

19 October 2021

s9(2)(a)



Thank you for your Official Information Act 1982 (OIA) request received 21 September 2021, for the following information:

1. *Criteria for Business Initiated Transfers*
2. *Criteria for MSD managed transfers i.e. Transfer Register*

*Please could we have data on the following (on a per year basis for the past three years, for all of NZ and by each of the main urban centres – Auckland, Hamilton, Wellington, Christchurch)*

3. *The total number of BIT tenant transfers, then broken down by the main reasons for transfers including those requested by the tenant, and those initiated by Kainga Ora e.g. for redevelopment.*
4. *The total number of MSD transfers via the Transfer Register, and then the main reasons for the transfers including those requested by the tenant, and those initiated by Kainga Ora (if applicable).*
5. *The total number of tenant exits (where they have exited to live in a non-Kainga Ora home), and the main reasons for exiting.*

On 24 September 2021, parts 2 and 4 of your request were transferred to the Ministry of Social Development under section 14 of the OIA. This response provides the remaining requested information.

The criteria for Business Initiated Transfers is set out in the attached Tenant Transfer Guide. Please note the Guide is in the process of being updated. Please also see the Choice to Return interim Policy attached to this letter.

The total number of BIT tenant transfers, and the total number of tenant exits, per requests three and five above, for all of New Zealand and by each of the main urban centres is provided in the attached tables, BIT tenant transfer and non-BIT tenant exits.

Yours sincerely



Rachel Kelly  
**Manager Government Relations**



## Choice to Return interim policy now live

Alert recipients - TMs, Area Mgrs, RMs, DMs, PMs, Community Development, CSC, Communications

### Choice to Return interim policy is now live

The Choice to Return is Housing New Zealand's commitment that tenants rehoused because their home is needed for redevelopment can – at their option – be rehoused in the same community.

It still means tenants have to move, but it may be they settle permanently close to their original home.

The policy has been operational on an interim basis since June, with Tenancy Liaison Teams discussing options with tenants currently affected by redevelopment.

This month, Housing New Zealand will provide information about the policy to all tenants through the Close to Home tenant magazine. We will also write to affected tenants in the Oranga and Māngere Development areas, as well as support services such as Citizens Advice Bureau, with information about the policy.

If you want to know more about the policy, you can find a [Q&A](#) on the OurSpace Tenant Liaison team page.

This business alert has been authorised by Peter MacAulay, National Tenant Liaison Manager.

If you have any questions, please contact your manager. To access this or any other business alerts, go to the OurSpace homepage or visit the [A-Z reference](#) and view by topic.

## Business Initiated Tenant Transfers and Non-Business Initiated Tenant Exits

	Main Reasons*	AUCKLAND CITY			CHRISTCHURCH CITY			HAMILTON CITY			WELLINGTON CITY			ALL OF NZ		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
BIT tenant transfers	Property no longer meets customers requirements	434	506	576	107	149	185	73	81	59	43	26	41	993	1,203	1,189
	Property no longer habitable	96	102	64	19	23	16	11	9	19	7	7	7	204	207	187
	Property no longer available	177	163	168	0	9	10	21	6	15	0	0	0	226	186	220
	Property required for redevelopment	537	396	527	19	27	72	39	4	7	91	3	4	874	499	782
	Other	13	5	62	11	1	16	2	16	4	0	1	1	29	19	116
<b>Sum by year</b>		<b>1,257</b>	<b>1,172</b>	<b>1,397</b>	<b>156</b>	<b>209</b>	<b>299</b>	<b>146</b>	<b>116</b>	<b>104</b>	<b>141</b>	<b>37</b>	<b>53</b>	<b>2,326</b>	<b>2,114</b>	<b>2,494</b>
<b>Sum</b>		<b>3,826</b>			<b>664</b>			<b>366</b>			<b>231</b>			<b>6,934</b>		

- Main Reasons\*
1. Property no longer meets customers requirements, which includes reasons such as the home having too many or too few bedrooms, or unrequired modifications
  2. Property no longer habitable, which includes reasons such as fire damaged homes and homes requiring significant upgrading or repairs
  3. Property no longer available, which includes reasons such as lease expiries for homes not owned by Kāinga Ora
  4. Property required for redevelopment purposes to permit house building activity
  5. Other, which includes reasons such as customers returning to live in an area following redevelopment activity

