

The ultimate guide to the Healthy Homes Standards



The next stage of the Healthy Homes Standards rollout is fast approaching. Now is the time for landlords across the country to check their calculations, confirm their current levels of compliance and get their plans into action.

It can be tempting to put a brake on making changes until properties are legally required to comply with the standards, but getting a plan together sooner rather than later can save you a lot of difficulty down the line. Understanding the scope of work required means you can budget better, spread the costs, and avoid the last-minute rush before owners start facing fines. To help you get started, we've put together a comprehensive guide to the Healthy Homes Standards.

Let's dive in!

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Impact of Covid-19

On 12 March 2020, the World Health Organisation (WHO) characterised the Covid-19 outbreak as a pandemic. The immediate impact of this has been felt across the globe. In New Zealand, we entered an Alert Level 4 lockdown on 25 March 2020 for a minimum of 4 weeks, a decision that has directly affected every industry in New Zealand, especially housing.

As a result, on 2 June 2020 the deadline for the healthy homes standards compliance statement was extended from 1 July 2020 to 1 December 2020. No other deadlines have been affected at present.

This guide was updated on 19 November 2020. To check for recent updates, please visit our online Knowledge Centre.

What are the Healthy Homes Standards?

The Healthy Homes Standards are a set of minimum requirements for the quality of rental properties in New Zealand. These became law on 1 July 2019, ensuring all tenants will have warm, dry homes to live in by 2024.

The legislation includes standards for:



Why were the standards introduced?

The Healthy Homes Standards were **not** introduced to question the intentions of property investment owners. In fact, many rental properties across the country already meet and exceed the standards. However, New Zealand based research has shown that rental properties are poorer in quality than owner-occupied homes, linking negative health outcomes to damp, cold and mouldy homes.

By creating minimum standards for rental properties in New Zealand, the Government aims to reduce medical costs, lower levels of hospitalisations and improve the health of tenants.

How do the standards benefit landlords?

The Healthy Homes Standards were created to benefit both tenants and rental property owners. The upfront costs can be a tough pill to swallow, but the new laws provide an opportunity for landlords to create more rewarding, long-lasting property investments.

For landlords, the legislation can help to:

- Prevent damage from mould and dampness
- Reduce property maintenance costs
- Provide a legal definition for healthy homes
- Attract long-term tenants
- Prove landlords are meeting obligations
- Reduce disputes with tenants
- Encourage tenants to care for the property as a home

The timeline

4 December 2017

The Healthy Homes Guarantee Act was passed and the Government started developing standards to improve the quality of New Zealand rental properties.

24 February 2019

After a year in development, the Healthy Home Standards and accompanying timeline were officially announced.

1 July 2019

Minimum insulation requirements for rental housing became law. These included compulsory ceiling and underfloor insulation where reasonably practicable to install.

Landlords must begin keeping records demonstrating compliance.

Statements covering details of insulation required as part of all tenancy agreements.

In any new, varied or renewed tenancy agreements, landlords need to provide statements of intent to comply with the Healthy Homes Standard.

1 December 2020

In any new, varied or renewed tenancy agreements, property owners must include a statement of their current level of compliance with all aspects of the Healthy Homes Standards.

1 July 2021

Properties belonging to private landlords must comply with all aspects of the Healthy Home Standards within 90 days of any new, varied or renewed tenancy agreements.

All boarding houses must also comply with the Healthy Homes Standards (except Kāinga Ora (formerly Housing New Zealand) and Community Housing Provider boarding house tenancies).

1 July 2023

All Kāinga Ora (formerly Housing New Zealand) and registered Community Housing Provider houses must comply with the Healthy Homes Standards.

1 July 2024

All rental homes must comply with the Healthy Homes Standards, regardless of the length or status of their current tenancy agreements.



What are the standards?

The Healthy Homes Standards focus on five key areas of rental properties; heating, insulation, ventilation, moisture ingress and drainage, and draught stopping. We share an overview for each of the standards, according to the latest information provided by the Ministry of Housing and Urban Development as of 1 April 2020.

Heating

What is the standard?

There must be fixed heating devices, capable of achieving a minimum temperature of at least 18°C in the living room only. Some heating devices are inefficient, unaffordable or unhealthy and will not meet the requirements under the heating standard.

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Defining the main 'living room'

The main living room is the largest room in the property that is used for general living. This may be a dining room, family room or a lounge. If your property has an open play layout, you must take the entire space into account. This can include stairwells, hallways and kitchen-living spaces.



HOT TIP

If you do have a large living room space, it might be more cost-effective to divide the space up and add a door. This could also make heating the space easier for tenants and keep their power bill low.

Measuring the living room

The Government has created an online Heating Assessment Tool for calculating the heating requirements for your rental property. It's important to measure the entire main living room area, including any spaces that are not separated with walls or a door. This tool will tell you what size heating device you need to properly heat the space. To get started, you'll need the full measurements for your living room – ceiling, windows, floor, walls and any other features.

