

## Property Management Focus.

Bringing you the latest news from the world of New Zealand property management.

# Healthy Homes Standards

## What you need to know



There is some trepidation amongst private sector landlords at the prospect of meeting the new healthy homes standards for rental homes that have been set by our Government. However, we must not lose sight of why these minimum standards have been created and what they will ultimately achieve.

Currently there are almost 600,000 households in rental accommodation in New Zealand and they tend to be older and of poorer quality than homes that are occupied by the owner.

Source: www.hud.govt.nz

These measures will improve the standard of housing in New Zealand and will improve the health and wellbeing of New Zealanders.

There are five healthy homes standards that all rental properties will need to comply with by 1st July 2024, and sooner if you have a change to a tenancy after 1st July 2021.

#### Let's look at each standard:

#### **Heating Standard**

A fixed heating device must be installed that can achieve a temperature of at least 18°C on the coldest of days. This temperature is a standard recommended by the World Health Organisaton for the minimum indoor temperature. It is important to note that this requirement is only for the living room of the property.

It is anticipated that in most cases the fixed heater will be a heat-pump or wood burner for the larger living rooms, however a fixed electric heater may be enough for smaller rooms.

If you have existing heating at your property, it may not meet the new standards if it's inefficient, unaffordable or unhealthy to run. Examples of these are un-flued gas heaters, open fires and electric heaters (excluding heat pumps) – depending upon home size and the number of heaters provided.

An online tool will be available later this year to assess the requirements for heating the living room at your property.

Your Harcourts property manager can perform this assessment on your behalf and advise you of a recommended course of action, if any.

Harcourts and Noel Leeming are working together to bring our clients a special deal\* with regards to purchasing heating devices.

#### **Insulation Standard**

Properties managed by Harcourts are set to meet the 2016 insulation requirements by the 1<sup>st</sup> July 2019 deadline. However, under the new insulation standard,

there is a new group of rental homes affected. The minimum level of ceiling and underfloor insulation must now either meet the 2008 Building Code, or for existing ceiling insulation, have a minimum thickness of 120mm. These affected rental homes will already have approximately 70-120mm of ceiling insulation, so the requirement is to increase this to a minimum of 120mm.

Adequate insulation provides health benefits through minimising heat loss and is key to maintaining a warm, dry and healthy home.

#### **Ventilation Standard**

Ventilation is an important factor in preventing mould which can result in respiratory illnesses and worsening asthma. If that isn't bad enough, mould can damage properties and belongings. Under the new standards, all kitchens and bathrooms must have mechanical extract ventilation. In addition, all living rooms, dining, kitchen and bedrooms must have windows that can be opened.

The Real Estate Institute of New Zealand (REINZ) is calling for the Government to make an exemption for shower-steam domes, arguing that these are cheaper and quicker to install than an extractor



fan and don't have an ongoing cost to run. Harcourts works closely with REINZ and will ensure that we are abreast of any changes to this standard.

Your Harcourts property manager is connected with a team of tradespeople including electricians and will be able to arrange the installation of any mechanical ventilation required. In addition, through our partnership with Noel Leeming, we will be able to provide discounts on kitchen rangehoods for our clients\*.

#### **Moisture Ingress and Drainage Standard**

Properties must have adequate drainage and guttering, downpipes and drains. If there is an enclosed subfloor, it must have a ground moisture barrier (if possible to install) that will protect the home from rising moisture.

#### **Draught Stopping Standard**

We can insulate and heat our houses; however, this is ineffective if we do nothing to prevent draughts. Guidelines will be made available as to how we can best prevent draughts, however the standard states that landlords must stop any unnecessary gaps or holes in the walls,

ceilings, windows, floors, and doors. If there is an unused chimney and/or fireplace, these will need to be blocked.

Your Harcourts property manager will be across these guidelines when they are released and can identify if there is any action to be taken at your property.

> Once we have further clarification on the new healthy homes standards, and when the online tool to assess heating requirements is available, your Harcourts property manager will perform an assessment of your property, with professional assistance if required.

We can then advise you what work if any, is required to meet these standards. As we typically inspect our rental properties every three months, we are taking note of what standards your property may or may not meet now, so we can get this information to you as soon as possible.

Your Harcourts property manager will then work with you to formulate a plan to action the required work to an agreed timeline. Be aware that the final date for complying with the new healthy homes standards is 1<sup>st</sup> July 2024, however if you have a new tenant or a varied tenancy after the 1st July 2021, you will only have 90 days to comply.

We anticipate that now the healthy homes standards have been set, savvy tenants will be asking to have these requirements met when looking for new rental accommodation. If the property they are renting does not comply on the 1st July 2021, you may find them looking for properties that are compliant with the new standards rather than remain in a damp cold home for another three years. If your tenants leave and new tenants move in, you will only have 90 days to complete any work.

Smart property investors will want their property to be attractive to prospective tenants and/or retain their existing tenants and will therefore be planning to meet these standards before July 2021.

Find out more: <a href="https://www.hud.govt">https://www.hud.govt</a>. nz/residential-housing/healthy-rentalhomes/healthy-homes-standards/



Harcourts have partnered with Noel Leeming to offer our landlords preferential pricing on rangehoods and heating.\*

To receive your preferential pricing voucher, contact your Harcourts Property Manager.

\*Terms and conditions apply.

### Insulation deadline reminder - 1st July 2019

The Ministry of Business, Innovation and Employment (MBIE) will be focusing on compliance and enforcement of insulation requirements. If a rental property does not meet the July 2016 insulation standards by the deadline of 1st July 2019, landlords face the prospect of being fined up to \$4000. This fine is paid to the tenant.

MBIE will be able to make applications to the tribunal on behalf of a tenant when a property doesn't meet the insulation standards and have advised that there will be no grace period after the July 2019 deadline. Property Managers will not be able to manage properties that do not comply with these new standards, as they could also face a financial penalty.

