



Cabinet

Minute of Decision

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Residential Tenancies (Healthy Homes Standards) Regulations: Amendments To The Heating Standard And Other Minor Changes

Portfolio **Housing**

On 15 November 2021, following reference from the Cabinet Social Wellbeing Committee (SWC), Cabinet:

- 1 **noted** that the Ministry of Housing and Urban Development (HUD) has received a significant amount of feedback from stakeholders, including Kāinga Ora, heating professionals and engineers, that the healthy homes standards required heating capacity heating formula (heating formula) uses conservative assumptions that lead to overstating the required heating capacity for homes built since 2008 and apartments;
- 2 **noted** that experts have identified three assumptions used in the heating formula that are not appropriate for homes built since 2008 and apartments, and that are significant contributors to the oversizing issue,
- 3 **agreed** that changes be made to the assumptions used in the heating formula for the following types of building (but remain unchanged for other types of building):
 - 3.1 ‘Dwellings built to the current building code requirements for insulation and glazing’ defined as:
 - 3.1.1 dwellings that have first received building consent on or after the following dates, according to their Zone, as set out in Annex B of NZS 4218:2009:
 - 3.1.1.1 for Zone 1, 30 September 2008;
 - 3.1.1.2 for Zone 2, 30 June 2008;
 - 3.1.1.3 for Zone 3, 31 October 2007;
 - 3.1.2 dwellings which first received building consent prior to the relevant date above, but which have been renovated throughout to the building code requirements for insulation and glazing which applied from the dates above;
 - 3.2 ‘Apartments’, defined as residential buildings that consist of three storeys or more, and contain six or more dwellings or individual units within the building;

- 4 **agreed** to revise the assumptions in the heating formula to better reflect the building characteristics of dwellings built to the current building code requirements for insulation and glazing and apartments, as follows:
- 4.1 the ventilation rate to be changed to 1.0 to 0.5 air changes per hour;
 - 4.2 the pick-up load to be changed from 40W/m² to 20 percent of the base heat requirement;
 - 4.3 the heat loss to adjacent rooms to be changed from 50 percent to 25 percent;
- 5 **noted** that modelling has been conducted on HUD's behalf by the Building Research Association of New Zealand (BRANZ) which generally indicates that the new assumptions in paragraph 4 above will significantly reduce the required heating capacity for dwellings subject to the new assumptions whilst ensuring that the living rooms of these rental homes may be heated to, and maintained at 18 °C on the coldest day of the year, in accordance with the policy intention of the heating standard;
- 6 **agreed** that the healthy homes standards compliance statement which accompanies new and renewed tenancy agreements be revised to require landlords to indicate whether the rental home uses the revised heating formula and, if so, the basis for this, or whether the alternative route to compliance detailed below has been used;
- 7 **agreed** that the landlord would be required to retain the supporting evidence for their compliance statement, with the tenant given a right to request that evidence from the landlord;
- 8 **agreed** to provide an alternative pathway for all rental properties to comply with the healthy homes heating standard, which allows suitably qualified specialists to certify that heating solutions meet the policy intention of the heating standard – to heat to, and maintain the living room of a rental home at, 18 °C on the coldest day of the year – without relying on the heating formula;
- 9 **agreed** that a suitably qualified specialist can supply documentation to demonstrate how the heater or heating system complies with the following criteria:
- 9.1 the heating device or system is able to heat the living room of the dwelling to 18°C on the coldest day of the year;
 - 9.2 the heating device or system must be a 'qualifying heater' under the healthy homes standards, and the electric heater 'top up' allowance or the large heater tolerance may be used if any existing qualifying heaters or qualifying large heaters were installed before 1 July 2019;
 - 9.3 the heating device or system has a sufficient pick-up load to be able heat the living room to reach 18°C within 2 hours after 8 hours disuse;
 - 9.4 the heating device or system is sufficiently sized for the expected transmission, infiltration and ventilation heat losses of the living room during very cold and windy external conditions, as appropriate for the location of the dwelling;
- 10 **agreed** that a suitably qualified specialist to conduct the alternative route to compliance assessment be defined as:
- 10.1 a registered chartered engineer under the Chartered Professional Engineers of New Zealand Act 2002;

- 10.2 an International Professional Engineer (IntPE); or
- 10.3 a person that has completed a tertiary engineering, physics or building science qualification (at New Zealand Qualification Framework Level 7 or above), with an additional 5 years of experience in heating system design whether commercially or otherwise;
- 11 **agreed** to introduce a grace period of up to 9 months for dwellings built to the current building code and apartments to comply with the revised heating standard;
- 12 **agreed** to reduce the transitional ‘top up’ threshold so that a rental home with a required heating capacity of more than 2.4kW but with undersized qualifying heaters installed before 1 July 2019 be allowed to use electric heaters to ‘top up’ to the required heating capacity where the qualifying heaters are short of the required heating capacity by 2.4kW or less (currently 1.5kW or less);
- 13 **agreed** to relax the transitional tolerance threshold for existing insufficient large living room heaters (qualifying heaters of 2.4kW or higher) so that, until they need to be replaced, they are deemed to meet the required heating capacity where they were installed prior to 1 July 2019 and are within 80 percent of the required heating capacity (currently 90 percent);
- 14 **agreed** to allow, under the healthy homes ventilation standard, mechanical ventilation systems that continuously extract from kitchens and bathrooms at lower flow rates than permitted in the healthy homes standards, where they are installed in dwellings that have first received building consent on or after 1 November 2019, provided the mechanical ventilation system was part of the original building consent and continues to meet the requirements of that building consent;
- 15 **agreed** that geothermal heating systems, which directly provide heat to the living room and do not have a stated heating capacity, be deemed to satisfy the healthy homes heating standard;
- 16 **noted** that it is expected that the regulations will be submitted to the Cabinet Legislation Committee for approval in February 2022 and will commence in March 2022, or February 2022 if earlier approval can be obtained;
- 17 **invited** the Associate Minister of Housing (Public Housing) to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions;
- 18 **authorised** the Associate Minister of Housing (Public Housing) to make any minor decisions (including records required for compliance) necessary to bring regulations into effect by early 2022.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces SWC-21-MIN-0174. Cabinet agreed to reinstate paragraphs 4.1 and 14 from the original submission at SWC.