



Property
Management
Specialists

Rental Property Compliance Guide

The **essential** compliance information you **must** have in your tenancy agreement as a landlord.

Get Compliant. Rent your property, FAST.

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Compliance - Property Investor Guide

This information sheet is designed to guide you through the compulsory compliance details you must have in order to generate a valid tenancy agreement.

Currently, many landlords are suffering a loss of rental income every day because they do not have all the necessary requirements in place to be able to lease their property. Let's help you get sorted with our Property Compliance guide.



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What essential compliance information is required in a legally binding tenancy agreement?



There are four essential statements that MUST be included in all new and renewed Tenancy Agreements:

1. Smoke Alarm Statement
2. Insurance Statement
3. Insulation Statement
4. Healthy Homes Standards Compliance



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1. Smoke Alarm Statement


Landlords must confirm that they have met a series of minimum legal requirements for smoke alarms before you rent the premises. A landlord who fails to comply is committing an unlawful act and may be liable for a penalty of up to \$4,000.

- Landlords must have working smoke alarms installed in all rental premises. These must meet the requirements in the *Residential Tenancies (Smoke Alarms & Insulation) Regulation 2016*, set out below:
- There is at least one working smoke alarm in each bedroom or within three metres of each bedroom's door – this applies to any room a person might reasonably sleep in.
- If there is more than one storey or level, there is at least one working smoke alarm on each storey or level, even if no-one sleeps there.
- If there is a caravan, sleep-out or similar, there is at least one working smoke alarm in it.
- None of the smoke alarms have passed the manufacturer's expiry or recommended replacement date.
- All new or replacement smoke alarms, installed from 1 July 2016 onward, are long-life photoelectric smoke alarms with a full battery life of at least eight years (when installed), OR a hard-wired smoke alarm system – and meet the product standards in the *Residential Tenancies (Smoke Alarms & Insulation) Regulation 2016*.
- All the smoke alarms are properly installed by the landlord or their agent in accordance with the manufacturer's instructions.
- All the smoke alarms are working at the start of the tenancy, including having working batteries.

2. Insurance Statement

From 27 August 2019, landlords are to disclose whether or not the property is insured in a statement as part of any new tenancy agreement, and if so, the excess of any relevant policies.

- See example:

INSURANCE STATEMENT	
Is the property insured? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Tenants may request a copy of the policy/policies.
Insurance type (e.g. Dwelling Insurance)	
House insurance	
Excess information	
Excess amount: \$550	
	




3. Insulation Statement

From 1st July 2019, all new tenancy agreements and varied tenancy agreements must include a statement of location, type and condition of ceiling and underfloor insulation. Included in that statement, is also whether insulations meet the minimum requirements.

- Regulations require ceiling and underfloor insulation to be compulsory in all rental properties (where it is reasonably practicable to install).
- The required insulation levels differ, depending on the geographic region of the property.
- Under these regulations, landlords are also required to include a comprehensive insulation statement in all tenancy agreements.

- Note: The subsequent Residential Tenancies (Healthy Homes Standards) regulations increased some existing insulation requirements, meaning a rental property that had previously passed, might need topping up.

Insulation statement	
Ceiling insulation	
Coverage of insulation	Complete (all rooms)
Insulation type	Other - polyester
Bulk Insulation value	R-value - R3.6 polyester
Insulation is in a reasonable condition and meets minimum requirements	Yes
Underfloor insulation	
Coverage of insulation	Complete (all rooms)
Insulation type	Polystyrene
Bulk Insulation value	R-value - R1.5 polyester
Insulation is in a reasonable condition and meets minimum requirements	Yes
Walls insulation	
Coverage of insulation	I don't know



4. Healthy Homes Compliance Statement

The healthy homes statement, required in most new or renewed tenancy agreements from 1 Dec 2020, is a comprehensive document (13-pages), and many landlords simply aren't aware of the extensive requirements.

Your statement clarifies each of the five healthy homes standards, and records the status of the rental property in relation to these, including calculations, measurements, supplementary evidence, and more. Your compliance statement shows how you have met (or exceeded) the lawful requirements.

