation, your application may go to the Tenancy Tribunal for a hearing.

## What if I want to withdraw my Tenancy Tribunal application?

Contact the Department of Building and Housing on 0800 TENANCY (0800 83 62 62) as soon as possible. Once you have made an application and paid the \$20 fee paid, your fee cannot be refunded, even if the problem is sorted out.

For tenancy advice and information call 0800 TENANCY (0800 83 62 62), visit our website [www.dbh.govt.nz](http://www.dbh.govt.nz) or email us at [info@dbh.govt.nz](mailto:info@dbh.govt.nz)