



Cabinet Social Wellbeing Committee

Minute of Decision

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Preferred Options for the Healthy Homes Standards

Portfolio **Housing and Urban Development**

On 12 December 2018, the Cabinet Social Wellbeing Committee:

- 1 **noted** that regulatory changes are required to support the Healthy Homes Guarantee Act 2017;
- 2 **noted** that the Healthy Homes Guarantee Act was passed in 2017 and that regulations (made under section 138B of the Residential Tenancies Act 1986) to establish new standards will be required to be implemented between 1 July 2019 and 30 June 2024;

Proposed healthy homes standards

- 3 **agreed** to the proposed standards for the healthy homes regulations as outlined in paragraphs 4-14 below;

Heating standard

- 4 **agreed** that landlords are required to provide fixed heating devices:
 - 4.1 in the living room only (including open plan areas);
 - 4.2 that are capable of achieving an indoor temperature of 18°C;
 - 4.3 in accordance with the heating tool (which takes into account factors such as room size, climate zone, external wall and window areas and insulation levels) with a minimum capacity of no less than 1.5 kilowatts with thermostat for electric heaters;
- 5 **agreed** the following should not meet the requirements regarding heating devices, and set standards to reflect this: inefficient, unaffordable or unhealthy heating devices (for example unflued gas heaters, open fires, electric heaters (except heat pumps) with a heating capacity of greater than 2.4 kilowatts, or using multiple portable electric heaters in one room);
- 6 **agreed** that exceptions be included in the heating standard for:
 - 6.1 certified passive houses, which are usually designed to maintain an indoor temperature of 20°C, and that so a fixed heating device is not required to maintain a comfortable indoor temperature throughout the year;

- 6.2 rental properties that are part of a Body Corporate under the Unit Titles Act 2010, where the body corporate rules do not allow a heating device above 2.4 kilowatt to be installed;
- 6.3 [REDACTED] s 9(2)(f)(iv)
- 6.4 when the landlord intends to demolish or substantially rebuild the home within 12 months, and applied for any necessary resource consent or building consent [REDACTED] s 9(2)(f)(iv) noting that this exception applies for the relevant 12-month period or until any necessary resource consent or building consent lapses or is otherwise terminated;
- 6.5 12 months from the date the tenancy commences if the tenant is the former owner of the home, e.g. compulsorily acquired properties by the New Zealand Transport Agency in areas designated for roading projects;

Insulation standard

- 7 **agreed** the minimum level of ceiling and underfloor insulation for both existing and new insulation provided by landlords is based on the 2008 Building Code or a minimum thickness for existing ceiling insulation of 120mm;
- 8 **agreed** to amend or replace the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 to ensure:
- 8.1 the requirements in relation to smoke alarms will continue to apply beyond 1 July 2019;
- 8.2 the requirements in relation to insulation will continue to apply beyond 1 July 2019 until they are replaced by insulation standards under the Healthy Homes Guarantee Act 2017;
- 9 **agreed** to the following exceptions in the insulation standard (consistent with exemptions from the 2016 regulations), if;
- 9.1 it is not reasonably practicable to install insulation, e.g. inaccessible roof or underfloor cavity space;
- 9.2 the landlord intends to demolish or substantially rebuild the home within 12 months and applied for any necessary resource consent or building consent [REDACTED] s 9(2)(f)(iv) noting that this exception applies for the relevant 12-month period or until any necessary resource consent or building consent lapses or is otherwise terminated;
- 9.3 for 12 months from the date the tenancy commences if the tenant is the former owner of the home, e.g. compulsorily acquired properties by the New Zealand Transport Agency in areas designated for roading projects;

Ventilation standard

- 10 **agreed** that the method of ventilation provided by landlords must be openable windows in the living room, dining room, kitchen, and bedrooms, unless an exception applies as per paragraph 11 below, and appropriately sized extractor fans in rooms with bath or shower, or indoor cooktop;

- 11 **agreed** that the following exceptions to the ventilation standard should be included in the regulations;
- 11.1 if, at the time the home was built, it received building consent even though it did not have an openable window(s) in the relevant location;
- 11.2 [REDACTED] s 9(2)(f)(iv)
- 11.3 it is not reasonably practicable to install extractor fan(s);
- 11.4 where the landlord intends to demolish or substantially rebuild the home within 12 months and applied for any necessary resource consent or building consent [REDACTED] s 9(2)(f)(iv) noting that this exception applies for the relevant 12-month period or until any necessary resource consent or building consent lapses or is otherwise terminated;
- 11.5 for 12 months from the date the tenancy commences, if the tenant is the former owner of the home, e.g. compulsorily acquired properties by the New Zealand Transport Agency in areas designated for roading projects;