	Main Reasons*	AUCKLAND CITY			CHRISTCHURCH CITY			HAMILTON CITY			WELLINGTON CITY			ALL OF NZ		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Non-BIT tenant exits	Customer exits to alternative accomodation	146	154	139	52	54	57	24	24	31	18	13	12	450	426	398
	Customer exits to the private sector	167	145	189	127	98	82	24	16	19	10	12	13	546	459	475
	Customer is deceased	305	284	322	79	67	61	34	52	43	23	23	16	739	723	732
	Customer exits to unknown	832	899	785	357	344	349	104	121	114	93	74	67	2,442	2,416	2,200
<b>Sum by year</b>		<b>1,450</b>	<b>1,482</b>	<b>1,435</b>	<b>615</b>	<b>563</b>	<b>549</b>	<b>186</b>	<b>213</b>	<b>207</b>	<b>144</b>	<b>122</b>	<b>108</b>	<b>4,177</b>	<b>4,024</b>	<b>3,805</b>
<b>Sum</b>		<b>4,367</b>			<b>1,727</b>			<b>606</b>			<b>374</b>			<b>12,006</b>		

- Main Reasons\*
1. Customer exits to alternative accomodation, which includes reasons such as entering a prison, Rest Home or Hospital
  2. Customer exits to the private sector, which includes entering a private rental or home ownership
  3. Customer is deceased
  4. Customer exits to unknown, which includes reasons such as relocating due to a change in personal or household circumstances, relocating due to employment opportunities, or moving to be closer to family or other support

# Tenant Transfer Guideline

**T-244**

## Table of Contents

<b>1. Overview .....</b>	<b>2</b>
<b>2. Purpose .....</b>	<b>3</b>
<b>3. Bonds .....</b>	<b>4</b>
<b>4. Business reasons for a transfer .....</b>	<b>4</b>
<b>5. Communication with the tenant .....</b>	<b>5</b>
5.1 Interpreters .....	6
5.2 Support agencies .....	6
<b>6. Complaints .....</b>	<b>6</b>
<b>7. Damage .....</b>	<b>6</b>
<b>8. Fraud .....</b>	<b>7</b>
<b>9. Lifetime tenancies .....</b>	<b>7</b>
<b>10. Offer declined .....</b>	<b>7</b>
<b>11. Pets .....</b>	<b>7</b>
<b>12. Business Initiated Transfer interview sheet (T-474) .....</b>	<b>7</b>
<b>13. Placement .....</b>	<b>8</b>
<b>14. Private sector option .....</b>	<b>9</b>
<b>15. Relocation costs .....</b>	<b>9</b>
<b>16. Rent charging process .....</b>	<b>10</b>
16.1 Agreement between staff involved with the transferring tenant .....	10
16.2 Charging double rent .....	11
16.3 Transferring between offices .....	11
16.4 Calculating the new rent .....	11
16.5 Once tenancy has started .....	13
<b>17. Temporary transfers .....</b>	<b>13</b>
<b>18. Tenant improvements .....</b>	<b>13</b>
<b>19. Termination notices .....</b>	<b>13</b>
19.1 Termination of tenancy by Housing New Zealand - 90 day notice ...	14
19.2 Termination of tenancy by Housing New Zealand - 7 day notice .....	14
19.3 Termination of tenancy by tenant - 21 day notice .....	14
19.4 Termination of tenancy by tenant - 2 day notice .....	14
<b>20. Records .....</b>	<b>14</b>
<b>21. Version control .....</b>	<b>15</b>

## 1. Overview

Housing New Zealand is committed to delivering cost-efficient services which improve tenant outcomes as part of New Zealand's wider social sector. Our ability to be agile and facilitate tenant transfers where there are opportunities to improve tenant outcomes, asset outcomes and/or better financial returns supports this overarching goal. To achieve this outcome we will make sure:

- our tenants are placed in homes that are fit-for-purpose
- our assets are appropriately utilised
- we are proactive in initiating and executing tenant transfers in order to achieve our vision.

An active tenant transfer policy facilitates both our Asset Management and Tenancy Management Strategies.

The Asset Management Strategy (AMS) requires a greater focus on the efficient use of our homes. Specifically, Goal 3 requires Housing New Zealand to match its homes to demand, by minimising overcrowding and underutilisation. The current levels of overcrowding and underutilisation do not deliver optimal tenant outcomes.

