

# Q&A: The Residential Tenancies Regulations

## Insulation requirements

### 1. Under the final Cabinet decisions, how will I know if I need to upgrade my insulation?

Rental properties that already have insulation installed must be upgraded if the ceiling and underfloor insulation does not meet the R-value levels set out in the table below at the time the insulation was installed. These R-values are shown in the table below.

Level of insulation below which rental properties must be upgraded (product R-values)			
Timber-framed minimum		Masonry minimum	
Ceiling	R 1.9	Ceiling	R 1.5
Underfloor	R 0.9	Underfloor	R 0.9

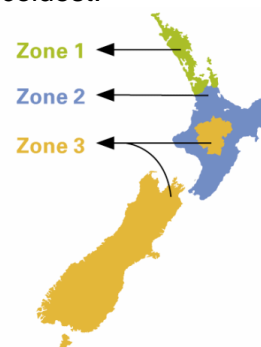
These levels approximate the requirements for new properties built between 1978 and 2001 (NZS4218P:1977).

If the insulation has become very compressed, is damp, damaged or is incomplete it must be upgraded to meet the requirements in the table above. For existing insulation, guidance from MBIE will set out a simple test for landlords and tenants, including the requirements that insulation should be dry and in reasonable condition with no gaps.

### 2. What level do I need to upgrade my property to?

All rental properties that currently have no insulation in ceilings and underfloor, must have new insulation installed to levels that have been set to approximate the current Building Code requirements for new homes. The map illustrates the Building Code climate zones that the table refers to, with Zone 1 being the warmest areas and Zone 3 the coldest.

Minimum new and topped up insulation requirements for rented homes (product R-values)			
Zone 1 and 2		Zone 3	
Ceiling	R 2.9	Ceiling	R 3.3
Underfloor	R 1.3	Underfloor	R 1.3



### 3. When will landlords be required to insulate rental properties?

There will be a two-stage approach for landlords to implement the insulation requirements:

- Social housing provides (housing where tenants pay an income-related rent for a Housing New Zealand (HNZC) or community housing provider homes) by 1 July 2016; and
- The remainder of the residential rental market (including boarding houses) by 1 July 2019.

Local authority housing and housing owned by Government other than HNZN (for example, properties owned by school Boards of Trustees), will be required to comply with insulation requirements by 1 July 2019.

For a new tenancy commencing after 1 July 2016 where a tenant pays an income related rent, a landlord would have 90 days from the commencement of the tenancy to retrofit insulation.

#### **4. How will the proposed regulations help to ensure that insulation is properly installed?**

The proposal is to require any new installations of insulation to comply with the existing voluntary insulation installation standard, NZS4246, to maintain the intended thermal performance of insulation products.

The advantages of adopting NZS4246 are that it:

- covers most housing designs and construction types as well as the most common insulation products;
- better defines good post-installation labelling practice to ensure that it is clear what levels of insulation have been installed;
- provides hazard management/risk identification processes for the people undertaking the work to follow; and,
- provides specific guidance on protecting the health and safety of the installer.

#### **5. Can landlords do top-ups of existing insulation to meet the requirements?**

The regulations will permit insulation top-ups over existing ceiling installations where the total R-value of the existing and new insulation combined would meet the new thermal performance requirements..

The proposed regulations will clarify that, in total, any top-up installation must meet the required R-values.

Decisions on when top-ups are appropriate may require professional judgement. Requiring insulation installation to meet NZS4246 will provide guidance on this for installers. You can find the requirements of insulation standard here: [NZS4246](#).

Do-it-yourself landlords who are unsure about how to meet the thermal requirements may wish to seek professional advice. This advice would include discussions of options such as top-ups of insulation.

#### **6. Can landlords install insulation themselves?**

Landlords are able to install their insulation themselves. However, if landlords install the insulation incorrectly they could face insurance and liability consequences for faulty or negligent installation. MBIE recommends that landlords refer to NZS4246 and/or consider hiring professional installers, as this is likely to reduce health, safety and quality assurance risks. Professional installers can often buy insulation in bulk and pass these savings onto clients, reducing costs for landlords.

## **7. How much will the insulation cost?**

For the purposes of assessing the potential costs and benefits of insulating rental properties we have used actual averages from EECA's Warm Up New Zealand scheme. EECA have insulated more than 290,000 properties through their scheme (including about 50,000 rental properties). The average cost of retrofitting both ceiling and floor insulation is approximately \$3,300 (excluding GST). It is worth noting, however, that those in the South Island and the Central Plateau in the North Island, the colder parts of New Zealand, are likely to have higher costs to purchase insulation products because of the higher level of ceiling insulation required.

Landlords are responsible for the costs of insulating their homes. If landlords increase rent they must comply with the Residential Tenancies Act, and give clear written notice 60 days before imposing rent increases.