Alternatively, you can ask a professional to inspect your property in accordance with the Healthy Homes Standards. In this case, it's best to use a licensed building practitioner. To find someone in your area, you can check this <u>public register</u> or contact your local Quinovic office for recommendations.



HOT TIP

Make sure to keep a record of any calculations! You may need these further down the track to prove that your heating device meets the Healthy Homes Standards. When you use the Heating Assessment Tool, you will be given the option to 'save' your results. Similarly, keep copies of any reports from relevant inspections.

You can find more information on the heating standard here.

Insulation

What is the standard?

Ceiling and underfloor insulation has been compulsory in all rental homes since 1 July 2019. The healthy homes insulation standard builds on the current insulation requirements. Under the healthy homes insulation standard, existing insulation may need to be topped up or replaced if it is not in a reasonable condition. In most situations, existing ceiling insulation needs to be at least 120mm thick. If ceiling insulation needs to be topped up, it needs to meet minimum R-values for ceiling insulation as set out in the 2008 Building Code. Underfloor insulation needs a minimum R-value of 1.3.

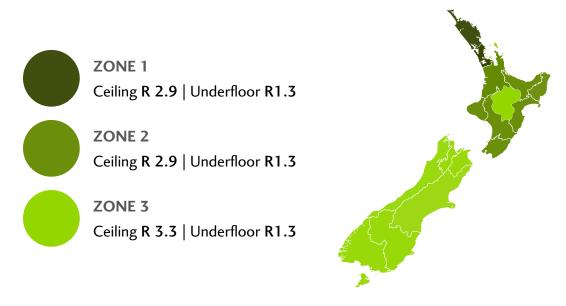
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What does 'R-Value' mean?

You may have noticed the Government referring to R-values when discussing insulation standards. But what does this mean? 'R' stands for resistance and R-value is a measure of resistance to heat flow. This means that the higher the R-value, the better the insulation. In New Zealand, we use R-values to define minimum insulation requirements.

What R-Value is required for my property?

Due to the different climates in New Zealand, the country has been split into three zones. The minimum R-values required in rental homes depend on which zone properties are located in.



How do I find out the R-Value of my insulation?

The product packaging for new insulation will have the R-value clearly displayed. If you're unsure about the R-value of existing insulation, it's worth checking the space. During installation, the R-value from the packaging is often stapled to a beam.

Alternatively, you can measure the thickness of the insulation yourself or speak to a professional.



REMEMBER

Insulation must be installed in accordance with New Zealand Standard 4246:2016.

You can find more information on the insulation standard here.

Ventilation

What is the standard?

All habitable rooms in a rental property must have at least one window, door or skylight which opens to the outside and can be fixed in the open position.

In each room, the size of the openable windows, doors and skylights together must be at least 5% of the floor area of that room.

All kitchens and bathrooms must have an extractor fan vented to the outside.

- Kitchens In any room with a cooktop, new fans or rangehoods installed after 1 July 2019 must have a minimum diameter (including ducting) of 150mm or an exhaust capacity of at least 50 litres per second.
- Bathrooms In any room with a shower or bath, new fans installed after 1 July 2019 must have a minimum diameter (including ducting) of 120mm or an exhaust capacity of at least 25 litres per second.

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Do I need to install new extractor fans?

This online <u>Ventilation Tool</u> will tell you if you need to install new fans in your kitchen or bathroom.



HOT TIP

When getting extractor fans installed, ask for the details of the fan diameters, ducting and flowrate in writing. It's also a good idea to make copies of these documents as you will need to provide tenants with instructions on how to use fans and heating solutions.

Moisture ingress and drainage

What is the standard?

Rental properties must have efficient drainage for the removal of storm water, surface water and ground water, including an appropriate outfall. The drainage system must include gutters, downpipes and drains for the removal of water from the roof.

If the rental property has an enclosed subfloor, a ground moisture barrier must be installed if it is reasonably practicable to do so.

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What is a ground moisture barrier?

Great question! Generally speaking, a ground moisture barrier is a polythene sheet. This can be purchased from most building retailers and can be installed by either a building professional or the homeowner in accordance with section 8 of New Zealand Standard NZS4246:2016. Alternatively, the ground moisture barrier must have a vapour flow resistance of at least 50MNs/g and be installed by a professional installer.

What if I can't install a ground moisture barrier?

If it is not reasonably practicable to install a ground moisture barrier and a **professional installer** is unable to access the area, this may be cause for an exemption to the moisture ingress and drainage standard.

You can find more information on the moisture and ingress drainage standard here.

Draught stopping

What is the standard?

Landlords must make sure the premises doesn't have unreasonable gaps or holes in walls, ceilings, windows, skylights, floors and doors which cause noticeable draughts. Landlords can't use the age and condition of the house as a reason not to stop gaps or holes.

If rental homes have an open fireplace, it must be closed off or the chimney blocked to prevent draughts in and out of the property through the fireplace.

Tenants can ask landlords in writing to make the fireplace available for use and the landlord can agree. If it is available for use, it must be in good working order and free of any gaps which could cause draughts that are not necessary for the safe and efficient operation of the open fireplace. It is best practice to record any agreement in writing, with both tenant and landlord keeping a copy.