In addition, in order to be financially sustainable on a long-term basis (in accordance with Goal 6 of the AMS and more broadly our obligations to the Crown) we need to make sure our homes are appropriately utilised so that financial returns are maximised. Detailed consideration of this requirement has become imperative following the launch of the Ministry of Social Development's (MSD) purchasing policy.

The goal of the Tenancy Management Strategy is to improve outcomes for our tenants through the delivery of cost-efficient services. Our ability to be agile and facilitate moving tenants where there are opportunities to improve tenant outcomes, better portfolio utilisation and a better financial return supports this overarching goal.

The need to move tenants for these reasons is a sensitive issue and tenants can be upset and anxious at having to be moved. Housing New Zealand is mindful of this and will do all it can to walk the tenant through the transfer process with care and understanding. In all such cases, the correct legal notice to end the tenancy must be served.

Housing New Zealand policy and procedures seek to balance the needs of the tenants with Housing New Zealand's responsibilities to provide housing for New Zealanders in greatest housing need, to use its resources efficiently, and to protect the value of its assets. Housing New Zealand seeks to make sure there is consistent treatment of tenants regardless of whether they are being approached by Housing New Zealand to move to another property or to best match the property. The following are the guiding principles underlying this procedure:

- Housing New Zealand is to make every attempt to minimise the impact of transfers on households.
- Negotiation and consultation is culturally appropriate.
- Particular care is to be taken with vulnerable tenants, such as the elderly and those with special needs.
- Tenants are kept fully informed of the processes involved.

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## 2. Purpose

The purpose of this instruction is to:

- make sure Housing New Zealand undertakes significant works projects and best match initiatives to achieve a range of social, environmental and financial objectives
- balance the needs of the tenants with Housing New Zealand's responsibilities to provide housing for New Zealanders in greatest housing need, to use its resources efficiently, and to protect the value of its assets
- make sure consistent treatment of tenants regardless of whether they are being approached by Housing New Zealand to move to another property because of redevelopment, reconfiguration, refurbishment or to best match the property
- make sure tenants are consulted about their housing preferences and needs, where possible any disruption to tenants is minimal, and the transfer process is undertaken in a culturally appropriate manner
- make sure tenants are made aware of their entitlements, rights and responsibilities when transferring, either temporarily or permanently from a Housing New Zealand property to alternative Housing New Zealand housing, or private sector housing
- provide comprehensive guidance on the situations in which Housing New Zealand may initiate tenant transfers, in order to improve asset, tenant and/or financial outcomes
- create a comprehensive framework for consistent decision making about where, when and how business initiated tenant transfer decisions are made
- provide advice and guidance to make sure consistency in the use of tenancy termination notices and incentives to support and facilitate moves
- provide clarity on the mechanisms that will be employed
- provide clarity on when a MSD reassessment is required
- describe the costs and benefits of undertaking tenant moves to the whole organisation and all of government.

### 3. Bonds

While the RTA allows landlords to charge a bond equivalent of up to four weeks rent, from 7 April 2019 HNZ's policy is to not charge a bond.

If a tenant is transferring and a bond is held at the property they are moving out of, the bond will be refunded as long as there is no rent, damage or IRR debt outstanding. If IRR debt is owed, it does not fall under the jurisdiction of the Tenancy Tribunal as it is Crown debt and not debt owed to Housing New Zealand. The bond cannot be used towards IRR debt unless the tenant agrees to it.

### 4. Business reasons for a transfer

Current tenants may be required by Housing New Zealand to transfer to another Housing New Zealand property because their existing property is required for business reasons. Vacant properties will be checked against the Business Initiated Transfer (BIT) register before they are considered for applicants on the MSD waitlist. This will enable Housing New Zealand to better manage the reconfiguration of its assets to make sure the portfolio of properties meets social housing demand. Business reasons include:

- a property is required for redevelopment or other asset related matters (for example, will require vacating to permit works for earthquake strengthening)
- a lease expiry notice requiring Housing New Zealand to release the property back to the owner
- a property is required for sale or compulsory acquisition for example, New Zealand Transport Authority roading requirements
- a modified property which is occupied by a household who no longer require the modifications and the property could be matched to a more suitable applicant
- where a tenant requires modification or further modification to their current property but this is not possible or desirable either due to the constraints of the property or business constraints (for example, tagged for future redevelopment/ divestment)
- a property is identified for divestment purposes (that is the property no longer meets the social, environmental and financial objectives of the business)
- a property is considered uninhabitable (for example, due to natural disaster or fire) and there is available alternative accommodation in that area immediately
- where in-line with [Anti-social behaviour policy and process](#), it has been approved by a regional manager that a business initiated transfer would enable the resolution of an anti-social behaviour issue within a neighbourhood or household
- 'like for like' transfers to new properties to enable improved protection of the portfolio in situations where particular tenants may be better placed in accommodation of a different quality or amenity
- prompt transfers of new tenants who have been placed in incompatible accommodation in unforeseen circumstances through no fault of their own

