



25/07/2023

Tēnā koe Minister Woods

I am writing to you today in your position as Minister for Housing as President of the Otago University Students Association, to invite you down to Ōtepoti Dunedin to show you first hand the unique issues that students face with rental properties in Dunedin, and discuss the future of housing in Aotearoa.

I was wondering if you could answer a few questions for me regarding the current tenancy bond scheme, specifically:

- Do you think the current bond scheme is fit for purpose?
- What is the current average value of a rental bond in Aotearoa?
- What work do you think needs to be done to improve access to rental accommodation in Aotearoa?
- What is your understanding of the student rental market in Dunedin?
- Do you think the current power balance between tenants and landlords is fair?
- What was the weekly rental price on your first flat?

The student rental market in Dunedin is incredibly unique. The high concentration of students living in one area of the city creates a very unique set of circumstances that enable landlords to take advantage of students, who have little experience in the rental market.

OUSA is incredibly supportive of the changes to the residential tenancies act that were enacted in 2020, especially section 60A Fixed Term Becomes periodic. However, landlords in Dunedin continue to beach this section of the act, pressuring tenants to commit to another fixed term tenancy well before the 28 days' notice required.

The major property management companies are releasing their first lists of flats available for 2024 within the next week – and this is only after OUSA negotiated with them to push them back a month. I note this same issue happened last year, and Edinburgh were forced to backtrack on their ultimatum to tenants:
<https://www.critic.co.nz/news/article/10130/edinburgh-asks-students-to-re-sign-by-may-backtrac>

With the dominant property management companies working together closely, and the majority of the private landlords affiliated to the property investor's federation, the rental market functions as a cartel. Property managers talk, making students fear standing up to their property managers and willing to make sacrifices of their bond and housing conditions.

The OUSA student support service regularly have to support tenants who's landlords are attempting to withhold their bond for trivial issues, issues that the landlords write off the moment they are challenged by someone who knows the tenants' rights under the RTA. The lack of ability to enforce tenants' rights without going to the Tenancy Tribunal means that students often don't challenge these frivolous claims, as they need their bond back or simply don't think it is worth the time.



One key issue faced by students in Dunedin is the fact that incomes are very flat, given the majority of students are receiving living costs from study link. This means that landlords in North Dunedin know the incomes of their tenants, and also know when students receive increases to their income, increasing the rent for the following year accordingly. When you couple this with the fact that the North Dunedin rental market near exclusively targets student renters, the concept of market rent becomes incredibly distorted, and any gains for student income are lost.

I provided your colleague Minister Robertson with information on this from Colliers and would be happy to pass this along to your office at your convenience. This information shows the average rent in the student market increased by the same rate as the living loan in the period 2022 – 2023.

Finally, a similar issue is faced by tenants who question their homes compliance with the healthy homes standards. Students are often presented with healthy comes 'exemptions' which bear little legitimacy. This means flats stay cold, and students can't challenge these without resorting once again to the tribunal. We ask that you investigate the implementation of a housing ombudsmen, or an option for tenants to get their homes inspected by MBIE if they think it is non-compliant.

If you are available, my executive and I would love to host a series of flat visits for you and your team, to show you the state of some of the student rental properties in Dunedin. I'm sure you've heard many anecdotal stories about housing in Dunedin from your colleagues who came through the University of Otago, and all I can say is that little has changed except many of these properties have become even more tired.

As is probably apparent, student housing an issue I could talk at length about, so please do reach out if you have any further questions, would like some evidence of these practices, or need clarification on any of the above points.

I look forward to hearing from you, please don't hesitate to contact me anytime on 029 779 3707 or via email at president@ousa.org.nz

Ngā mihi,
Quintin Jane – 2023 OUSA President.