

## Policy on Rent Arrears – 9.13

Queenstown Lakes Community Housing Trust

November 2016

Updated November 2017, May 2021, May 2022, August 2022

---

### Background

QLCHT is a Class 1 Social Landlord<sup>1</sup>, and as such must collect rent to pay for managing and maintaining its homes, and assist where practical with advice to help tenants manage their financial resources and related issues they may face. QLCHT recognises that rent arrears can quickly rise to unmanageable levels for lower income households, and therefore prompt and transparent action to manage debt is essential.

### Policy

QLCHT will undertake the following actions to ensure rent arrears are managed in a timely and professional manner, consistent with that of a fair and reasonable landlord.

1. Prior to letting a property, QLCHT will:
  - a. Carry out a full financial analysis on the prospective tenant to determine their ability to pay rent (unless the applicant qualifies for Public Housing Rental, in which case they are not required to provide financial information);
  - b. Conduct a credit check (unless approved Public Housing applicants in which case no credit check is required);
  - c. Obtain a reference from a recent landlord, with a phone call to confirm information.

If any of the above reveal a history of credit defaults or rent arrears, QLCHT reserves the right not to offer a tenancy.

2. QLCHT rent payment cycles run Friday to Thursday each week, with rent to be paid in advance.
3. Each week, incoming rent payments will be reconciled and a tenancy balance report run. If a tenant has failed to make their rent payment in full or part, QLCHT will email the tenants that same day to check they are aware of the arrears and ask for it to be remedied within three business days.
4. If the rent has not been received by the 5<sup>th</sup> business day, QLCHT will issue a 14 Day Notice to Remedy Rent Arrears (“Arrears Notice”), advising the tenant that they have 14 days to pay all the arrears in full. The Arrears Notice will be set out in order to meet the requirements of section 55 of the Residential Tenancy Act 1986.
5. If the rent arrears has not been received by the date advised in the Arrears Notice, QLCHT have two options:
  - Option A: negotiate with the tenant a satisfactory payment arrangement and have that arrangement formalised through the Tenancy Tribunal, or

---

<sup>1</sup> Class 1: Social Landlord as confirmed by the Community Housing Regulatory Authority.

- Option B: apply to the Tenancy Tribunal to have the tenancy ended.
6. If QLCHT chooses to go with Option A and a satisfactory payment arrangement is reached, QLCHT will make an application with the Tenancy Tribunal for a FastTrack Resolution, whereby the arrangement is formalised without the need for a mediator.
  7. Upon any formalised payment arrangement being reached, QLCHT will seek to include a conditional termination order, whereby an immediate possession clause is triggered if the tenant fails to comply with the payment order.
  8. QLCHT will make an application to the Tenancy Tribunal under section 56 of Residential Tenancy Act 1986 (“the Act”) to have the tenancy ended due to Breach of the Tenancy Agreement, in any of the following instances:
    - Where a tenant has not paid their rent arrears as per the Arrears Notice,
    - Where a tenant has failed to adhere to any formalised payment arrangement, or
    - Where three separate Arrears Notices have been issued within a 90 day period.
  9. Any application made with the Tenancy Tribunal to end a tenancy, must have the prior agreement of the Executive Officer and Chair, and all Trustees shall be informed of the decision.
  10. Upon application, the Tenancy Tribunal will determine the best course of action, that being either mediation or a hearing.
  11. Throughout the process, QLCHT will keep the tenant informed of the action QLCHT may take and the potential outcome. QLCHT will make a note on the tenant record of the steps taken and also retain copies of correspondence with the household.

Timeframe of action

Day 1	Full rent not received.	QLCHT emails tenant to advise them and request payment within three business days.
5 business days later	Full rent not received.	14 Day Notice to Remedy Rent Arrears (“Arrears Notice”) issued via email and post.
Day 21 (from 1)	Full rent not received.	QLCHT can choose to: A. Contact tenant to negotiate a mutually agreed payment arrangement, or B. Apply to the Tenancy Tribunal to end the tenancy.
	If payment arrangement (Option A)	Once agreed apply to the Tenancy Tribunal under FastTrack Resolution to have the arrangement formalised, including a conditional termination order.
Day 21 (and within 28 days from this day)	If application to end tenancy (Option B)	Make application to Tenancy Tribunal to end tenancy if: <ul style="list-style-type: none"> <li>• A tenant has not paid their rent arrears as per the Arrears Notice,</li> <li>• A tenant has failed to adhere to any formalised payment arrangement, or</li> <li>• Where three separate Arrears Notices have been issued within a 90 day period.</li> </ul>
<p>The Tenancy Tribunal will determine whether a mediation or full hearing takes place. They will also determine and formalise the outcome, including payment arrangements and tenancy end date.</p>		