Moisture ingress and drainage standard

- 12 **agreed** that landlords must ensure efficient drainage and guttering, downpipes and drains at their rental home, and wherever practicable ensure the subfloor, if enclosed, has a ground moisture barrier;
- 13 **agreed** that the following exceptions to the moisture ingress and drainage standard should be included in the regulations;
- 13.1 where it is not reasonably practicable to install a ground moisture barrier, e.g. inaccessible subfloor cavity space;
- 13.2 where the landlord intends to demolish or substantially rebuild the home within 12 months and applied for any necessary resource consent or building consent [REDACTED] s 9(2)(f)(iv) noting that this exception applies for the relevant 12-month period or until any necessary resource consent or building consent lapses or is otherwise terminated;
- 13.3 for 12 months from the date the tenancy commences, if the tenant is the former owner of the home, e.g. compulsorily acquired properties by the New Zealand Transport Agency in areas designated for roading projects;

Draught stopping standard

- 14 **agreed** that landlords must stop any unreasonable gaps or holes in walls, ceilings, windows, floors, and doors that cause noticeable draughts, and block unused fireplaces and chimneys except where;
- 14.1 the landlord intends to demolish or substantially rebuild the home within 12 months and applied for any necessary resource consent or building consent [REDACTED] s 9(2)(f)(iv)
- 14.2 for 12 months from the date the tenancy commences, if the tenant is the former owner of the home, e.g. compulsorily acquired properties by the New Zealand Transport Agency in areas designated for roading projects;

Date to comply with the standards

- 15 **agreed** that landlords must comply with the standards within 90 days of a new or renewed tenancy, starting after 1 July 2021, with all homes compliant by 30 June 2024;
- 16 **agreed** to a single compliance date that aligns with the start date decided in paragraph 15 (i.e. 1 July 2022 for option 1A or 1 July 2021 for option 1B) for all boarding houses;
- 17 **agreed** to a single compliance date of 1 July 2023 for all Housing New Zealand Corporation rental homes and Community Housing Providers;
- 18 **noted** that the condition of any devices and appliances and products used must be safe and well maintained, and consistent with other expectations in the Residential Tenancies Act 1986;

Implementation

- 19 **noted** that it is expected that the regulations will be submitted to the Cabinet Legislation Committee for approval by 31 March 2019;
- 20 **invited** the Minister of Housing and Urban Development to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions in the paper under SWC-18-SUB-0196;
- 21 **authorised** the Minister of Housing and Urban Development to make any further minor policy, transitional and technical decisions (including records required for compliance) necessary to bring regulations into effect by 1 July 2019;
- 22 **noted** that, subject to Cabinet's decisions, the Minister for Housing and Urban Development intends to publicly announce the healthy homes regulations in February 2019 and then Gazette the regulations in April 2019, to provide sufficient time for the Ministry of Business, Innovation and Employment to support the proposed Healthy Homes Standards through a public education and information campaign that will communicate the changes to landlords, tenants and building industry professionals to inform them of their new obligations, as well as issuing industry guidelines that will advise them of compliance and installation requirements, prior to the standards coming into effect on 1 July 2019;
- 23 **noted** that the healthy homes standards are likely to have financial implications for Housing New Zealand Corporation, the Ministry of Social Development, the Ministry of Education, Land Information New Zealand, the Department of Corrections, and the New Zealand Defence Force;
- 24 **directed** the Ministry of Housing and Urban Development, in consultation with impacted agencies as required, to report back to the Minister of Finance and the Minister of Housing and Urban Development on the fiscal implications to the Crown of the Healthy Homes Standards, and how they will be managed, ahead of announcing the standards.

Jenny Vickers
Committee Secretary

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Present:

Hon Kelvin Davis
Hon Grant Robertson
Hon Phil Twyford
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Jenny Salesa
Hon Tracey Martin
Hon Peeni Henare
Hon Julie Anne Genter
Michael Wood, MP
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Office of the Chair of SWC
Officials Committee for SWC

Hard-copy distribution:

Minister of Housing and Urban Development