- a property which has been identified for bedroom extension under the Right Size Project and the current tenant no longer has a need for a larger home
- a property where Housing New Zealand wishes to better match the current tenant if they are under-utilising bedrooms
- a property where Housing New Zealand wishes to better match the current tenant if the home is overcrowded.

## 5. Communication with the tenant

It is important Housing New Zealand keeps a tenant informed throughout the business/asset initiated transfer process.

Housing New Zealand staff must provide opportunities to meet face to face with individual tenants.

Any discussion with a tenant must outline the impact on the tenant, the opportunities created and their options from the outset to help manage expectations. Everything possible must be done to:

- minimise the impact of the transfer
- provide up-to-date information on best match processes and activities
- identify the housing needs and aspirations of the tenant and discuss available housing options
- identify any issues that may affect the tenant's ability to transfer, such as dependency on local community and health services, and length of tenancy
- provide an opportunity for tenants to ask questions.
- make sure that a personalised service is provided to each household to explore their housing needs and preferences for transfer
- make sure the tenant is fully informed of their options presented by Housing New Zealand staff and/or their agencies
- make sure negotiation and consultation is culturally appropriate.

All discussions must be supported by clear and concise information to transferring tenants. Tenants must receive written information:

- including advice on the upcoming discussion and the policies and processes that apply
- confirming the outcome of the discussion, including copies of formal agreements
- providing details of the timeframe involved and who they can contact
- providing regular updates
- on Housing New Zealand's complaints procedure if they have a concern.

See '[Manage tenant transfer](#)' (CT-728), 'Appendix A – Tenancy Liaison Team letter index'.



## 5.1 Interpreters

If Housing New Zealand is required to supply an interpreter a professional interpreter must be sought. Using a professional interpreter means that professional standards of communication are maintained and information is not misinterpreted or misrepresented – refer [‘Managing customers with English language difficulties’ \(C-114\)](#).

## 5.2 Support agencies

Where necessary, Housing New Zealand will work with appropriate support agencies before and after the transfer to make sure that the special needs of tenants are met and that there is no loss of support services as a result of a transfer. If it will be necessary for Housing New Zealand staff to discuss information about the tenant with other persons/agencies to assist in helping the tenant with their housing, social and health needs, [‘Consent form’ \(T-302\)](#) must be completed and signed.

### Note:

Discussing information about the applicant with other persons/agencies without the correct authorisation is a breach of the [Privacy Act 1993](#).

It is important the senior tenancy manager/tenancy manager and the Tenancy Liaison Team regularly keeps the Placement Team informed of when a tenant needs to be housed by, their needs or if projects are delayed. This enables the Placement Team to keep the BIT register up to date and make sure tenants with the most need are housed first.

## 6. Complaints

If tenant’s expectations are managed properly and there is regular communication, there should be no need for the tenant to make a formal complaint. If a tenant has a complaint regarding any element of the asset initiated transfer process, the Manager Tenancy Liaison must manage it. If the move is being managed by the senior tenancy manager/tenancy manager the complaint would be escalated to the area manager. For example, if they believe they have not been treated well, the Manager Tenancy Liaison or area manager must manage their complaint. If the tenant is still not satisfied, they may escalate their complaint to the regional manager. If the tenant is still not satisfied, the tenant may take their complaint to Tenancy Services for resolution through mediation or Tribunal Hearing.

Refer to business process: [‘Receive customer feedback and resolve customer complaint’ \(CT-757\)](#).

## 7. Damage

Transferring tenants may be responsible for damage that Housing New Zealand is required to repair or 'make good', for example the cost of removal of rubbish from the property or repair of damage to the property.

