

## Tenant FAQs: Kāinga Ora Rent Debt

### Rent debt policy

#### **What difference will the new rent debt policy make?**

Our new rent debt policy focuses on preventing tenants from getting into debt and ensuring we intervene early when payments are missed to help tenants get back on track with their rent and repay what they owe. It also sets out when action should be taken to end a tenancy, providing clarity to both our tenants and out frontline.

We're taking action to prevent large debts in future. We are taking a firmer approach with tenants who ignore their rent debt, regularly skip rent payments and refuse to work with us. If this happens – and we've done everything we can as a landlord – we will begin the process to end the tenancy.

Our new approach seeks to ensure that tenants will not have accumulated more than 12 weeks' worth of rent debt when their tenancy is ended. This means we will begin the process of ending a tenancy earlier than in the past.

#### **What will happen if I owe more than 12 weeks' rent and am not repaying my debt or rent?**

We expect all tenants to pay their rent on time and in full – it's an obligation of your tenancy agreement.

We don't want to end tenancies, but we will if tenants are not meeting their obligations to reduce their rent debt, are skipping rent payments or refusing to work with us. If this happens – and we have taken all reasonable steps to support them to get on top of what they owe – we will begin the process of applying to the Tenancy Tribunal to end the tenancy – and we will do this more quickly than we have in the past.

#### **Can a tenant who has their tenancy ended due to unpaid rent get another Kāinga Ora home?**

Eligibility and priority for social housing is determined by the Social Allocation System (SAS) administered by the Ministry of Social Development based on need. As a social housing landlord, the role of Kāinga Ora is to provide housing to those determined by the SAS to have the greatest housing need.

It is possible a tenant who has had their tenancy terminated for rent arrears could be assessed as eligible and placed on the Housing Register to receive social housing again in future. In this situation, Kāinga Ora would manage the tenancy closely in line with our new policy, to ensure rent is paid in full and on time as this is an obligation for having a Kāinga Ora tenancy.

#### **Will you continue to support me if I fall behind on my rent payments?**

We will continue to support tenants who fall behind on their rent and are making genuine attempts to get back on track with their payments. We're a social housing landlord, so that's the right thing to do. But we are drawing a line on how patient we can be.

It's important to remember that we will end tenancies if tenants do not meet their obligations by ignoring their rent debt, regularly skipping rent payments and refusing to work with us. We will do this more quickly than we have in the past to help ensure tenants do not accumulate more than 12 weeks' worth of rent when their tenancy is ended.

## Partial rent reduction

### Who will 'qualify' for a partial debt reduction?

Only tenants who owed more than 12 weeks' worth of rent debt at the start of February 2025 are potentially eligible to receive a reduction in what they owe. To be eligible, these tenants must also be consistently paying their rent and making reasonable payments to reduce their debt. In return, tenants must continue to pay their rent on time and repay what they owe. But if they do not do this, we will take steps to end their tenancy.

If you are potentially eligible, you will hear from us directly in the coming weeks.

### How is this fair to tenants who always pay rent on time and in full?

Kāinga Ora tenants have an obligation to pay their rent on time and in full – it's what we expect all tenants to do. Unfortunately, this doesn't always happen, and due to a range of factors, some tenants now have a significant amount of rent debt. This level of debt is unsustainable, both for Kāinga Ora and our tenants, so we need to reset so we can all move forward.

During the pandemic we didn't chase debt in the same way we normally would as we responded to Government direction, so we carry a measure of responsibility. As a result, we're taking steps to bring tenants' rent debt down to a level they can realistically repay in full – while making sure they're still accountable to repay a significant amount of what they owe. But if that doesn't happen, we will take steps to end their tenancy.

### I have rent debt. When will I find out if some of that debt is going to be reduced?

If you are eligible, you will hear from us directly. Our frontline teams will be contacting tenants who are potentially eligible in the coming weeks.

### Will I still have to pay off the rest of the debt?

Yes. It is very important that you continue to repay what you owe because if you don't, it could put your tenancy at risk.

### What will my repayments look like?

We want to make sure tenants can repay what they owe in a timely manner, so are setting minimum repayment amounts. In most situations, the minimum weekly repayment will be whichever higher of 10 percent of the rent you pay, \$10 or your current repayment amount.

### What if I can't afford the repayment amount?

The minimum weekly repayment amounts have been carefully considered, and it is important that you stick to them. If you are struggling with your budget, please get in touch with us. Where possible we can connect you with budgeting support services in your area who may be able to help you get on top of your finances so you can keep making the repayments and continue your tenancy.

### I know someone who had a different amount of rent debt reduced compared to me. Why?

We're bringing rent debt down to a level that people can realistically repay in full, so tenants owe no more than 12 weeks rent. What this looks like is different for each tenancy, depending on how much is owed and what their weekly rent amount is.

If you have further questions, please call Kāinga Ora on 0800 801 601.