



**MINISTRY OF HOUSING  
AND URBAN DEVELOPMENT**

# Consultation Summary - Healthy Homes Standards

Summarised analysis of submissions made on the proposed standards during the consultation process

February 2019

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## Overview of Consultation Process

- 1 The Ministry of Housing and Urban Development (the Ministry) recently consulted on the proposed healthy homes standards, as detailed in the discussion document released on 4 September [CAB-MIN-0401.01 refers].
- 2 Submitters were asked to select their preferred options for each of the five standards set out in the Healthy Homes Guarantee Act 2017: heating, insulation, ventilation, moisture ingress and drainage, and draught stopping. Submissions also addressed compliance and implementation of the standards.
- 3 The Ministry received submissions from tenants, landlords/property managers, respective advocacy groups, industry providers and the health sector. This document consolidates the general views of each submitter type and summarises submitters' overall preferred option for each standard.

### Information on Submitters

- 4 The consultation process took place from 4 September to 22 October 2018. 1,777 submissions were received over the consultation period. Of these, 861 were written or form submissions, and 915 were received through an online survey. One submission was recorded over telephone due to the personal circumstances of the submitter.
- 5 The table below sets out the types of submitter. The highest number of submitters were tenants (44%) followed by landlords (38%). Those in the 'other' category included a broad range of submitters, such as social housing providers, public health experts, equipment suppliers and installers, researchers, engineers, building inspectors, and home performance advisors.

Submitter type	Written submission	Online survey	Total	Percentage of all submitters
Tenant	500	265	776	44%
Landlord	101	583	684	38%
Property Manager	7	114	121	7%
Other	254	130	384	22%
Total	862	915*	1777	111% <sup>1</sup>

- 6 During the consultation period, officials also conducted workshops with key stakeholders in Auckland, Wellington, Christchurch and Whangārei. The feedback from these workshops was consistent with points raised in submissions, and has been incorporated in the analysis on each option.

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<sup>1</sup> Note that the sum of submitter types can equal more than the total because in the online survey many submitters identified themselves in multiple categories (i.e. tenant, landlord and property manager)

- 7 Some submitters, particularly through the written submissions and pro forma submissions, provided more general comments rather than answering specific questions. Where it was clear that there was a strong preference, their response was attributed to that specific option. Many submitters also chose to answer select questions, instead of providing a response to all questions in the discussion document.

## General Submission Themes

- 8 Broadly, tenants thought that adequate housing should be a fundamental right for New Zealanders, and did not believe current statutory and regulatory measures sufficiently protected this right. Tenants were the submitter group most likely to support the proposed standards, especially the standards reflecting the largest departure from the status quo. Most tenants thought it was appropriate to impose additional obligations on landlords, provided doing so would improve tenant health and wellbeing.
- 9 Many landlords were concerned the proposed standards could create higher standards for rental properties than owner-occupied properties, and sought the least amount of change from the status quo for all provided options.
- 10 Landlords tended to believe there would be benefit in improving tenant education on maintaining a rental property to a good quality. Many submitted that the proposed standards could result in rent increases if costs on landlords increased substantially, which could push tenants out of the rental market. Alternatively, many landlords noted they may consider selling their rental properties if they were unable to cover compliance costs.
- 11 A number of other themes were highlighted by the submission process. These included:
- the cost of electricity and tenants' ability to afford to heat their homes
  - the pressures of increased demand on industry capacity
  - the potential for compliance costs to exceed those projected in the Cost Benefit Analysis (appended to the discussion document)
  - the need for compliance with the standards to be more enforceable than existing housing regulations
  - the importance of tenants being able to raise issues with landlords without fear of losing their rental home
  - whether the objectives of the healthy homes standards could be achieved by better enforcement of existing laws and regulations

## Heating Standard - summary of responses

### ***Location: where in the living room should landlords be required to provide heating?***

- ***Option One: in the living room only***
- ***Option Two: in the living room and bedrooms***