Housing New Zealand must have regard for the planned future use of the property when charging tenant damage. Tenant damage charges must not be made if a property is due for demolition and the tenant liabilities identified will be demolished. If tenant liabilities identified will not be affected by the demolition and will incur a cost to Housing New Zealand, then these must be charged to the tenant, for example, the removal of car bodies or rubbish.

## 8. Fraud

If there is any suggestion that household or income changes have been longstanding in nature and undeclared, the matter should be flagged for investigation with MSD. Refer business process: [Refer potential IRR fraud activity to MSD \(CT-758\)](#).

## 9. Lifetime tenancies

If a tenant claims they have the right to a lifetime tenancy with Housing New Zealand, refer to Business Alert '[Lifetime tenancies](#)' and '[Recording lifetime tenancies in Kotahi](#)'.

## 10. Offer declined

Housing New Zealand undertakes to move tenants to a suitable alternative property, relevant to the tenant's needs. Housing New Zealand will continue to offer properties until the end of the 90 day notice period. If the tenant has not accepted a property at this stage Housing New Zealand will apply to the tenancy tribunal for vacant possession of the property.

## 11. Pets

Tenants are allowed to keep pets as long as they meet local council bylaws and Housing New Zealand's criteria. Approval must be obtained from the senior/tenancy manager. Refer to business process 'Managing pets' (CT-773).

If tenants already have approval to have a pet, they will be transferred with no requirement for further approval.

Tenants with approval must be matched to properties suitable for their pet.

## 12. Business Initiated Transfer interview sheet (T-474)

Where a transfer is initiated by Housing New Zealand, a meeting will be arranged at the tenant's home wherever possible. Given the sensitive nature of these transfers, a discussion to complete the [T-474](#) and discuss the tenant's relocation in a Housing New Zealand office is not desirable. Instead, the senior tenancy manager/tenancy manager or tenant liaison officer will jointly visit the property to explain the need to move, formally serve notice and record updated personal information on [T-474](#).

Before meeting with the tenant(s), staff must print off a copy of the tenant's household composition details.

This information must be attached to [T-474](#) and will form part of the discussion.

All household members must verify their residence status. Staff should check the tenancy file in advance to see if this information is already held by Housing New Zealand.

### Completion of form T-474

The form has four sections –**Customer Information; Household Composition; the HNZ Privacy Statement;** and the **Declaration**. Staff must take the tenant through the form and complete all sections. The tenant(s) signs the Declaration at the end of the discussion.

## Customer Information

In this section, relevant personal information is recorded and **Customer and Emergency Contact** details confirmed.

**Reason and date to move by** – enter the date the tenant has to move out by and the business reason for the transfer.

**Bedrooms** – enter the number of bedrooms in the current tenancy.

**Letting Areas** – these are required to enable the Placement Team to eventually match the tenant to a transfer tenancy.

**Other current needs/requirements** – complete the questions and add any other relevant information.

Under **Household composition**, refer to the Kotahi printout showing those people currently recorded as part of the household. If there are no changes, have the customer sign the printout to confirm the details. If some people have left, again note the printout and have the tenant sign it. If there are new household members, enter all details on the Household Composition page of [T-474](#).

### Note:

Household composition details for market rent tenants may be old. It is important to confirm current household details so the correct details are recorded in Kotahi.

Remember – all household members (existing and new) must confirm their residence status. If the information is not already held on file, it must be obtained from the customer. This will need to be done with care particularly with long-term tenants who may never have been required to provide this information in the past.

## Household composition

This page is to be used to confirm the details of any new household members.

It is also used to record where a tenant has a support agency that provides assistance and which may be required to help with the transfer. Remember – if consent is not held on file, a signed [Consent form \(T-302\)](#) will need to be signed by the tenant to give their consent to Housing New Zealand sharing their personal information about the transfer with the agency.

## HNZ Privacy Statement

This must be read by and/or explained to the tenant to make sure they understand their rights in terms of their personal information.

## Declaration

To be signed by the tenant(s) and by the staff member conducting the meeting.

## 13. Placement

When a property comes vacant the TLT and Placement Team must consider tenants on the BIT list first and when no suitable match is available then use the MSD social housing list. The

placement of tenants to suitable properties is to be done in accordance with business process [‘Placement of an applicant/tenant into a home’ \(CT-727\)](#).

When matching tenants to properties the location of tenant's family/whanau, support network and so on must be considered. The opportunity to veto must also occur - refer business process [‘Placement of an applicant/tenant into a home’ \(CT-727\)](#).

