

Mandatory insulation of rental properties

1 July 2019 deadline

On 7 June 2016, the Government passed the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016 ("Regulations"). Compliance with key provisions relating to insulation becomes mandatory on 1 July 2019.

What do the Regulations require?

In relation to insulation, the Regulations require:

- (a) the ceilings of all habitable spaces in a rental property to be fully covered by "qualifying" ceiling insulation; and
- (b) the floors of all habitable spaces in a rental property to be fully lined by "qualifying" underfloor insulation.

Ceiling insulation is not required where:

- (a) another habitable space (whether part of the same property or not) is immediately above the ceiling (for example, in a two storey building); or
- (b) clearances are reasonably required around other items installed in the ceiling.

Underfloor insulation is not required where:

- (a) the floor is not a suspended floor (for example, it would not be required where there is a concrete pad);
- (b) another habitable space (whether part of the same property or not) is immediately below the floor; or

- (c) clearances are reasonably required around other underfloor items.

What is "qualifying" insulation?

Generally, all insulation works must comply with [NZS 4246:2016 standard](#).

Regulation 12 sets out the general required thermal standards for ceiling insulation. Regulation 13 provides special (lower) standards in certain circumstances for ceiling insulation installed before 1 July 2016.

Regulation 15 sets out the general required thermal standards for underfloor insulation. Regulation 16 provides special (lower) standards in certain circumstances for underfloor insulation installed before 1 July 2016.

These standards relate to the "R-value" (thermal insulation value) of the insulation, which can be provided by the manufacturer.

A landlord is not required to comply with these standards where they can prove they complied with applicable laws or rules relating to thermal insulation at the time existing insulation was originally installed.

Exceptions

Notwithstanding the above, insulation does not have to be installed where:

- (a) an experienced professional insulation installer cannot access the relevant area without carrying out substantial building work or causing substantial damage to the property;
- (b) an experienced professional insulation installer cannot install the insulation without creating an unacceptable risk to health and safety;

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- (c) it is otherwise not reasonably practicable for an experienced professional insulation installer to install the insulation;
- (d) the commencement date of the tenancy is prior to 1 July 2019 and the landlord intends to demolish or rebuild the premises before 1 July 2020 (and has applied for any necessary resource consents before commencement of the tenancy);
- (e) the commencement date of the tenancy is after 1 July 2019 and the landlord intends to demolish or rebuild the premises within 12 months of the commencement date of the tenancy (and has applied for any necessary resource consents before commencement of the tenancy); or
- (f) the tenant is a former owner of the property and became the tenant immediately upon the sale of the property to the current owner. In this case, the exception expires 12 months after the commencement date of the tenancy.

However, the obligation to install insulation is ongoing, so if the circumstances preventing installation of insulation cease (for example, if relevant substantial building work is being carried out for another reason), then insulation must be installed as soon as reasonably practicable.

Note that this article refers only to normal, "private" residential tenancies, not an "income related tenancy" with Housing New Zealand.

When do I need to comply with the Regulations?

Landlords must comply with the Regulations before 1 July 2019.

What if I don't comply with the Regulations?

Landlords who do not comply on 1 July 2019 can be fined up to \$4,000 per non-complying property.

More regulations to come

In addition to the Regulations, the Healthy Homes Guarantee Act 2017 allows the Government to set enforceable standards for a broad range of variables in rental properties, such as humidity, insulation levels, ventilation, heating, achievable indoor temperatures and more. These standards are expected to be set before 1 July 2019, and all tenancies are expected to have to comply with them before 1 July 2024, and some may be required to comply with them earlier, even on 1 July 2019. We will review these standards when they are set.

Do you want to know more?

If you have any questions about the Regulations, please contact our specialist [property team](#).

A copy of the Regulations can be found [here](#).