- 12 The majority of submitters (56%) favoured Option Two, with tenants most likely to support this option. Option Two supporters also preferred extending the heating standard to the majority of the house to reduce dampness and mould and improve health outcomes. Many submissions from the health sector highlighted that confining the heating standard to the living room only could increase the risk of overcrowding and flow on effects including the spread of infectious diseases.
- 13 A large number of submissions raised the issue of heating affordability. A number of submissions from groups advocating for tenants' rights held that neither option would be sufficient given some tenants' inability to afford to heat their homes. Some submitters accepted Option Two would be sufficient if pursued alongside expanding the scope of the healthy homes standards to target the high cost of electricity.
- 14 Submissions from landlords and property managers were mostly supportive of Option One for affordability (their own and the tenants') reasons. Many landlords thought that extending the heating standard to cover bedrooms would fail to achieve the goal of ensuring every family has a warm, dry and secure home, as any increased costs would ultimately be recovered through higher rents, which could drive tenants out of the housing market. Many landlords also expressed concerns that high compliance costs could lead landlords to sell their rental properties.
- 15 Both landlords and tenants in support of Option One spoke of tenants being able to choose the type of heating device they would prefer in a bedroom.

### ***Indoor temperature: what achievable indoor temperature should heating devices be sized for?***

- ***Option One: heaters that landlords provide must be capable of achieving an indoor temperature of at least 18°C in rooms applicable to the heating standard***
  - ***Option Two: heaters that landlords provide must be capable of achieving an indoor temperature of at least 20°C in rooms applicable to the heating standard***
- 16 Almost two thirds of submitters favoured Option Two; tenants made up 62% of submitters in favour of this option, followed by the health sector. Over three quarters of landlords submitted that 18°C temperature was sufficient.
- 17 The higher temperature was supported for its ability to promote better health outcomes, such as lower rates of respiratory illness. Numerous submissions, particularly from the health sector, local government and religious organisations, also noted it was especially

important for the regulations to have the capacity to cater to the needs of the entire population (including more vulnerable individuals).

- 18 The majority of submitters who supported Option Two expressed that, at minimum, a temperature requirement would only be effective if implemented alongside other standards to improve a property's thermal envelope, for example insulation and draught stopping standards.
- 19 Landlords and tenants in favour of Option One viewed this option as less expensive, more achievable, more beneficial (according to the discussion document's attached cost benefit analysis) and adequate according to guidance from the World Health Organization. Landlords and property managers emphasized that Option One would not preclude rental homes from being heated to a warmer temperature; rather it means the responsibility to do so would be vested with tenants.
- 20 Some submitters in support of Option One also submitted that the distinction between 18°C and 20°C was arbitrary, due to many heating devices being capable of reaching both temperatures. This would mean tenants could benefit from a higher temperature even if the landlord-provided device was sized for 18°C.

***Heating devices: should landlords only be required to provide heating devices where portable electric heaters are not capable of achieving the required indoor temperature?***

- ***Option One: landlords provide fixed heating devices only***
  - ***Option two: landlords provide fixed and portable heating devices***
- 21 The majority (82%) of submitters supported Option One, with both landlords and tenants agreeing that the onus should not fall on landlords to provide portable heating devices. Reasons for this view included the inefficiency of obligating landlords to provide devices that tenants may not use or may take with them after a tenancy ends, and the fact that portable heating devices are usually inexpensive for tenants to purchase, and may be sufficient to heat a room, especially if complemented by other standards.
  - 22 Concerns were also raised from both landlords and tenants that Option Two would remove tenants' ability to choose heating devices that suit their lifestyle and preferences.
  - 23 Submitters in favour of Option Two often commented that poor quality homes can require multiple portable heaters, which can be cost prohibitive for tenants to purchase and operate. Many also noted the use of multiple heaters on a single electrical circuit can create a fire hazard. Public health organizations also raised concerns that tenants would continue to suffer preventable adverse health outcomes under Option One, arguing that rental homes would not meet the Government's objective of being warm and dry.

***Acceptable devices: should we accept particular heating devices where we know they are efficient, affordable, and healthy, and create a standard that does not accept those devices which are not?***

- 24 Most submitters agreed that a standard that did not accept certain heating devices would be helpful to guide landlords and tenants to achieve warm and dry rental premises. Common objections against creating such a class included concerns that overly prescriptive regulations would reduce tenants' and landlords' autonomy to choose suitable heating.
- 25 Most submitters agreed that using devices such as unflued heaters (including unflued gas and kerosene heaters) or multiple heaters to heat a single room should be considered 'unacceptable' for the purpose of meeting the heating standard. Submitters did not agree on whether open fires or high capacity electric heaters (with capacity greater than 2.4 kilowatts) should be acceptable.

