[2026] NZTT 5423825

TENANCY TRIBUNAL AT REMOTE LOCATION | TE TARAIPIUNARA RETIHANGA

APPLICANT:	Barfoot & Thompson Limited as Agent for Alice Madeline Budd Landlord
RESPONDENT:	Katie Olivia Foster and William David Vernall Tenants
TENANCY ADDRESS:	Unit/Flat Apartment 210, 1B Oakley Avenue, Waterview, Auckland 1026, Kokihi Apartments

ORDER

1. Katie Olivia Foster and William David Vernall must pay Barfoot & Thompson Limited as Agent for Alice Madeline Budd **$3,903.27** immediately, calculated below.

Description	**Landlord**	**Tenant**
Rent arrears to 4 January 2026	$4,571.43	
Water rates	$128.84	
Insurance excess: carpet claim	$1,500.00	
Cleaning	$200.00	
Lease break expenses	$250.00	
Compensation: fail to provide insurance information		$375.00
Filing fee reimbursement	$28.00	
Total award	**$6,678.27**	**$375.00**
Net award	$6,303.27	
Minus Bond	- $2,400.00	
Total payable by Tenants to Landlord	**$3,903.27**	

2. The Bond Centre is to pay the bond of $2,400.00 (6426080-013) to Barfoot & Thompson Limited as Agent for Alice Madeline Budd immediately.

Reasons:

1. Both parties attended the hearing.
2. The landlord has applied for rent arrears, compensation, refund of the bond, and reimbursement of the filing fee following the end of the tenancy.

How much is owed for rent

3. The tenancy agreement was for an initial fixed term from 15 January 2023 to 14 January 2024. The term was subsequently extended to 14 January 2026.
4. Due to a change in the tenants' family circumstances they asked the landlord about ending the tenancy before expiry of the fixed term. A formal application was made on 16 September 2025 and a lease break agreement was signed the same day. It provided for vacant possession on 15 November 2025. The tenants were required to pay up to $756.50 plus GST to reimburse the landlord's expenses, incurred as a consequence of the early termination and reletting.
5. The premises were marketed as available for rent from then.
6. A replacement tenancy was not able to be found for some time. A new tenancy began on 5 January 2026.
7. Where tenants breach the term of a fixed term tenancy, a landlord is entitled to recover rent to the end of the fixed term or the date a new tenancy starts, whichever is earlier.
8. A landlord is required to take all reasonable steps to mitigate the losses caused, by making efforts to find a replacement tenancy.[1]
9. The property manager's evidence and the viewings schedule provided prove that the landlord made reasonable efforts to try and secure a replacement tenancy but the market has slowed.
10. That being so, the landlord is entitled to receive rent from the tenants until the date that new tenancy began.
11. There is no dispute about the water rates owed.

Break fees

12. Where break of a fixed term tenancy is agreed, the landlord is entitled to recover *"…any expenses reasonably incurred by the landlord in respect of the assignment, subletting, parting with possession, or termination"*.[2]

---

[1] See s.49 RTA
[2] S.44A(1) RTA

13. The landlord must first provide an itemised account of those expenses to the tenant.
14. The landlord has provided an account of claimed expenses, including advertising charges, final inspection charges, viewings, credit checks and documenting the new agreement.
15. I have no doubt the landlord did that work. The issue is that it was not the tenants ending the fixed term early that caused the need for that work to be done. It is the same set of tasks that would have been required in any event, when the fixed term expired in January 2026. A final inspection would need to have been done then, new tenants would need to have been found and new tenancy documents prepared, none of which these tenants would have been required to pay for.
16. The cost to the landlord caused by the tenants' actions was in the need to do that work a few months earlier than would have otherwise been necessary. I accept too that there is an inconvenience factor for the landlord in having to go through that exercise earlier than scheduled.
17. A modest award of compensation is fair to recognise those expenses.

Did the tenant comply with their obligations at the end of the tenancy?

18. At the end of the tenancy the tenant must leave the premises reasonably clean and tidy, remove all rubbish, return all keys and security devices, and leave all chattels provided for their benefit.[3]
19. Exit inspection photographs show that in some respects the premises were not left reasonably clean and tidy, with additional cleaning required. The tenants acknowledge that they had to leave under pressure and if they'd had more time more cleaning would have been done.
20. The landlord has provided a cleaner's invoice identifying the work that was done and proving the cost of $333.50.
21. The tenants' obligation as to leave the premises reasonably clean and tidy. While they breached that obligation is some ways, they are not required to provide the premises turnkey ready for a new occupation. The landlord is not entitled to be indemnified against all costs of readying the premises for a new tenancy after this 3 year one.
22. The compensation awarded for cleaning costs is a little less than the amount of the invoice, for that reason.

[3] S. 40(1)(e)(ii)-(v) RTA

Are the tenants responsible for the damage to the premises?

