



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HIKINA WHAKATUTUKI

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# Creating Healthy Rental Homes

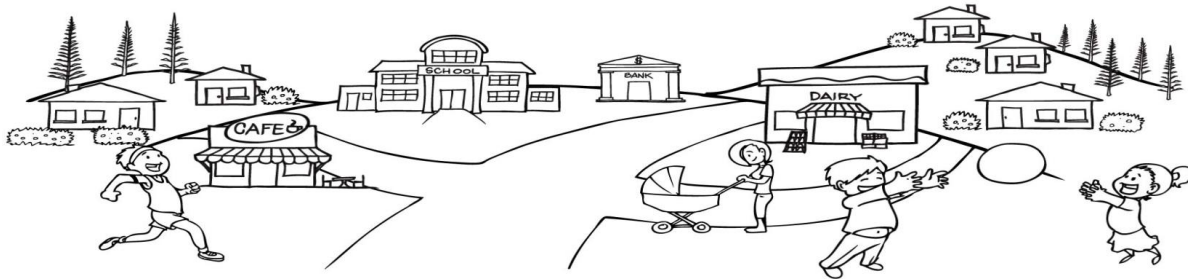
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Housing and Urban Branch  
March 2018



# What I'll cover today

- Challenges in the rental sector
- Government initiatives to support better outcomes for renters:
  - Proposed standards under the Healthy Homes Guarantee Act
  - A targeted review of the Residential Tenancies Act
- How you can have your say!



# Renting in New Zealand

**581,000**  
private rental  
houses

**66,000**  
public houses

**47%**

of adults rented in 2013

**70%**

of Māori adults rent

**80%**

of adult pacific people rent



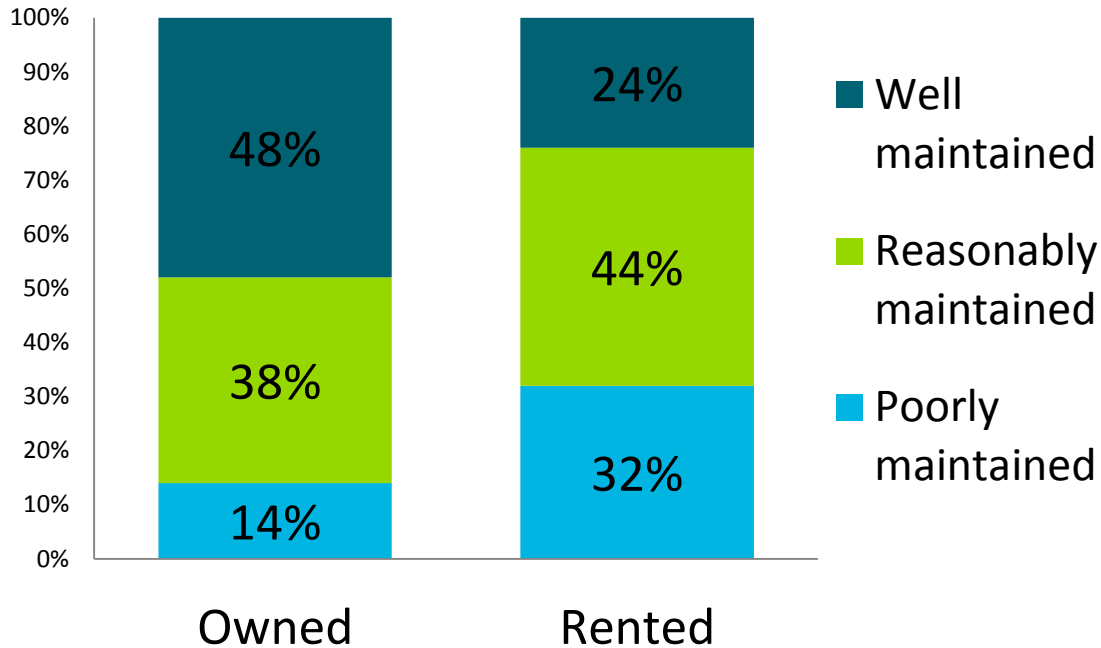
# State of our homes

- ½ of homes have suboptimal ceiling and/or underfloor insulation
- ½ of homes have no wall insulation
- >80% of homes single-glazed
- ½ of households don't heat their bedrooms
- 15% of households use unflued gas heaters
- 20% of rentals have no fixed heating
- ½ of bathrooms and kitchens have no mechanical extract ventilation to outside
- ½ of homes have visible mould



# State of our homes

## Overall level of maintenance and repair



# Benefits from improving housing quality

Final Report October 2011  
Revised June 2012

## Cost Benefit Analysis of the Warm Up New Zealand: Heat Smart Programme

Arthur Grimes<sup>(1)</sup>, Tim Denne<sup>(2)</sup>, Philippa Howden-Chapman<sup>(3)</sup>,  
Richard Arnold<sup>(4)</sup>, Lucy Telfar-Barnard<sup>(3)</sup>, Nicholas Preval<sup>(3)</sup> and  
Chris Young<sup>(1)</sup>

