

Information Sheet

Healthy Homes Guarantee Act (No. 2)

Version 2: June 2019

The Healthy Homes Guarantee Act (No 2) (HHGA) passed into law in December 2017 and amends the Residential Tenancies Act 1986 (RTA). The HHGA enables the Ministry of Housing and Urban Development (HUD) to set the Healthy Homes Standards which are the minimum requirements for heating, insulation, ventilation, moisture ingress and drainage and draught stopping.

Guidance documents detailing precisely how landlords need to comply with each new Standard will be published later this year on Tenancy Services' website.

General

1. When do landlords need to comply?

- Private landlord, residential tenancy: All private landlords must ensure rental properties comply with the standards within 90 days of any new tenancy, or renewed fixed term tenancy after 1 July 2021.
- Boarding house tenancy: All boarding houses will need to comply with the standards by 1 July 2021.
- Tenancies under Housing New Zealand or registered Community Housing Providers: Tenancies under these categories must comply with the standards by 1 July 2023.
- All rental homes must be compliant by 1 July 2024.

2. What happens if a landlord doesn't comply?

Landlords who do not comply with the standards by the above timeframes risk facing a financial penalty of up to \$7,200, which is usually awarded to the tenants.

3. How does a landlord prove that the rental property is compliant?

From 1 December 2020, landlords will need to include details in their new or renewed tenancy agreements on how their rental property meets the standards. This will enable tenants to be aware of the standards of the property they are renting prior to the first round of compliance being 1 July 2021. It will not apply to a fixed-term tenancy that will expire prior to the Healthy Homes start day as per the Explanatory Note under the Residential Tenancies (Healthy Homes Standards) Regulations 2019. If this requirement applies before a tenancy's Healthy Homes start day and the landlord does not yet comply with the standards (because it is before the landlord is required to do so), it may not be possible for the landlord to provide some of the required information. Clause 12 of Schedule 1 deals with this situation and modifies the requirement of information.

The landlord will also need to provide a separately signed statement of intent to comply with the standards in any new, varied or renewed fixed term agreement. REINZ understands that MBIE are working on templates to be included in the tenancy agreement templates and will make this available in time for the deadline.

4. Is there any financial assistance for landlords?

The Government has not indicated whether it will be providing financial assistance for landlords at this stage. REINZ is lobbying for financial assistance to be made available.

5. Do I need to use a professional installer?

A landlord may choose to use professional services for the installation of appliances and any building work required to meet the Standards. It should be noted that any work undertaken must be compliant with the relevant code for example, all building work must meet the standards of the Building Code.

Heating

What do landlords need to do to comply with the heating standards?

Landlords will need to ensure that there are fixed heating devices that can heat the main living area to 18 degrees Celsius. Some heating devices are inefficient, unhealthy or unaffordable and these will not meet the requirements.

An online heating tool will be developed by Tenancy Services and will be made available on 1 July 2019, to help landlords and tenants determine the required capacity of a heater for their rental property.

What will it cost a landlord to comply?

The costs to landlords will vary depending on the size, age, condition and the amount of work required to bring the property up to standard. The estimate for a heat pump is \$3,000–3,500.

Are there any ongoing costs?

Landlords will need to maintain the property, as per their usual obligations. Landlords will need to service heat pumps which may be an additional cost for landlords who don't currently provide heat pumps in their house.

Insulation

What do landlords need to do to comply with the insulation standards?

Landlords will need to ensure that ceiling and underfloor insulation either meet the 2008 Building Code insulation standards, or (for existing ceiling insulation) have a minimum thickness of 120mm.

It should be noted that ceiling and underfloor insulation will be compulsory in all rental homes from 1 July 2019 under the RTA. The minimum level for existing ceiling insulation will be increased after 1 July 2021.

What will it cost a landlord to comply?

Costs for installing or topping up insulation is estimated to be \$1,665 including GST.¹

¹ http://img.scoop.co.nz/media/pdfs/1809/Healthy_Homes_Standards_Summary_Document.pdf

Are there any ongoing costs?

As long as the insulation remains in reasonable condition, we do not anticipate that there will be further ongoing costs.

Ventilation**What do landlords need to do to comply with the ventilation standards?**

Ventilation must include windows that can be opened in the living room, dining room, bedrooms and kitchen. Extractor fan(s) must be placed in rooms with a bath or shower or indoor cooktop.²

What will it cost a landlord to comply?

An estimate of a fan and installation is \$211–301 including GST.³

Are there any ongoing costs?

As long as the extractor fans remain in reasonable condition, we do not anticipate that there will be further ongoing costs.

Moisture ingress and drainage**What do landlords need to do to comply with the moisture ingress and drainage standards?**

Landlords are to ensure there is adequate drainage and guttering, downpipes and drains to prevent water entering the rental property. A ground moisture barrier must be installed if a property has an enclosed subfloor (if possible).

What will it cost a landlord to comply?

An estimate for an installed ground moisture barrier is \$800 including GST, based on \$8 per metre.

Are there any ongoing costs?

As long as the ground moisture barrier remains in a reasonable condition, we do not anticipate that there will be further ongoing costs. It should be checked however, that none of the tape has let go and it is undamaged.

Draught Stopping**What do landlords need to do to comply with the draught stopping standards?**

Landlords must block any unnecessary gaps or holes in walls, ceilings, windows, floors, and doors that cause noticeable draughts. All unused chimneys and fireplaces must be blocked.

² <https://www.hud.govt.nz/residential-housing/healthy-rental-homes/healthy-homes-standards/>

³ http://img.scoop.co.nz/media/pdfs/1809/Healthy_Homes_Standards_Summary_Document.pdf