## **Insulation Standard - summary of responses**

***Minimum level installed: what should be the minimum level of ceiling and underfloor insulation installed in rental homes?***

- ***Option One: minimum level for existing insulation akin to the 1978 insulation standard/new insulation being installed to the 2008 Building Code (the status quo)***
  - ***Option Two: a higher minimum level of ceiling and underfloor insulation than the status quo, where the minimum level for existing insulation is akin to the 2001 Building Code/new insulation is akin to the 2008 Building Code***
  - ***Option Three: an even higher minimum level of ceiling and underfloor insulation, where the minimum level for both existing and new insulation is akin to the 2008 Building Code***
- 26 The majority of submitters (60%) preferred to adopt the most updated insulation standard (Option Three). Approximately one third of supporters favoured retaining Option One (the status quo). Submitters were least in favour of adopting Option Two (the 2001 standard).
- 27 Tenants who submitted were largely supportive of Option Three (the 2008 standard). Many believed the move would improve health outcomes, add only marginal costs to the current requirement to upgrade rental properties to 2016 regulations by July 2019, and overall simply made sense to be consistent with modern building code standards.
- 28 Option Three was also supported by over half of 'other' types of submitters, including tenant advocacy groups, public health organisations, and industry providers. One leading insulation provider noted Option Three "*would offset the lack of wall insulation, double glazing and thermal curtains in most rental properties.*"

- 29 Two thirds of landlords and property managers supported Option One, noting a number of rental properties have not yet complied with the current regulations and the high cost of compliance when the cost benefit analysis showed few benefits.
- 30 The majority of submitters wanted to continue the exceptions set out in the 2016 insulation regulations in the new insulation standard, such as when installing insulation is not reasonably practicable or the tenant is the former owner of the home. Many landlords expressed concern that applying the insulation standard too broadly could place unreasonable financial burdens on landlords who for different reasons may find it difficult to comply. Landlords contended such financial burdens could force the sale of rental properties, reducing supply and likely increasing prices in the rental market.
- 31 Many tenants expressed concern exceptions could undermine the objective to create minimum quality standards for all rental homes, if applied too loosely. Some submitters also thought that a consistent approach would make it easier to enforce compliance.

***Degradation levels: what should be the appropriate level that insulation can degrade over time before it needs to be replaced?***

- ***Option One: insulation can settle or degrade by about 30% before it is in an unreasonable condition (status quo)***
  - ***Option Two: insulation can settle or degrade by up to and around 10% before it is in an unreasonable condition***
- 32 Over two thirds of submissions supported Option Two, with many noting a lower allowance would improve overall insulation quality, improving health and lowering heating costs for tenants. It would also better accommodate the natural degradation of insulation over time.
- 33 Tenants that submitted were three times more likely than landlords to support Option Two. Landlord submitters commented on the potentially excessive compliance costs that may be passed on to tenants, and suggested it could be difficult to monitor a new allowance standard of 10%.
- 34 A number of submissions proposed using measures other than degradation level to assess the 'reasonable condition' of insulation, for example by manufacturers' specifications or a visual assessment, such as a minimum measurement, of whether insulation has moved as a result of activities such as installing recessed lights.

***Compliance Records: should landlords be obliged to show compliance with the insulation standard by retaining particular records?***

- 35 The majority of submitters agreed that landlords should be required to retain records to show compliance with the insulation standard. Most submitters also agreed with the discussion document's three methods proposed to show compliance: *insulation R-value, record of Building Code compliance and the level of insulation, and certification by a suitably qualified and experienced assessor.*

- 36 Landlords and property managers generally noted the proposed compliance requirements would lead to unnecessary administration and excessive costs for landlords. Some landlords thought they were capable of assessing insulation themselves, for example by visual assessment.
- 37 A number of submitters suggested local councils could be given the responsibility to retain records of insulation compliance.