To learn more about the Healthy Homes Standards, see the official website: www.tenancy.govt.nz/healthy-homes/

The 5 Healthy homes standards became law on 1 July 2019. These include:



- HEATING STANDARDS



- INSULATION



- VENTILATION



- MOISTURE & DRAINAGE



- DRAUGHT STOPPING

4. Healthy Homes Compliance Statement (continued)

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Healthy Homes Standards – current level of compliance

This healthy homes compliance statement is for landlords who can attach it to their own tenancy agreement.

From 1 December 2020, this statement must be included in most new or renewed tenancy agreements. It isn't required if the tenancy is for a fixed term, when the fixed term tenancy ends before the relevant healthy homes compliance date.

The information that landlords must include is outlined in regulations 34-39 of the **Residential Tenancies (Healthy Homes Standards) Regulations 2019**.

Landlords must either complete this form or attach a signed statement that contains the same information.

Completing this form does not negate the requirement since 1 July 2019 to include a statement in new, renewed or varied tenancy agreements that confirms landlords will or already do comply with the healthy homes standards as required by either section 45(1)(bb) – residential tenancies, or section 66(1)(bb) – boarding house tenancies, of the Residential Tenancies Act 1986 (the Act).¹ It is necessary to provide both, separately signed, statements.²

■ Address of tenancy:

If properly completed this form meets the requirements for the landlord to provide a written signed statement containing certain information as required under sections 13A(1A), 13A(1C) and 13A(1CA) or 13A(1CB) of the Act. If you have the information, you must include it in this statement. If the information does not exist yet or otherwise cannot be provided by the landlord, and this statement is completed before the healthy homes compliance date for the tenancy, the landlord can state in the sections provided on this statement that compliance isn't required until the healthy homes compliance date.

Information on when you need to comply with healthy homes requirements can be found at: [tenancy.govt.nz/healthy-homes/healthy-homes-compliance-timeframes](https://www.tenancy.govt.nz/healthy-homes/healthy-homes-compliance-timeframes)

The healthy homes compliance date for this tenancy is:

Strike out one option

I/we, _____ (name of the landlord(s))
will comply with the healthy homes standards as required by section 45(1)(bb) of the Residential Tenancies Act.

I/we, _____ (name of the landlord(s))
already comply with the healthy homes standards as required by section 45(1)(bb) of the Residential Tenancies Act.

¹ <http://www.legislation.govt.nz/act/public/1986/0120/act/120/Ma1278.html>
² See [tenancy.govt.nz/starting-a-tenancy/tenancy-agreements/required-statements-for-tenancy-agreements/](https://www.tenancy.govt.nz/starting-a-tenancy/tenancy-agreements/required-statements-for-tenancy-agreements/) for information on required statements for tenancy agreements.

A professional healthy homes assessment is the best way to not only meet compliance deadlines, but also gain an accurate overview of what work may be required for a landlord to fully comply with the five Standards.

Once a property assessment and subsequent statement is complete, you're provided with the roadmap to highlight what specific work that may be needed at a rental property in order to attain healthy homes compliance. The sooner landlords know the status quo, the better equipped they are to plan, budget, and implement what's needed.

You can download the Healthy Homes Standards template here: <https://www.tenancy.govt.nz/assets/forms-templates/compliance-statement.pdf>

Quick Guide on Compliance Deadlines

From 1 December 2020, if you fail to provide a Healthy Homes Compliance Statement stating the current level of compliance of your property for most new or renewed tenancy agreements you could face a financial penalty of up to \$500.

From 1 July 2021, all private residential properties must comply with the full list of regulations for the Healthy Homes Standards within 90 days of any new or renewed tenancy.

By July 2024 all rental homes must comply with the Standards.

Financial penalty for non-compliance may be incurred by Landlords who fail to meet Healthy Homes Standards compliance deadlines.

If a tenant believes their landlord hasn't complied with the Standards, they can apply to the Tenancy Tribunal for mediation and/or hearing. The Tenancy Tribunal will have the ability to order you to undertake work and impose a financial penalty of up to \$4,000 which is normally payable to the tenant.

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Get Compliant with the help of professionals

Professional property management companies are investing hundreds of hours into training and upskilling on these regulations and investigating the right suppliers to ensure our clients properties are compliant.

Missing the key information required will significantly delay securing a good tenant to your property especially the Healthy Homes compliance statement.

Non-compliant documents especially tenancy agreements can trigger penalties for landlords.

If you are serious about property investing, get a professional property management company to help you to maximise return and reduce your risks.

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