## **8. Is the Government banning the use of aluminium foil to insulate properties?**

MBIE has heard concerns expressed about the life safety risks of retrofitting electrically conductive foil insulation under floors. To address this issue, MBIE's Chief Executive is considering using his powers, under section 26 of the Building Act 2004, to declare a ban on the installation of conductive insulation materials in residential properties.

The scope of this ban would be limited to "installing conductive insulation into a residential property with an existing electrical installation".

This would be the first use of this power under the Building Act and would require MBIE to undertake public consultation, as required by the Act.

In conjunction with a ban on the installation of conductive insulation into a residential property with an existing electrical installation, the Residential Tenancies Regulations will also require that conductive insulation not be used. Additionally, installing conductive foil insulation products in residential properties would not comply with the requirements of NZS4246 as they are out of scope of the standard.

## **9. Are any properties excluded from having to meet the new insulation requirements?**

The following three categories of residential rental properties are excluded from the insulation requirements in the regulations:

- where it is not practical to retrofit insulation because of the physical design or construction of the property, but only until such time as access to these spaces becomes possible;

Ceiling insulation will have to cover all applicable habitable spaces i.e. spaces used for daily activities. A suspended floor must have underfloor insulation in reasonable condition covering all applicable habitable spaces. However it may not always be practical to retrofit insulation in all habitable places. The *Energy Efficiency and Conservation Authority* provides guidance on what it considers to be 'practical'. It includes: minimum clearance space, size of the access hole, and type of roof.

- where, within 12 months of the commencement of a tenancy, the landlord intends to demolish or substantially rebuild all or part of the property, and can provide evidence of having applied for the necessary resource consent and/or building consent for the redevelopment or building work; and

- where a property is purchased and immediately rented back to the former owner-occupier - in which case a 12 month exemption will apply from the date of purchase.

## **Smoke alarms**

### **10. What are the proposed new smoke alarm requirements?**

The proposed new smoke alarm standards will require a minimum of one working smoke alarm within three metres of each bedroom door. In a self-contained sleep-out, caravan or similar, a minimum of one working smoke alarm will be required. In a multi-level unit, there must be a working smoke alarm on each level.

The landlord must ensure that the alarm is operational at the beginning of each new tenancy. The tenant will be responsible for changing batteries during their tenancy..

### **11. When do smoke alarms need to be installed?**

Smoke alarms must be installed in all residential rental properties by 1 July 2016.

### **12. What sort of smoke alarm should be installed?**

Where there are currently no smoke alarms, long-life photoelectric alarms will need to be installed. Long-life alarms cannot have their batteries easily removed, and are more cost-effective over time because batteries do not need to be replaced every six to 12 months.

If a property has existing smoke alarms that are not long-life photoelectric, landlords will not need to replace them immediately. But when they do need replacing they should be replaced with long-life photoelectric alarms.

This proposal would see older style, replaceable battery smoke alarms progressively replaced over time with new long life photoelectric alarms as they reach the end of their life.

### **13. Where in a rental property are smoke alarms required to be placed?**

Submitters to the proposals for regulations provided strong recommendation that the location and placement of smoke alarms was important and required clarification.

The proposal for regulations has been clarified to provide that, in addition to identifying the required locations for smoke alarms, that:

- all new and replacement smoke alarms in residential rental properties are installed in accordance with placement requirements identified in the manufacturer's instructions; and
- there must be, at a minimum, one working smoke alarm in the hall or similar, within three metres of each bedroom and, in a self-contained caravan, sleep out or similar and, in multi-storey units, there shall be at least one smoke alarm on each level within the household unit.

### **14. How much will smoke alarms cost?**

The alarms commonly used now take a 9 Volt battery and cost about \$12, with batteries needing replacement every six to 12 months.

Long-life photoelectric alarms cost approximately \$40 and last for up to 10 years before requiring replacement.

The number of smoke alarms needed (and the total cost) will depend on the size and layout of the property.

**15. Would the landlord or the tenant be responsible for replacing smoke alarm batteries?**

Submissions from landlords, property managers and tenant advocacy groups identified that some tenants remove the batteries, or tamper with alarms.

The proposal is that it will be the duty of tenants to replace smoke alarm batteries. While the responsibility for battery replacement in standard 9-volt battery alarms would remain with the tenant, the need to replace batteries would reduce over time as landlords replace existing alarm types with long life ones. This would help reduce the financial burden on the tenant of replacing batteries.

**16. How will the Government ensure that landlords, tenants and the public are aware of the new regulations?**

MBIE will support the legislative amendments through a public education and information campaign, and issue guidelines that will communicate the changes to landlords and tenants to inform them of their new obligations.

This campaign will inform tenants of their rights so that they can check tenancy agreements, prior to committing to a tenancy, and can seek further assurance from landlords that rental properties meet the smoke alarm and insulation quality and installation standards. Information will also be provided to tenants informing them of their options should a property not meet the standards prescribed in the regulations.