## Ventilation Standard - summary of responses

### *What is the appropriate method of ventilation in rental homes?*

- ***Option One: the status quo***
    - ***every bathroom must have at least one window that opens to the outside air unless other adequate means of ventilation area are provided to the satisfaction of the local authority***
    - ***each habitable room must be constructed with windows and an area amounting to not less than one twentieth part of the area of the floor, which can be opened for the admission of air***
    - ***every room which is not habitable must be provided with a window or windows that the local authority considers necessary for adequate ventilation***
  - ***Option Two: openable windows in the living room, dining room, kitchen, and bedrooms, unless an exception applies, and appropriately sized extractor fan(s) in rooms with a shower or bath***
  - ***Option Three: openable windows in the living room, dining room, kitchen and bedrooms, unless an exception applies, and appropriately sized extractor fan(s) in rooms with a shower, bath or indoor cooktop***
- 38 Two thirds of submissions preferred Option Three, with most support coming from tenants, industry groups and health organisations. Many submitters highlighted the effectiveness of extractor fans to combat condensation associated with high moisture events like showering and cooking, which can lead to dampness and mould growth if poorly ventilated. Many submitters noted that reducing these impacts would benefit tenants' health, as well as broadly serve landlords' interests by keeping properties in a better condition.
- 39 Landlords and property managers represented almost 90% of submitters who opted to maintain the status quo under Option One. These submitters tended to view the cost of additional ventilation as wasteful, as tenants would be under no obligation to use it. Additionally, submitters who wanted to maintain the status quo were often also opposed to the broader concept of applying higher standards to rental properties than owner-occupied properties.

- 40 Submissions against changing the current standard also disputed the efficacy of fans to solve ventilation issues. Most submissions in favour of Option One saw poor ventilation as a product of tenant behaviour, rather than inadequate regulations. These submissions stressed the onus of ventilation should not be placed on landlords, based on the premise that moisture issues can usually be solved if tenants take responsibility to open windows, use heating, and refrain from drying clothes inside.
- 41 Tenants' submissions generally asserted that tenants should not have to bear the full responsibility to ventilate their homes due to heating being cost prohibitive for many, as well as needing to keep windows locked for safety.
- 42 Some submissions suggested other forms of ventilation that could satisfy the ventilation standard, either in lieu of or in addition to extractor fans. These included: *shower domes, HRV/DVS systems, opening skylights, heat lamps, built-in wall vents, externally ducted dryers, underfloor ventilation, dehumidifiers, security stays, passive solar heating.*
- 43 Submitters were split on whether some rental homes should be exempt from the requirement to have openable windows, present in all options for the ventilation standard, including the status quo (Option One). Those supportive of exemptions thought rental homes should be exempt if installing compliant ventilation would be impractical, cost prohibitive, or otherwise unnecessary given existing sufficient ventilation. Other submitters were cautious of exceptions; highlighting lack of ventilation reduces natural air flow, which is critical to the health of people and buildings.

## Moisture Ingress and Drainage Standard - summary of responses

### ***How should landlords protect rental homes against moisture entering the home and inadequate drainage?***

- ***Option One: status quo***
    - ***every house must, to the extent the local authority deems necessary, be provided with efficient drainage for the removal of storm water, surface water and ground water***
    - ***every house must be provided with gutters, downpipes and drains for the removal of roof water to the satisfaction of the local authority***
    - ***timber floors must have adequate space and vents to ensure proper ventilation to protect the floor from damp and decay***
  - ***Option Two: landlords must ensure there are efficient drainage and guttering, downpipes and drains at their rental home, and ensure the subfloor has a ground moisture barrier, unless there is already adequate subfloor ventilation***
- 44 Option Two was supported by 70% of all submissions. Most support came from tenants, public health and industry organisations. Inversely, 85% of submissions from landlords held that existing regulations should suffice.