## 14. Private sector option

Where applicable Housing New Zealand may facilitate access to private sector accommodation. To make sure the tenant is not financially worse off because of Housing New Zealand's actions, we:

- will advise the tenant to contact MSD to see if they qualify for assistance through MSD's 'Housing Support Products'
- (if the tenant does not qualify with MSD) may assist the tenant with payment of a letting fee, a new bond payment or other contributions.

## 15. Relocation costs

Unless the move is a result of a breach by the tenant (in which case area manager approval is required), Housing New Zealand will pay for the following expenses associated with transfers:

- removal costs
- electricity connection fees
- gas connection fees
- telephone connection fees where the phone is connected in the original or interim housing in the name of the tenant/s.
- SKY reconnection fees
- skip bins if required.

The tenant is generally expected to arrange for these utilities to be changed over to their new address, however, staff have the discretion to assist tenants who are vulnerable or have other special needs, for example, tenants in pensioner housing.

Housing New Zealand does not pay for a packing and unpacking service unless staff believe that packing would be difficult for the tenant, for example, tenants who are frail or who have special needs.

Due to low risks, Housing New Zealand 'self-insures' against damage caused to personal belongings during tenant relocation. That is, Housing New Zealand does not provide specific insurance cover for individual relocations. In the event that any damage does occur Housing New Zealand must negotiate with the tenant in relation to reimbursing for the replacement costs.

Housing New Zealand may undertake to meet the tenant's reasonable household and personal removal expenses. In determining the extent of these expenses, Housing New

Zealand will adopt a flexible approach on the basis that the tenant should not be unreasonably disadvantaged, financially or otherwise.

Where Housing New Zealand contracts directly with the carrier, Housing New Zealand will cover the actual and reasonable costs associated with moving per tenancy. Tenants who organise removals and are reimbursed by Housing New Zealand should receive \$500 per tenancy for each move. This will cover utility costs and removal fees. There may be other general costs related to this relocation which may be signed off on an individual basis where required. Tenants choosing to take the option of a one off payment must sign '[Agreement to settle costs for moving](#)' (P-390).

Additional payments to tenants may be made to cover additional costs in exceptional or one-off situations where not to do so would disadvantage the tenant. Examples of where it may be appropriate to provide assistance would include:

- the storage of a tenant's furniture if they choose to live with a relative or friend before moving back
- the cost of reinstating multiple telephone points where these existed prior to transfer.

Housing New Zealand may also consider transfer of tenant improvements, such as sheds or pergolas, where this can be done at a reasonable cost.

Housing New Zealand must make sure tenants are relocated to a house that meets their specific needs. Where a tenant requires specific modifications and a modified home is not available Housing New Zealand will arrange and pay for an agreed alternate home to be modified to meet the tenants needs.

Housing New Zealand seeks mutually satisfactory housing or re-housing arrangements with tenants. If it is not possible to reach a suitable financial consideration through direct negotiations, tenants may seek a review through the regional manager and, if necessary, this may be escalated to Manager Tenancy Liaison.

In exceptional circumstances the regional manager may decide that it is not acceptable to pay tenant relocation costs for some Tenancy Services initiated moves. For example this may relate to anti-social behaviour moves or fire related moves. This decision is at the discretion of the regional manager.

## 16. Rent charging process

### 16.1 Agreement between staff involved with the transferring tenant

To facilitate the transfer for the tenant, the two senior tenancy managers/tenancy managers involved must negotiate on the notice period, bond, rent credit or an arrangement to clear any current debt.

While the RTA allows landlords to charge a bond equivalent of up to four weeks rent, HNZ's policy is to not charge a bond.

If a tenant is transferring and a bond is held at the property they are moving out of, the bond will be refunded as long as there is no rent, damage or IRR debt outstanding. If IRR debt is owed, it does not fall under the jurisdiction of the Tenancy Tribunal as it is Crown debt and not debt owed to Housing New Zealand. The bond cannot be used towards IRR debt unless the tenant agrees to it.

## 16.2 Charging double rent

The transferring tenant must not be charged 21 days notice if the tenant will be charged double rent. While Housing New Zealand does not normally charge tenants double rent, it may be charged when a tenant agrees or when the tenant has not vacated their previous tenancy in the agreed timeframe.

