LANDLORDS GUIDE TO THE **RESIDENTIAL TENANCIES ACT**

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

The Government and Tenancy Services require that all rentals be insulated before July 2019. This change adds to existing new requirements regarding smoke alarms and Insulation Statements.

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

Important requirements that are effective NOW

#1 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.

#2 An Insulation Statement must be included in Tenancy Agreements

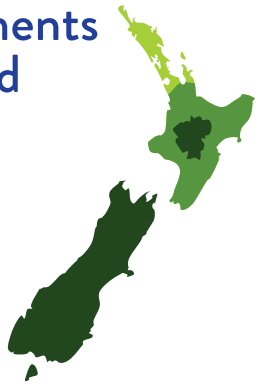
- Tenancy Agreements must detail existing insulation levels in the property, and we can inspect the property and provide you with an Insulation Statement to include with your Tenancy Agreement.

#3 Minimum Insulation Standards required by 1st July 2019

- 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 R1.9 / Underfloor R0.9
    - Masonry properties – Ceiling R1.5 / Underfloor R0.9
- 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're not sure about the standard of your current insulation, contact us and we can help make sure you comply.

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



Zone 1 Zone 2 Zone 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 insulation exemptions

1. Where it is impractical to retrofit insulation due to the home's design (eg; no roof space, concrete floor etc).
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 products.

Landlords are able to install their insulation themselves however there are insurance and liability risks if the insulation is faulty or installed incorrectly. The Ministry of Business, Innovation and Employment (MBIE) recommends that landlords refer to the NZ Standard for Installing Insulation (NZS 4246:2016) 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

There are several finance options to help make insulating your rental more affordable. You may be able to offset some of the costs of insulation against tax. We recommend you speak to a qualified accountant for advice about how to do this.

Council Rates

Some Councils allow insulation (and/or heating & more) to be paid off via your rates and you have up to 10 years to pay it off.

ANZ customers

4 years interest-free loan top-ups of up to $5,000 can help landlords get insulation for up to two rental properties.

Mortgage Top Ups

Most banks will allow mortgage holders to top-up their mortgage generally without fees to cover home improvements like insulation, heating, ventilation.

Finance

Squirrel Money, Q Card and Q MasterCard are convenient finance options with quick approval periods.

Current as at August 2018

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**

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