[2026] NZTT 5561043

TENANCY TRIBUNAL AT REMOTE LOCATION | TE TARAIPIUNARA RETIHANGA

APPLICANT: Nikhil Sethi

Landlord

RESPONDENTS: Van Hanh Tran, The Thanh Hyunh, Thi Lan Nguyen, Nguyen Thi Thom

Tenants

TENANCY ADDRESS: 23 Pakaraka Drive, Papakura, Auckland 2110

ORDER

1. The tenancy of Van Hanh Tran, The Thanh Hyunh, Thi Lan Nguyen and Nguyen Thi Thom at 23 Pakaraka Drive, Papakura, Auckland 2110 is terminated, and possession is granted to Nikhil Sethi, at 5:00pm on Thursday 27 August 2026.
2. Van Hanh Tran, The Thanh Hyunh, Thi Lan Nguyen and Nguyen Thi Thom must pay Nikhil Sethi $91,040.50 immediately (he debt), calculated as shown in the table below:

Description	**Landlord**	**Tenant**
Rent arrears to 27 August 2026	$3,600.00	
Cannabis growing related damages	$87,411.50	
Filing fee reimbursement	$29.00	
Total award	**$91,040.50**	
Total payable by Tenant to Landlord	**$91,040.50**	

3. Nikhil Sethi must take any personal documents belonging to the tenant, that have been left at the premises, to the nearest Police station and obtain a receipt for them.
4. The landlord shall dispose of the other goods left at the premises by the tenant by:
   a. selling all goods with a saleable value by public auction or by private contract at a reasonable market price, and
   b. disposing of all goods with no saleable value as the landlord sees fit.

5. Order 4 above includes, but is not limited to, selling authority being given to the landlord which gives him the right to sell the three abandoned motor vehicles listed below, and to use the proceeds to offset the debt owed to him by the tenants:
    a. Blue/Grey Hinds Civic Registration RTE249;
    b. White Ford Focus Registration GQJ499; and
    c. White BMW Hatchback Registration HSN54.
6. The amount owing to the applicant out of the proceeds of any sale is $91,040.50.
7. Nikhil Sethi must pay the proceeds of any sale, less the amount owing, to the Bond Centre, together with a copy of this Order.

Reasons:

1. The landlord attended the hearing. The tenant did not.
2. I am satisfied that the tenants had received proper notice of the hearing time, date and place and chose not to attend. I note that two of the four tenants are in Police custody after being arrested for cannabis cultivation and distribution.
3. The landlord has applied for termination of the tenancy, rent arrears, compensation, and reimbursement of the filing fee.

Should the tenancy be terminated?

4. The Tribunal shall terminate a tenancy where the tenant has caused, or has permitted any other person to cause, or has threatened to cause, substantial damage to the premises.
5. The landlord has produced photographs, a police search warrant and police reports that have proven on the balance of probabilities that the tenants were growing and distributing cannabis from the premise and that the establishment of the environment required for the successful growing of the cannabis has caused considerable damage to the premises. The tenancy must be terminated. Rent records have been provided which prove the amount owing at the end of the tenancy, as ordered above.

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

6. 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. See section 40(1)(e)(ii)-(v) Residential Tenancies Act 1986. The tenant is required to replace worn out smoke alarm

batteries during the tenancy. See section 40(1)(ca) Residential Tenancies Act 1986. The tenant must also replace standard light bulbs.

7. The tenants did not leave the premises reasonably clean and tidy and did not remove all rubbish.
8. The tenants did not return the keys.
9. The amounts ordered are proved.

Is the tenant responsible for the damage to the premises?

10. 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 tenant must prove they did not carelessly or intentionally cause or permit the damage. Tenants are liable for the actions of people at the premises with their permission. See sections 40(2)(a), 41 and 49B RTA.
11. Where the damage is careless, and occurs after 27 August 2019, section 49B RTA applies. If the landlord becomes aware of the damage after 27 August, the damage is presumed to have occurred after that date unless the tenant proves otherwise.
12. Where the damage is caused carelessly, and is covered by the landlord's insurance, the tenant's liability is limited to the lesser of the insurance excess or four weeks' rent (or four weeks' market rent in the case of a tenant paying income-related rent). See section 49B(3)(a) RTA.
13. Where the damage is careless and is not covered by the landlord's insurance, the tenant's liability is limited to four weeks' rent (or market rent). See section 49B(3)(b) RTA. Where insurance money is irrecoverable because of the tenant's conduct, the property is treated as if it is not insured against the damage. See section 49B(3A)(a) RTA.
14. Tenants are liable for the cost of repairing damage that is intentional or which results from any activity at the premises that is an imprisonable offence. This applies to anything the tenant does and anything done by a person they are responsible for. See section 49B(1) RTA.
15. Damage is intentional where a person intends to cause damage and takes the necessary steps to achieve that purpose. Damage is also intentional where a person does something, or allows a situation to continue, knowing that damage is a certainty. See *Guo v Korck* [2019] NZHC 1541.
16. The landlord has produced photographs, a police search warrant and police reports that have proven on the balance of probabilities that the tenants were growing and distributing cannabis from the premise and that the establishment of the environment required for the successful growing of the cannabis has

caused considerable damage to the premises. This is intentional damage. The damage is more than fair wear and tear, and the tenants have not disproved liability for the damage.

17. Cultivating cannabis plants indoors involves high humidity, cutting holes in ceilings or walls for ventilation ducting, and hanging plastic sheeting, which leads to heavy rot, persistent mould, and structural decay. This is viewed by insurers as damage caused by neglect or deliberate structural modification rather than accidental wear.
18. The landlord has insurance, but insurance policies generally do not cover damage from cannabis growing in tenancies because growing cannabis is an illegal activity that creates severe, high-risk hazards outside normal residential use. Therefore, he has accepted the builders quote submitted in evidence.
19. The amounts ordered are proved.
20. I have considered betterment and depreciation. The landlord should be returned to the position they would have been in had the tenant not breached their obligations and should not be better or worse off. In calculating depreciation, I have considered the age and condition of the items at the start of the tenancy and their likely useful lifespan.

Disposal of goods

21. The landlord has applied for the disposal of goods that the tenants left at the premises at the end of the tenancy. The landlord is unable to contact the tenants, after two of the four tenants were arrested for growing and suppling cannabis.
22. It is not practicable for the landlord to the return the goods to the tenants. Some of the goods have a value above the cost of storing, transporting and selling them. The landlord must sell these goods at a reasonable market price. These goods include, but are not limited to, three cars as follows:
    a. Blue/Grey Hinds Civic Registration RTE249;
    b. White Ford Focus Registration GQJ499; and
    c. White BMW Hatchback Registration HSN54.
23. The landlord may deduct any amount owing from the sale proceeds, and must pay the balance to the Bond Centre. See sections 62(3)(b), 62B(2),(3) and (4), 62C(1)(b),(2) and (3) Residential Tenancies Act 1986).
24. The landlord may dispose of any goods that have no saleable value.

Reimbursement of filing fee

25. Section 102(4) of the RTA confirms that applicants that are wholly or substantially successful in proving their claims will have their filing fee reimbursed.

26. Because Nikhil Sethi has wholly succeeded with the claim I must reimburse the filing fee.

M Pollak
27 August 2026

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.