Warm and cosy homes essential for all

(Dunedin – Monday, 13 August 2018) There has been much recent commentary on the local housing market.

Some commentators have argued that new legislation aimed at improving the quality of rental properties is leading to investors ‘pulling out’ of the market (ODT 31.7.2018).

CoreLogic data, on the other hand, shows investors are accounting for a growing number of buyers in Dunedin (ODT, 1.8.2018).

Exactly who is buying properties in the city is somewhat of a red herring. And availability and affordability are only part of Dunedin’s housing issues. Quality – or the lack of it – is also hugely important. Dunedin still has too many properties that are not warm or dry enough to keep people healthy and comfortable at a reasonable cost.

Therefore, as well as advocating to central government for more homes to be built here, I am also keen to see the overall standard of the city’s housing stock improved. Not only does everyone deserve to live in a warm and cosy home, regardless of whether they rent or own, they need to for their health’s sake. I have been told by health professionals that nearly one third of admissions to Dunedin Hospital are wholly or partly a result of poor quality housing.

The city has cheap housing by New Zealand standards, but a high proportion is of relatively poor quality – mainly due to age.

When we live in poor quality housing, we spend a higher proportion of our money on energy bills. Or, for those unable to afford to heat their home sufficiently, they suffer poor health as a result – that also has flow-on effects such as time off work due to illness and/or poorer educational outcomes for our kids.

So, tenants suffer the effects of poor rental housing, but there is also a potential economic impact on landlords if they don’t maintain their property to a reasonable standard. If tenants are spending a high proportion of their income on heating and/or medical expenses, there is less money left over to pay the rent. They can end up getting into arrears and moving on.

That’s why I support both the Residential Tenancies Amendment Act and the Healthy Homes Guarantees Act.

The Residential Tenancies Amendment Act was passed in 2016. It means all landlords need to have working smoke alarms installed in their residential rental homes. It also means that all rental properties must be insulated by July 2019.

The Healthy Homes Guarantees Act was passed in late 2017. This act will require minimum standards for rental properties for insulation, heating, drainage, moisture control, draught stopping and ventilation. The exact standards haven’t yet been finalised. The Government will soon be releasing draft standards for public consultation. The standards will likely be in place by next July and compliance possibly from 2024, although this is yet to be finalised.
It is my hope that these standards lead to warmer, drier homes and those conditions can be maintained at a reasonable cost. That would improve the quality of life for thousands, if not tens of thousands, of Dunedin residents.

But frankly, the whole process is taking far too long and needs to be sped up. It’s not as if the new standards will demand anything luxurious. Just that rental properties don’t make tenants sick – that should be a given. Current laws don’t allow cafes to sell food that makes people sick. It should be illegal to sell accommodation that does that too.

And landlords have already had plenty of time to make improvements. Government subsidies for insulating, for example, have been available for the past nine years.

Many responsible landlords and home owners have taken up subsidies. It’s estimated around 13,500 Dunedin homes have been insulated with Energy Efficiency and Conservation Authority funding since 2009. A further 1465 applications for the DCC’s Warm Homes Dunedin scheme have been received since 2013. And it’s broadly estimated an additional 5-7% of the city’s housing stock has been insulated without the use of any subsidy.

The new legislation will ensure that those remaining property investors who are simply not concerned about their tenants’ wellbeing will have to either up their game or sell up to someone else who will. Frankly, either is a good result.

Dave Cull
Mayor of Dunedin and Chair of the Cosy Homes Trust