A tenant may agree to pay double rent where they wish to clean up the tenancy they are vacating, instead of being charged the costs as damages by Housing New Zealand. A tenant may also agree to pay double rent where they are moving to an area which is unable to hold the property vacant for the tenant to transfer into. The senior tenancy manager/tenancy manager of the transfer property into which the tenant is to transfer and the current senior tenancy manager/tenancy manager must act in the interests of the tenant in the first instance when agreeing on a transfer date.

## 16.3 Transferring between offices

Where the tenant is transferring between offices, the current senior tenancy manager/tenancy manager must assist the new senior tenancy manager/tenancy manager in signing up the tenant. Refer business process: ['Placement of an applicant/tenant into a home' \(CT-727\)](#).

## 16.4 Calculating the new rent

The following rules do not apply to tenant initiated or 'like for like' transfers. For both those type of transfers the tenant will either pay the Income Related Rent (if they qualify) or the market rent of the new property, which ever is the lower. Refer ['Action a rent change' \(T-228\)](#).

### For all other transfers:

Because the tenant is being asked to move out of their current home by Housing New Zealand, it would be unfair part way through their annual review year to ask the tenant to pay an increased rent. However, if the tenant has advised MSD of or Housing New Zealand becomes aware of a change in their income/circumstances the rent may change. Housing New Zealand would only increase the rent at sign up if the change in circumstances was considered significant. This is the same process had the tenant remained in their current tenancy.

On acceptance of an offer, the IRR used for discussions with the tenant will be from the latest processed IRR (any current rent or notified changes for tenants will be visible in the rent account). Housing New Zealand must first check in all cases whether the tenant has already received a notice of a rent change.

### If the tenant is:

Currently on market rent

- If the new calculated **IRR is lower than their current rent**, then the IRR will apply from the tenancy start date.
- If the new calculated IRR is still higher then their current rent (which is market rent) and the **new property's market rent is lower**, the tenant will pay the new (lower) market rent from the new tenancy start date.

- If the new calculated IRR is still higher than their current rent (which is market rent) and the **new property's market rent is higher**, the tenant must be charged their existing market rent figure (until the next annual or change of circumstances review). Edit the new Tenancy Agreement to reflect the adjusted market rent. The National Manager Placement Outcomes will adjust the Account Rent Limits in Kotahi to only charge the existing (old) market rent figure for the first year of the tenancy. Housing New Zealand will not claim any subsidy from the Crown for the new tenancy.

#### Currently on Income Related Rent (IRR)

- If the **new calculated IRR has not changed** from the current IRR the rent will remain the same from the start of the new tenancy.
- If the **new calculated IRR results in a decrease** – the tenant must be charged the lower IRR from the start of the new tenancy.
- If the **new calculated IRR results in a small IRR increase** (\$5 per week or less) - tenant must continue to pay their old IRR rent figure for the next 12 months. To achieve this in Kotahi, staff will:
  - calculate the weekly difference between the correct IRR and their former IRR and multiply by 52 (to get an annual figure). For example if the weekly difference in rent is \$2, the annual difference is \$104 (note – this amount should never be greater than \$260)
  - create a credit adjustment of type RENA on the rental account for the tenancy for the amount calculated in above. The Placement Team will authorise this adjustment. Note: the credit will remain on the account even if the tenancy ends within the 52 weeks.
  - place a priority comment under Notes on MyPortal activity and on the Revenue Account to explain what has been done. This will make sure there is no refund of any portion of this adjustment while the tenancy is current.
- If the **new calculated IRR results in an IRR increase of greater than \$5 per week** – the tenant must be charged the new IRR amount because the change in circumstances results in a significant change in the tenant's IRR.

#### Has an IRR COC review effective after the start of the new tenancy

- Where a tenant has recently completed an Income Related Rent process and has been given a rent effective date their rent must remain at the current rate until the rent effective date given. The Placement Team will adjust the rent until the agreed date.
- In these cases the new IRR will be charged and recorded on the Tenancy Agreement and a credit rent adjustment (RENA) must be placed on the rental account. This will be for the difference between the current and future IRR, for the number of weeks until the end of the notice period (if they had stayed in their previous property). For example, rent difference \$3pw for 8 weeks = RENA of \$24. To confirm this arrangement, the following clause duly updated must be inserted into the new Tenancy Agreement:

"Notwithstanding clause [x] stating the rent for the premises being \$[y] per week commencing from [date], to give effect to the commitment made by the Landlord that the transferring Tenant shall not pay a higher rent than they are currently paying (subject to the Tenant's circumstances not changing) the Landlord and

Tenant agree the rent payable by the tenant will be \$[z] until [date] when the rent shown at clause [x] shall become due and payable".