<sup>(1)</sup> Mohu, Wellington; <sup>(2)</sup> Covec; <sup>(3)</sup> He Kaitiaki Oranga/Housing and Health Research  
Programme, University of Otago, Wellington; <sup>(4)</sup> Department of Mathematics, Victoria  
University of Wellington

Prepared for

Ministry of Economic Development

- Benefit-cost ratio 3.9 to 1 for insulation
- 99% of benefits health related





## Healthy Homes Guarantee Act 2017

Public Act    2017 No 46  
Date of assent    4 December 2017  
Commencement    see section 2

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# The Healthy Homes Guarantee Act 2017

- Power to set minimum standards for insulation, heating, ventilation, drainage, moisture, and draught stopping for rental homes
- Power for MBIE to prepare and implement proactive programmes of property inspections to support compliance with the standards



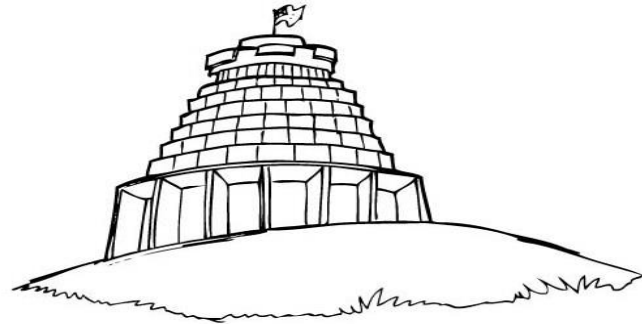
# Objective

- Improve the quality of rental homes in New Zealand to allow tenants to live in warmer and drier homes



# Regulations under the Healthy Homes Guarantees Act

- Regulations will, for instance, mandate landlords to install, fix or provide equipment to achieve the standards
- Regulations will provide compliance dates to complete activities
- We're also looking to build on MBIE's compliance capacity
- We'll develop a monitoring and evaluation plan that will cover what should be measured and when this should occur.



# Regulations under the Healthy Homes Guarantees Act

- *Insulation*
- *Heating*
- *Ventilation*
- *Draught stopping*
- *Drainage and moisture ingress*



# Regulations under the Healthy Homes Guarantees Act

- Existing requirements for insulation and smoke alarms in rental properties are still in place. The proposed new regulations *are in addition to these requirements and do not change the 1 July 2019 deadline for them*



# Timing

Date	Step
Towards April /May 2018	Public consultation on standards
July / August	Cabinet decisions on healthy home standards
1 July 2019	Healthy Homes Guarantee Act comes into force.
TBC	Compliance dates for healthy home standards will be confirmed following consultation
1 July 2024	Final compliance date for healthy home standards

# Next steps

- Consultation documents on the healthy home standards will be released towards April/May 2018
- To be notified on the release of the documents email through your details to

[healthyhomes@mbie.govt.nz](mailto:healthyhomes@mbie.govt.nz)

# ***MBIEs Tenancy Compliance & Investigations Team***

- to foster and ensure a well functioning market
- by engaging in a proactive audit programme targeting the Property Management Sector.
- by requiring landlords to provide tenancy documentation that illustrates compliance with smoke alarms, maintenance and other requirements.
- by lodging applications to the Tenancy Tribunal where systematic non-compliance that damages the reputation of the market are identified.



# **MBIE Residential Tenancies Act Enforcement Powers**

## ***Allowing Regulation of the market***

- Taking Tribunal proceedings without needing the consent of the tenant.
- Requesting copies of current or previous tenancy agreements and increasing the penalty for not providing them.
- Defining the documents to be kept by a landlord and tenant
- Applying for the right to enter premises for inspection and/or testing.
- Publishing comments about current or former landlord. This may include landlord details and non-compliant practices.





# Targeted review of the Residential Tenancies Act

**Builds on the Governments policy to *'Make life better for renters'***

Aims to introduce changes to:

- improve security of tenure
- improve relationships between tenant and landlord
- modernise the Act so it's responsive to trends and changing composition of the housing market.



# Residential Tenancies Act Review will consider

- When tenancies may be terminated , including notice periods, eg, it is proposed that ‘no cause’ tenancy terminations be remove
- Frequency of rent increases and information a landlord must provide about this
- Providing greater clarity around tenants making minor alterations such as putting up pictures
- Additional controls to address problems that can arise with boarding houses



# Timing

Date	Step
Towards May/June 2018	Two month consultation period
Second half of 2018	Government will make decisions and start drafting legislation to amend the Act
Early 2019	Introduce Bill to Parliament
From late 2019	Implementation of changes begins

# Next steps

- Consultation documents on the RTA review will be released toward May/June
- To be notified on the release of the documents email through your details to

RTAreview@mbie.govt.nz

# *Thank you*