- 45 The majority of submitters opted for Option 2 for a range of reasons. One common justification was that ground moisture barriers would effectively prevent subfloor rotting and mould, reinforcing the broad regulatory objective to achieve warm and dry rental homes. Many submitters also reasoned that it would be reasonable for the government to mandate ground moisture barriers, given that many homes already have them and would therefore not require a significant amount of upgrading to comply with the new standard.
- 46 Objections to Option Two were consistent with objections made to other standards in the discussion document, raised by property managers, landlords, and their respective advocacy groups. Rationale for objections included that current legislation was sufficient, any potential insufficiency should be remedied by greater enforcement of existing regulations as opposed to creating new standards, and that it would create more stringent requirements for rental properties than owner occupied properties. Objectors also reiterated that landlords would respond to increased obligations by shifting the financial burden of compliance to tenants, through higher rents.
- 47 One property organisation was agreeable to Option Two provided the standards imposed additional requirements to better educate tenants about the behaviours necessary to maintain a healthy home. This organisation submitted that tenant education should be at least as important as mandating a higher standard of rental infrastructure, and claimed tenant negligence can cause even adequate drainage and vent systems to underperform if, for example, leaves are not cleared from gutters.
- 48 A number of submissions raised concerns about the safety of installing subfloor ventilation. Under Option Two, a rental home would be exempt from installing ground moisture barriers if it had adequate subfloor ventilation, but some submitters commented on the risk of subfloor vents weakening the structural integrity of certain building materials.
- 49 Additionally, a number of submitters supported a modified version of Option Two. These submitters agreed with mandating higher efficiency gutters, downpipes and drains, but did not believe ground moisture barriers should be necessary.
- 50 The majority of submitters supported exempting three types of properties from installing a ground moisture barrier under Option Two: pole houses, properties that have obtained certification of compliance with the standard from a qualified building surveyor, and properties that already have adequate subfloor ventilation compliant with the relevant New Zealand building standard.

## Draught Stopping Standard - summary of responses

### *What is the appropriate level of draught stopping to create warm and dry homes?*

- ***Option One: the status quo***
  - ***the walls and ceiling of every habitable room, bathroom, kitchen, kitchenette, hall and stairway must be sheathed, plastered, rendered or otherwise treated and must be maintained to the satisfaction of the local authority***
  - ***every floor must be kept in a good state or repair, free from crevices, holes and depressions***
- ***Option Two: landlords to block any unused fireplaces and chimneys, and stop any unnecessary gaps and holes that cause noticeable draughts and a colder home, and are 3 millimetres or greater in and around windows and doors, walls, ceilings, floors, and access hatches***

51 Option Two was the clear preferred option, supported by three quarters of submitters. Many submitters felt that the status quo, which relies on local authorities to monitor compliance with existing regulations, was insufficient and lacked enforcement. Submissions by tenants were strongly in favour of a higher draught stopping standard, with 93% support for Option Two, as well as 86% support from 'other' submitter groups.

52 Many submissions in favour of Option Two contained the common theme that the objectives of the various other healthy homes standards could not be met if rental homes were not weathertight to begin with. Several prominent health sector organisations noted draughts lead to heat loss which reduces indoor temperatures and adds to the cost of heating, contributing to fuel poverty experienced by tenants. Tenant advocacy organisations echoed this message, and highlighted that draught stopping efforts required by landlords in order to make their homes compliant with the proposed Option Two standard would generally be cost effective minor alterations.

53 Landlords and property managers had less determinative preferences for the draught stopping standard, with around 60% of both groups of submitters seeking continuation of current regulations. Numerous submissions warned that pursuing a higher standard of draught stopping could significantly reduce airflow and impede ventilation efforts. Other submissions objected to the fact that the draught stopping standard under Option Two would exceed the current Building Code standard. Some submissions also claimed the 3 millimetre gap allowance given under Option Two would be inapplicable to wooden framed houses that typically require more space in order to breathe.

54 Landlords were the group of submitters most likely to support allowing exceptions to the draught stopping standard, for example where it may be cost prohibitive or inefficient to upgrade old timber houses.

# Compliance Time Frame - summary of responses

## *Which compliance date(s) should the standards require?*

- ***Option One: landlords must comply with the standards within 90 days of a new or renewed tenancy starting after a single compliance date, with all homes compliant by 30 June 2024***
- ***Option Two: a single compliance date***
- ***Option Three: stagger compliance dates between 1 July 2019 and 30 June 2024, either by the standard or the location of the rental home***