- A priority comment must also be placed under Notes on MyPortal activity and on the Revenue Account to explain what has been done. This will make sure there is no refund of any portion of this adjustment while the tenancy is current.

#### Change in tenant's circumstances after the tenancy start date

- If during the next 12 month period but prior to the next annual review the tenant has a significant change in their circumstances (for example, obtains or changes job; household numbers rise), they must advise MSD so a COC IRR can be actioned. Any rent changes notified from MSD will be effective after the correct notice period is applied.
- If a RENA was credited to their rental account, this will be allowed to remain.

### 16.5 Once tenancy has started

- Any rent payments made after the start date of the new tenancy must be credited to the new tenancy. Rent payments must not be kept for a debt from the previous tenancy.

## 17. Temporary transfers

Only in extraordinary circumstances will a business initiated transfer be a temporary transfer for example: work to an existing property that will take a short period of time to complete.

Any temporary transfer must first be approved by the Manager Tenancy Liaison or the area manager.

If the transfer is temporary, tenants may wish to stay with family or friends or rent in the private sector for the duration of the works. In these cases, the transfer application details must be recorded in Kotahi to make sure the placement process can be completed once new housing is available for letting.

## 18. Tenant improvements

Housing New Zealand may reimburse tenants for improvements, made with the consent of Housing New Zealand, to their original rental home where similar improvements will not be provided in the transfer/move back property and where the criteria outlined in ['Manage tenant vacating' \(CT-749\)](#) are met. All reimbursements are to be done in accordance with this procedure.

Housing New Zealand may also consider transfer of tenant improvements, such as sheds, alarms, and so on, where this can be done at a reasonable cost.

## 19. Termination notices

For every Housing New Zealand transfer, regardless of how or why it is initiated, the tenant must give or be given legal notice that the tenancy has ended under section 51 of the [Residential Tenancies Act 1986](#). Notice must be given through one of the following ways:



- Housing New Zealand issuing a 90 day notice
- Housing New Zealand issuing a 7 day notice
- the tenant issuing a 21 day notice
- the tenant issuing a 2 day notice.

### **19.1 Termination of tenancy by Housing New Zealand - 90 day notice**

Tenants will be provided with 90 days' notice of the termination of their tenancy in accordance with the Residential Tenancies Act 1986 except where the premises has been damaged (refer 7 day notice below) or where the tenant has provided notice directly.

Termination notices issued under business as usual practices relating to Asset Programmes (redevelopment, divestment, Earthquake prone building programme, large scale refurbishment programmes, Lease expiries, Right Size moves) do not require any formal sign off once the business has formally instructed the property to be vacated. Tenants may be relocated at any time during the 90 day notice period with their consent. The issuing of the notice will start the relocation process for all tenants who agree to being relocated prior to the end of the 90 day notice.

### **19.2 Termination of tenancy by Housing New Zealand - 7 day notice**

Where the premises are destroyed, or are so seriously damaged as to be uninhabitable, Housing New Zealand may provide a 7 day notice to the tenant. Approval to issue a 7 day notice must be obtained from the regional manager.

### **19.3 Termination of tenancy by tenant - 21 day notice**

Where the tenant no longer wishes to occupy the premises, the tenant may provide a 21 day notice to Housing New Zealand. Once notice is given, the senior tenancy manager/ tenancy manager will follow business process: [Manage tenant vacating \(CT-749\)](#).

### **19.4 Termination of tenancy by tenant - 2 day notice**

Where the premises are destroyed, or are so seriously damaged as to be uninhabitable, the tenant may provide a 2 day notice to Housing New Zealand. Once notice is given, the senior tenancy manager/ tenancy manager will follow business process: [Manage tenant vacating \(CT-749\)](#).

#### **Note:**

If staff are unsure of the use of termination notices, they should consult the Legal Team.

## **20. Records**

Retain all records within Housing New Zealand's records system - refer 'Records retention and disposal' ([R-105](#)).

## 21. Version control

Details of previous versions are stored in Housing New Zealand's document management system (Objective). Refer to header and footer information for reference document elements or for any queries contact [OurSpace@hnzc.co.nz](mailto:OurSpace@hnzc.co.nz).

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