

## Healthy Homes standards announced

Government has confirmed what the standards will be for their Healthy Homes Bill which was passed late last year.

The standards are as expected. However the requirement for energy efficient heaters in the living area and current insulation levels are a disappointment.

Where a heater over 2400 watts is required it must be energy efficient which is likely to mean a heat pump. The NZPIF position was that heat pumps would add around \$15pw to rents but were not wanted and would unlikely to be used by many tenants. We thought that just providing a fixed form of heating and leaving it to the owner and tenant to establish what the tenant wanted would have been better.

The Ministry of Housing will develop an online tool so that owners can establish what size heater the living area will require. If there is more than one living area, only one will be required to have a heater.

On the positive side, the NZPIF recommendation to set 18 degrees as the achievable temperature was taken up rather than 20 degrees. Additionally, the NZPIF recommendation that there shouldn't be any requirement for heating in bedrooms has been taken up.

The insulation standards are to be at the current building requirements, 120mm, even for rentals that already have insulation equivalent to 100mm. This means that many rental properties that are already insulated will have to be topped up.

The NZPIF does not view this as a significant benefit increase for tenants and not cost effective as most of the cost in topping up insulation is in the installation cost. There isn't any requirement to have the insulation top-up professionally installed, so there is still an opportunity to install the additional insulation yourselves and prevent higher rental price increases for your tenants.

The requirements for ventilation will see mechanical ventilation installed in both bathrooms and kitchens. The NZPIF advised that this can be difficult and sometimes impossible in kitchens. Officials have taken this on board and so kitchen vents do not need to be an over-oven extractor fan, meaning it can be a direct to the outside wall or window vent where ducting to over the stove is impractical or impossible.

If a rental property has an accessible and enclosed subfloor area, then a moisture barrier must be installed. Officials considered requiring owners to get a subfloor inspection certificate. However the advice was that the vast majority of properties would benefit from a moisture barrier and therefore this would just add additional costs.

Exactly what constitutes an enclosed area has not been explicitly defined yet. A pole house will be fine and completely exposed subfloor areas will also be fine, but partially covered subfloors have not been defined.

Likewise gaps causing draughts have not been fully devised yet. The NZPIF advised that in some properties, gaps can expand and contract with seasonal changes, meaning prescriptive gap widths could be unworkable. We advise checking properties for gaps or asking tenants if they have noticed any draughts during winter months and fixing these if they are discovered.

Open fires will not be a sufficient heating source under the new standards. This means that rental providers may need to install an additional heating source even when an open fireplace is provided.

However, the standards require that all unused fireplaces must be blocked to prevent draughts. The NZPIF has pointed out that a fireplace can be a real feature for some tenants but not by others, so whether it is unused or not will require special consideration. Officials are looking into the possibility of products that can temporarily prevent chimney draughts when not used by some tenants and then removed when new tenants would like to use a fireplace (provided local authorities allow it of course).

Rental providers will have to comply with the new standards 90 days after any new tenancy (or renewing tenancy) that begins after 1 July 2021 or by 1 July 2024 if there hasn't been a tenancy change by that date.

Rental property owners will be required to make a statement confirming they meet the new standards for all new tenancies started after 1 July 2021.

Penalties for making a false declaration are expected to be \$500. Penalties for not meeting the new standards when required to are up to \$4,000.

These penalties will be exemplary damages that are payable to tenants if they win their case in the Tenancy Tribunal. This provides a real incentive for tenants to take a case to the Tenancy Tribunal.

The NZPIF will be looking at how we can help members to comply with these new requirements through arrangements with product and service suppliers. We will keep you up-to-date with these arrangements as they occur.

Andrew King

Executive Officer of the NZPIF

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