## **Staggered Compliance (Option Three)**

- 55 The majority of submitters (44%) favoured Option Three, opting to stagger compliance over a five year period. Approximately one third of submissions supported a single compliance date (Option Two). Option One was the least preferred choice, with support from under one quarter of submitters.
- 56 Option Three was supported by various submitter groups. Submitters favoured the fact that staggering could help industry providers better manage the increased demand for labour and supplies, resulting from the need to upgrade many thousands of rental properties to become compliant with the proposed standards, as outlined in the discussion document. Most landlords and property managers were not wholly supportive of staggering, though most did acknowledge it would allow landlords to plan accordingly and upgrade their properties in a more cost effective and practical way than a single compliance date would allow for.
- 57 Seventy seven percent of submissions in favour of Option Three also showed a clear preference to stagger compliance dates by standard. Submitters generally saw this as the most practical staggering method because it would take into account the varying levels of time and cost of interventions required to upgrade homes to each standard. Most submitters noted staggering on the alternative proposed location basis would prove too difficult and could also lead to industry shortages, especially in rural areas with small labour forces and limited access to materials.
- 58 A number of submissions suggested staggering could be done via other bases not considered in the discussion document. One health organisation advocated staggering via a needs-based approach, using a 'deprivation index' to prioritise regions with the most urgent needs for improvement in rental housing quality.
- 59 Tenants were least likely to support a staggered compliance date. Many submitters thought it would be unfair to expect tenants to experience frequent work on their rental home throughout the course of their tenancy, which could potentially be disruptive or noisy. Some tenants also noted that staggered compliance would be counterintuitive to the standards' objective of creating a warm and dry rental home, as it would be harder to achieve a positive whole-of-house cumulative effect if the standards were not implemented in conjunction with each other. A number of submitters thought staggering

would also mean some tenants would have to wait an unreasonable period of time to benefit from better quality rental housing.

- 60 A key theme across submissions opposed to staggering was also potential confusion for tenants and landlords to understand their rights and obligations, if different timeframes applied to different standards or across different areas.
- 61 Most industry providers supported staggering compliance dates. However, a few submitters were concerned that staggering could lead to fluctuations in industry demand that could be difficult for providers to plan for.

### **Single Compliance Date (Option Two)**

- 62 Tenants and tenant advocacy groups were most represented in the 32% of submitters in favour of Option Two. These submitters typically noted that a single date would improve tenants' certainty about their rights, while concurrently promoting compliance by enabling the government to run a clear information campaign to make landlords aware of their obligations. One tenant advocacy group sought to learn from tenant confusion caused by the staggered rollout of the Residential Tenancies (Smoke Alarm and Insulation) Regulations, noting in their submission that tenants were often aware of the new regulations but were unclear when they would come into effect.
- 63 A number of submissions also suggested a single compliance date should be effective from 2019, stating the healthy homes standards were already well overdue and highly necessary to protect vulnerable tenants. Submitters also contended an earlier date would satisfy one of the key Government objectives laid out in the discussion document, to make New Zealand rental homes warmer and drier '*as soon as possible*'.
- 64 Landlords and their representative organisations were broadly most opposed to a single compliance date. This group of submitters emphasised a single compliance date would impose unrealistic expectations and unreasonable financial burdens on landlords, as well as unmanageable workloads on industry providers. One property investment organisation commented:
- “A single compliance date of 1 July 2022 is too restrictive and doesn't allow for a smooth introduction of the standards. It may be that supply and service industries required to implement the standards may not have the capacity to do so by [a single date], meaning that some rental providers will be in breach of the regulations through no fault of their own.”*
- 65 Submissions from industry providers suggested that a single compliance date could cause demand on goods and services that would exceed supply. According to one insulation provider, this is because many landlords would likely "*delay most activity until just prior to the compliance date.*"

## **Compliance at the start of a new/renewed tenancy (Option One)**

- 66 Option One was the least preferred compliance option overall, gaining support from less than a quarter of submitters. Many submitted this time frame could disadvantage long term tenants, whose rentals may not be subject to the standards until 1 July 2024. Numerous health sector organisations submitted Option One would consequently restrict the healthy homes standards to benefit an insufficient portion of the population in the short term, potentially excluding vulnerable groups.
- 67 However, a number of tenants and tenant advocacy groups supported Option One as a realistic compromise. These submitters concluded Option One provided the best approach to balance the rights of tenants and landlords. Ninety days after a new lease begins was seen as a reasonable time frame to allow landlords to upgrade their properties, without jeopardising the majority of tenants' rights to a warm and dry home.
- 68 Option One was also supported by landlords and industry providers as being the most practical and cost effective option to implement. Numerous submitters highlighted that complying at the start of a new or renewed tenancy was in effect an improved version of Option Three, providing more flexibility for landlords to transition to the new standards at a convenient time and limiting demand/supply pressures on industry by staggering.
- 69 One landlord advocacy organisation advised that Option One satisfied two critical conditions; firstly, the availability of contractors to install heating, insulation and other work required under the standards, and secondly, the ability of landlords to fund the compliance requirements. Another group representing property managers submitted that phasing the standards over time would avoid "*regulatory shock*," which could otherwise deter private investment in rental housing stock and drive owners to sell their properties.
- 70 Industry providers felt Option One would leave less possibility of unintended consequences. The majority of industry submitters believed that staggering would encourage landlords to act quickly rather than leave compliance until the last possible date. One industry representative group contended that landlords' slow adoption of insulation requirements under the 2016 regulations highlighted the need for a phased approach.

