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For immediate release

REINZ reminds landlords they have just 40 days left to insulate rental properties or face a \$4,000 fine

The Real Estate Institute of New Zealand (REINZ) is reminding landlords that they have just 40 days left to insulate their rental properties, or they could face a fine of up to \$4,000 from the Ministry of Business, Innovation and Employment (MBIE).

Any landlords who still don't comply after paying the penalty, may face further action according to MBIE.

Bindi Norwell, Chief Executive at REINZ says: "From 1 July 2019 ceiling and underfloor insulation is compulsory in all rental homes across New Zealand. Landlords now have just over a month to meet the looming deadline, so it's imperative that if they haven't already acted that they take action now – particularly as stories are emerging about suppliers running out of insulation materials ahead of the deadline.

"The insulation requirements were announced under changes made to the RTA back in 2016, and MBIE has warned that it will be proactively checking up on landlords to ensure their rental properties meet the requirements under the Residential Tenancies Act (RTA) by the deadline," continues Norwell.

"There has been some confusion over properties that will be demolished or substantially renovated in the coming months, and their insulation requirements. If a landlord has applied for and obtained the necessary resource or building consents by 1 July 2019, they are not required to upgrade the insulation during the 12-month period beginning 1 July 2019. They must, however, comply by 1 July 2020, and existing tenants living in existing tenancies that fall under this exemption must be fully informed," Norwell clarifies.

"Landlords must also ensure that all new tenancy agreements include a separately signed insulation statement covering what insulation the home has, where it is, including the type, thickness or R Rating," she continues.

While REINZ has been making a strong effort to communicate with its members who are property managers, as there is no regulation and no governing body for property managers there is a chance that a number of property managers around the country will not have ensured that their landlords meet the requirements by 1 July. If the industry was regulated, this could reduce the chance of the legislation not being adhered to by rogue property managers.

REINZ has welcomed the insulation requirements as this will help to improve New Zealand's housing stock and also improve the health and wellbeing of our rental population.

“We do however need to support the industry to help ensure homes can be insulated in time, especially given there are potentially not enough insulators to meet the demand,” continues Norwell.

“With home ownership at its lowest level in 60 years, more and more Kiwis are renting, so it’s essential we protect the health of those renting to ensure we prevent respiratory and skin infections that can be prevented by inadequate housing,” concludes Norwell.

ENDS

For further information, please contact Dee Crooks, Head of Communications at REINZ, on 021 953 308.

Notes to editors

- As a rough guide, MBIE has suggested that the average cost for a professional installer to install both ceiling and floor insulation is about \$3,400 +GST for a 96m² property. This would increase if the property is larger
- Insulation can be installed in most homes in a day. Waiting times for assessment, and for scheduling the work, will vary depending on where you are in the country, and the current demand
- Landlords can visit the Insulation Association of New Zealand, the Energy Efficiency Conservation Authority or MBIE’s Tenancy Services website for helpful information in relation to the insulation requirements
- REINZ has been working with its property management members for more than a year now to help them ensure their clients (landlords) meet the 1 July deadline