



Landlords Guide to the Residential Tenancies Act



Parliament recently amended the Residential Tenancies Act, bringing in new requirements for landlords. These changes increase the requirements on landlords to ensure rental properties provide minimum levels of safety and comfort.

If you are a landlord with tenanted properties, or are considering renting out a property, there are a number of things you now need to be aware of.

The first of these changes, detailed below, came into effect on 1st July 2016. Others need to be acted on before 1st July 2019. The good news is, there are subsidies and other financial assistance available to help with the cost of implementing these upgrades.

This document spells out what you need to know and highlights what you can do to check if you qualify for a subsidy or financial assistance.

Important changes effective from 1st July 2016.

Smoke alarms are mandatory for all residential properties.

- A working smoke alarm must be within 3 metres of each bedroom door.
- Landlords are responsible for ensuring the smoke alarm is operational at the beginning of each tenancy. Tenants are subsequently responsible for checking batteries.
- All new and replacement smoke alarms installed must be 10 year long-life photoelectric alarms so that the battery cannot be removed.

Insulation levels must be detailed in Tenancy Agreements.

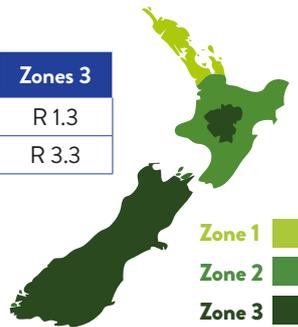
- Tenancy Agreements must detail existing insulation levels in the property, and we can provide you with a Statement of Insulation to include with your Agreement.
- **Existing Insulation** in rental properties should be dry, have no gaps and not be compressed. It should meet the following R-Value ratings at the time it was installed. As a rule of thumb, if the insulation is less than 100mm high it may need a top-up.
 - Timber-framed properties – Ceiling R 1.9 / Underfloor R 0.9
 - Masonry properties – Ceiling R1.5 / Underfloor R 0.9
- New or top-up insulation in rental properties must meet minimum requirements before 1st July 2019. Minimum requirements for new and top-up insulation differs depending on the region the property is in. If you are not sure about standard of your current insulation, contact us and we can help you find out.

Social Housing Providers are required to meet the new minimum insulation standards.

- Housing where tenants pay an income-related rent must meet the new requirements now.
- Landlords will have 90 days after the commencement of a new tenancy to retrofit insulation to the required minimum standards.

Minimum requirements for new or upgraded insulation.

	Zones 1 & 2	Zones 3
Underfloor	R 1.3	R 1.3
Ceiling	R 2.9	R 3.3



Use of aluminium foil insulation banned.

Foil underfloor insulation is NOT to be used to upgrade rental properties both because it does not comply with requirements of NZS4246 and because it poses a risk of electrocution.

What is an R-Value and how is it measured?

An R-Value is a unit of thermal resistance used in building and construction to measure resistance to heat flow.

In simple terms, the higher the R-Value, the better its insulation properties. The R-Value properties do diminish with time, so it is important to keep insulation levels topped up to maintain performance.

RTA Exemptions.

1. It is impractical to retrofit insulation due to the home's physical design.
2. Purchased properties that are immediately rented back to the former owner for up to 12 months.
3. Properties intended to be demolished within 12 months of the tenancy (evidence required).

Installing or upgrading insulation.

So long as top-up insulation meets the R-Value requirements specified, regulations do permit top-up insulation over existing ceiling installations.

Landlords are able to install their insulation themselves however there are insurance and liability risks if the insulation is faulty or installed incorrectly. The MBIE* recommends that landlords refer to the New Zealand Standard for Installing Insulation (NZS 4246) or contact a professional installer such as us, Smart Energy Solutions to ensure health, safety and quality assurance risks are minimised.

We want it to be easy so we can help you with the supply and/or installation of both polyester or glasswool insulation products and ensure that they are up to MBIE's standard so you can meet the RTA requirements.



Financial support for landlords.

Up to 50% insulation funding is available for eligible rental properties under the EECA Warm Up New Zealand: Healthy Homes programme for a limited time.

If your tenants aren't eligible for EECA funding there are often discounts and other payment options available such as putting insulation and clean heating costs on your rates, mortgage top-ups and interest-free finance. ^

It may also be possible to offset some of the costs of insulation against tax. It is recommended that you speak to a qualified accountant for advice about how to do this.

Contact us today and we'll help get you started.



Need Help? Book **FREE** assessments for your rentals today!

If you are unsure about the current level of insulation or whether your property complies, Smart Energy Solutions provides a free no-obligation assessment for landlords.

Visit smartenergysolutions.co.nz or call **0800 888 766** for more details.