## **Implementation – summary of responses**

### ***What records should a landlord retain to show compliance with the standards?***

- 71 Submissions suggested multiple types of records that landlords could be compelled to retain to prove their property's compliance with the healthy homes standards. Tenants, industry groups and health organisations contributed the majority of suggestions. Frequently suggested records included:

- Certificate of compliance by trained independent assessor, either for each individual standard or for a rental home generally
- Maintenance receipt or invoice
- R-value and date of insulation installation
- Rental Warrant of Fitness
- Certificate of inspection

72 Submitters advocating for tenants' rights underlined the need for a more reliable system to enforce housing standards, noting the traditional self-regulatory regime has led to poor quality housing stock. One health sector association advocated for a stricter regulatory model with powers to enforce non-compliance, given "*strong disincentives*" often discourage tenants from reporting problems with their rental housing.

73 Landlords, property managers and other groups representing their collective interests were typically less willing to impose additional administrative obligations on landlords. Many landlords stated they would be capable of checking their properties' compliance with the standards themselves, removing the need for certification from an independent assessor. Other landlords submitted that tenants should be responsible to check a property's compliance with the standards through a visual inspection, prior to entering into a tenancy agreement.

***What could be included on tenancy agreements to show the landlord has complied with the standards?***

74 The majority of submitters supported updating tenancy agreements to reflect compliance with the healthy homes standards. Submitters who were supportive of compelling landlords to retain records also tended to support this additional proposal. Tenants and associated groups were overall more likely to support this step than landlords.

75 The possible records which submitters suggested could be attached to tenancy agreements were typically the same type of records suggested as records landlords could retain to show compliance. Some submissions additionally suggested attaching records of Building Code compliance or simple checklists to tenancy agreements.

76 Some submitters opted to expand the scope of landlord obligations even further. Numerous submissions proposed to mandate all landlords register tenancy agreements alongside bonds in the Tenancy Tribunal. Other submitters opted to compel landlords to provide records to be stored on file by local councils. A prominent tenant advocacy group, submitting on behalf of hundreds of tenants, sought the creation of an entirely separate public register to show records of compliance, non-compliance, and ongoing maintenance and inspection information.

***What are the most important considerations when developing the online tool?***

77 The discussion document proposed creating an online tool to help landlords and tenants understand the minimum capacity of a heating device required to achieve the appropriate indoor temperature according to the heating standard.

- 78 Submitters broadly recommended three considerations be taken into account when developing the tool:
- The tool should be user-friendly and widely accessible. For instance, it should use plain language, offer different translations, and be accessible to people with disabilities.
  - The tool should be free and publicly available.
  - The tool should offer practical advice about steps tenants can take to improve the quality of their rental home, such as mitigating moisture and improving ventilation.

## **Enforcement - summary of responses**

- 79 A large number of submissions discussed enforcement of the standards. Many submitters expressed the desire for the healthy homes standards to be more strongly enforced than previous housing regulations. This was mainly because, as one submitter commented, *“The Housing Improvement Regulations of 1947 show that regulations are largely meaningless if people are not aware of them, or if they are not enforced.”*
- 80 Some submitters sought to include enforcement provisions in the healthy homes standards, enabling measures such as fines and exemplary damages if rental premises fail to comply with the standards within the designated compliance timeframe.
- 81 Government is currently reviewing enforcement provisions as part of the Residential Tenancies Act review. The scope of this review will include the type of enforcement action and the size of penalties available in the healthy homes standards regime.