23. A landlord must prove that damage to the premises occurred during the tenancy and is more than fair wear and tear. If this is established, to avoid liability, the tenants must prove they did not carelessly or intentionally cause or permit the damage. Tenants are liable for the actions of people (or pets) at the premises with their permission.[4]

24. Where the damage is careless, the tenants' liability is limited to the lesser of the landlord's insurance excess or 4 weeks' rent.[5]

25. The landlord says that after the tenants vacated, the carpets were found to be damaged by animal urine, to the extent that replacement of the carpets was needed. That position is supported by a report from the carpet cleaner they initially engaged to try and clean the carpets which says, *"Lounge carpet is completely contaminated with urine and also has stains present. 1st bedroom by the kitchen has a similar picture with multiple urine hot spots. This carpet will present a severe odour problem in the summer months and will require complete replacement along with the underlay and smooth edge."*

26. The landlord has insurance cover. A claim was made and approved on the basis that the damage to the carpet in each of the 3 rooms was treated as a separate damage event. Three excess payments were required, of $500.00 each. The total replacement cost was $3,766.25.

27. The tenants had a dog living in the premises, with the landlord's consent. They acknowledge that it had occasionally urinated on the carpet but they didn't think to the extent that the carpets needed replacing. They say they had the carpets cleaned and were not aware of any serious odour problem. The best available evidence is the assessment by the carpet cleaner engaged by the landlord. Their evidence is unequivocal.

28. I find it proved more likely than not that the carpet required replacing due to damage that occurred during the tenancy, which was more than fair wear and tear. The tenants must compensate the landlord for the resulting loss, which is limited to the excesses paid by the landlord.

What are the excess amounts payable.

29. Evidence provided by the landlord proves that the claim excess under the applicable insurance was $500.00 and that three excess payments were made.

---

[4] See sections 40(2)(a), 41 and 49B RTA.

[5] S. 49B(3)(a) RTA.

30. The agreement represents that the excess payable under the landlord's insurance is $250.00. The policy changed and the amount of the excess under the policy changed. The tenants were not informed.

31. A landlord must include in the tenancy agreement a statement setting out whether the premises are insured and if so the amount of each excess payable under it. Failure to provide that statement is an unlawful act for which exemplary damages of up to $750.00 may be awarded.[6]

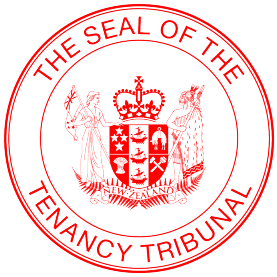
32. If that information changes, the landlord must advise the tenants in writing within a reasonable time after the landlord knows about the change.[7]

33. The landlord breached that obligation. The question is whether compensation should be awarded to the tenants for that breach.

34. The evidence does not suggest that different outcomes would have resulted had the tenants been informed about the change in the landlord's insurance cover and the excess increase. So, it would not be just to limit the landlord's compensation to the amount of the excess disclosed in the agreement.

35. Nevertheless, the tenants have a statutory right to be given that information. That right was not respected and a modest award of compensation would be just to recognise that.

36. Because the landlord has substantially succeeded with the claim. I reimburse the filing fee.



B King
14 April 2026

[6] S.13A(2) and (1F) RTA
[7] S.13A(4)

Please read carefully:

Visit justice.govt.nz/tribunals/tenancy/rehearings-appeals for more information on rehearings and appeals.

Rehearings

You can apply for a rehearing if you believe that a substantial wrong or miscarriage of justice has happened. For example:

- you did not get the letter telling you the date of the hearing, **or**
- the adjudicator improperly admitted or rejected evidence, **or**
- new evidence, relating to the original application, has become available.

You must give reasons and evidence to support your application for a rehearing.
A rehearing will not be granted just because you disagree with the decision.
You must apply within five working days of the decision using the Application for Rehearing form: justice.govt.nz/assets/Documents/Forms/TT-Application-for-rehearing.pdf

Right of Appeal

Both the landlord and the tenant can file an appeal. You should file your appeal at the District Court where the original hearing took place. The cost for an appeal is $260. You must apply within 10 working days after the decision is issued using this Appeal to the District Court form: justice.govt.nz/tribunals/tenancy/rehearings-appeals

Grounds for an appeal

You can appeal if you think the decision was wrong, but not because you don't like the decision. For some cases, there'll be no right to appeal. For example, you can't appeal:

- against an interim order
- a final order, or the failure to make an order, where the amount in dispute on appeal is less than $1000
- a final order to undertake work, or the failure to make an order, where the value of the work in dispute on appeal is less than $1000.

Enforcement

Where the Tribunal made an order about money or property this is called a **civil debt**. The Ministry of Justice Collections Team can assist with enforcing civil debt. You can contact the collections team on **0800 233 222** or go to justice.govt.nz/fines/civil-debt for forms and information.

Notice to a party ordered to pay money or vacate premises, etc.

Failure to comply with any order may result in substantial additional costs for enforcement. It may also involve being ordered to appear in the District Court for an examination of your means or seizure of your property.

If you require further help or information regarding this matter, visit tenancy.govt.nz/disputes/enforcing-decisions or phone Tenancy Services on 0800 836 262.

Mēna ka hiahia koe ki ētahi atu awhina, kōrero ranei mo tēnei take, haere ki tenei ipurangi tenancy.govt.nz/disputes/enforcing-decisions, waea atu ki Ratonga Takirua ma runga 0800 836 262 ranei.

A manaomia nisi faamatalaga poo se fesoasoani, e uiga i lau mataupu, asiasi ifo le matou aupega tafailagi: tenancy.govt.nz/disputes/enforcing-decisions, pe fesootai mai le Tenancy Services i le numera 0800 836 262.