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Defining an 'unreasonable gap'

Generally speaking, gaps with a width greater than 3mm that allow air into or out of the home are considered unreasonable. Other factors that need to be considered include:

- The location of the gap or hole
- The impact the draught has on heat loss from the property
- The size of the gap or hole
- The extent of the total draught occurring through gaps in the property

The following factors will **not** be considered:

- The age of the property
- The condition of the property



HOT TIP

To help you measure small gaps, you can use the edge of a coin to test the thickness of the gap or hole and then measure the coin.

You can find more information on the draught stopping standard here.

Are there any exemptions?

There are certain situations in which a home may be exempt from complying with all or part of the Healthy Homes Standards. These include the following three situations:

- If the landlord has plans to demolish or substantially rebuild the property and has already applied for relevant permits.
- If the current tenant previously owned the rental property and then immediately started their tenancy after selling to the new landlord. In this case, there would be a 12 month exemption from the start date of the tenancy agreement.
- If the landlord does not own the entire building that the rental property is part of.

 This will likely only affect some standards, if the landlord needs to install something into or access a part of the building that they are not the sole owner of.

To read more about conditions of these exemptions, and exemptions for particular standards, check the Tenancy Services website.

Adding statements to tenancy agreements

From 1 December 2020, property owners must include a statement of their current level of compliance with the Healthy Homes Standards in any new, varied or renewed tenancy agreements. This statement should be additional to <u>currently required statements</u> detailing insulation, insurance and the landlord's intent to comply with the Healthy Homes Standards. If landlords don't provide this statement, they could face a financial penalty of up to \$500.

What should the statement include?

The statement must cover the points below and needs to be signed by the landlord. It's important to note that 1 December 2020 is **not** the healthy homes compliance date. If the information required does not yet exist, or is not yet true, the landlord can simply confirm the status of the standards in writing, along with the remedies required before 1 July 2021 and state that compliance is not yet required.

Statement checklist

The statement should address the following points:

o	Heating
	Type of heating device installed in the main living room
	Capacity of heating device in the main living room
	The required heating capacity to reach a minimum of 18°C
	A description of the heating situation if using the 'top-up' allowance for existing heaters.



For each insulated ceiling space, and each insulated underfloor space:		
	The insulation's R-Value or thickness	
	The installation date of the insulation (if known)	
	The date insulation was last inspected	
	The condition of the insulation (ceiling insulation only)	
For each ceiling and suspended floor space that isn't insulated:		
	Reason why the space is not insulated	
4	Ventilation	
	Written confirmation that each habitable space in the property has one or more windows or doors that meet the ventilation requirements	
	The exhaust capacity or diameter of extractor fans in any kitchen or bathroom	
6	Moisture ingress and drainage	
	Written confirmation that the property has an efficient drainage system	
	Written confirmation that each enclosed subfloor space has a ground moisture barrier or does not have any enclosed subfloor spaces	
ಕ್ರ	Draught stopping	
	Written confirmation that any fireplace is closed off or the chimney is blocked, unless requested in writing by the tenant	
	Written confirmation that the property does not have any unreasonable	

Top tips for getting started

Get started early

It's never too early to start planning. During the lead up to the insulation deadline in 2019, landlords found themselves on the backfoot as areas of the country started to run out of insulation materials. Get in quick to avoid the last-minute rush!

Use a certified building inspector

Before you head down to the local store and buy a heat pump, ask a certified building practitioner to check your calculations. If you ended up being wrong, it could be an expensive mistake!

Check everything at once

If you're getting a professional to check one aspect of the Healthy Home Standards, you might as well ask them to inspect every other element while they're at it. This can save you extra visits and extra costs!

Consider all the options

There could be solutions which cut down upfront costs for you and help your tenants to save on bills and stay warm. Before you commit to a solution, consider whether splitting up a space or adding extra insulation could help.

Record everything

We truly mean everything! Code of compliance certificates, inspection reports, photographic evidence, results from online tools, receipts for building materials, invoices from tradespeople and any other documents that will reasonably show compliance. Storing these in a single, easily-accessible place can make your life a lot easier down the track!



HOT TIP

Wondering where to find building practitioners in your area? Check out the following public registers for <u>Licensed Building Practitioners</u>; <u>Plumbers</u>, Gasfitters and Drainlayers; Electrical Workers.

How can a property manager help?

Managing a property can be stressful at the best of times. When additional costs and evolving regulations are added to the mix, it can be tempting to question whether the investment is worth the hassle. If you find yourself overwhelmed, using a property manager is an easy way to cut the stress out of the equation.

Property managers are professionals that take on all aspects of the landlord's role. At Quinovic, we've been managing property investments throughout New Zealand for over 30 years. In this time, we've developed invaluable relationships with tradespeople across the country, gained extensive experience in the rental market, and earned an insight that can only be built over time. We're proud to call ourselves experts and provide our clients with professional advice, every step of the way.

If you've got questions about the Healthy Homes Standards or how we can help you manage your properties, get in touch. We'd love to hear from you!



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