

# A Decade Overdue

## The need for regulation of property management in New Zealand

ANGLICAN ADVOCACY | AUGUST 2018

**This summary is a snapshot of the findings in the report *Property Management in New Zealand: The need for regulation*. The full report can be found at [www.anglicanadvocacy.org.nz/projects/property-management](http://www.anglicanadvocacy.org.nz/projects/property-management).**

**The findings, including more than 65 first-hand experiences from landlords and tenants, are consistent with those of other groups calling for regulation - including many property managers themselves.**

Property managers have a high level of responsibility. They keep keys and personal information, handle rent, and conduct inspections. Their companies handle billions of dollars worth of housing, and millions of dollars in rent.

Despite this, New Zealand law does not require them to have a license or any form of accreditation to operate, nor are they required to keep payments in a separate trust account or carry indemnity insurance. This is causing harm to both property owners and tenants.

Regulatory measures for property managers were called for in 2007. Parliament's Justice and Electoral Select Committee recommended "immediate action be taken to create an appropriate regulatory regime for property management activities." 95% of submissions during a public consultation came from property managers, property owners and real estate agents, and the majority supported compulsory regulation. Despite this, the government concluded that it was "not justified."

The findings in this report indicate that not regulating property managers was a mistake. With the sector currently under review, now is an opportune time to remedy this.

### FINDINGS

In this report are first-hand accounts of the following behaviour from property managers:

1. Negligence in duties to tenants and landlords
2. Losing or not filing bond monies
3. Deceit and manipulation
4. Discrimination
5. Withholding bond
6. Wrongly claiming arrears
7. Invading privacy
8. Using unenforceable clauses in agreements.

Some of the practices revealed are already unlawful; many are not, or are of uncertain legal status.

**This demonstrates that existing regulation and enforcement are not sufficient to protect landlords and tenants.**

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They didn't ask us before replacing a door and a shower head and then hit us with the big bill.

At one point we had sewage spilling out by the back door. Not kidding – when we flushed the toilet it came out by the back steps because the pipe was blocked and broken.

I had another property manager who tried to claim rent arrears from us for rent that was unpaid eight years beforehand – when none of the tenants had so much as lived in the city...

While searching for a new place I had a property manager demand information about my health conditions, and proof of my income.

The property manager didn't know what 'key money' was, which is a pretty basic thing in the RTA.

The two armchairs in the lounge had been repositioned. The blankets on the couch had been re-folded... I then get upstairs to find the bed has been remade... for absolutely no explainable reason – we'd left the bed tidy and neatly made...

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## CONCLUSION

We recommend that swift action be taken to regulate property managers. However this is done, accreditation, membership and a regulatory body should be mandatory for all property managers. It is unacceptable that most service industries in New Zealand are subject to industry-specific regulation, yet property managers are not – despite having access into people's homes and handling billions of dollars worth of assets.

**More detail on these recommendations is contained in the full report, which can be found at [www.anglicanadvocacy.org.nz/property-management](http://www.anglicanadvocacy.org.nz/property-management).**