

Minimum energy efficiency standards for rental homes

Information for rental providers

A regulation establishing a new minimum energy efficiency standard for ceiling insulation in rental homes will commence from 1 April 2023.

Rental properties with existing ceiling insulation below an R-value of R2, will need to upgrade the ceiling insulation to a minimum R-value of R5. The higher the R-value the better the thermal performance of the insulation. R5 is what is typically installed in new homes.

The requirement to meet the new minimum standard will be phased in over time, with most properties expected to be compliant from 30 November 2026 (unless they have a valid exemption).

From 1 April 2023 rental providers must disclose whether the property meets the standard or has an exemption when advertising the property and when entering the tenancy agreement.

What to include in the rental ads from 1 April 2023

Rental providers or property managers must state whether or not the property meets the minimum ceiling insulation standard. It is recommended that this information be added to the existing requirement to state the EER and should state: “The property complies with the minimum ceiling insulation standard”; “The property does not comply with the minimum ceiling insulation standard” or “The property has a valid exemption and is not required to comply with the minimum ceiling insulation standard.”

From 1 April 2023, rental providers will have nine months to upgrade their property’s insulation after a new lease is signed if it does not already meet the standard or have a valid exemption.

Around

60%



of ACT rental properties are already compliant with the standard

Key dates

From 1 April 2023

Minimum energy efficiency standard comes into effect – all rental adds and new leases must indicate whether the property meets the standard.

From 1 April 2023

Rental properties will be required to be compliant within nine months of a new lease being signed.

By 30 November 2026

Most rental properties will be required to be compliant with the standard

From 1 December 2026

All properties entering the rental property market from this date must comply within three months of signing a new lease agreement.



Better information on energy efficiency for renters

As a rental provider, you play an important role in ensuring that all Canberrans live in suitable homes that support health, comfort, security, and happiness. As up to 35% of heat is lost through the ceiling in properties without ceiling insulation, improving ceiling insulation is the most efficient and cost-effective way to increase the energy efficiency of rental properties in the ACT.

Better ceiling insulation in rental properties can:

- ✓ **improve thermal comfort**
- ✓ **reduce energy bills**
- ✓ **improve health and wellbeing**
- ✓ **reduce greenhouse gas emissions**
- ✓ **improve your property's value.**

Improving energy efficiency and thermal comfort of ACT homes is also an important part of the ACT's plan to build a climate resilient city that can better withstand the impacts of climate change.

Evidence of compliance

Evidence of compliance could include:

- > a receipt for insulation installation services that includes the R-value of the ceiling insulation
- > an inspection report from an insulation installer
- > an Energy Efficiency Rating report from a building assessor
- > if the property was built after 1997 (when R3 insulation became standard in new homes) a statutory declaration that the existing insulation has not been disturbed
- > a statutory declaration that ceiling insulation with an R-value of R2 or more has been installed.

Support for property owners

The cost of insulation upgrades will vary depending on the property and the amount of work required. To assist with upfront costs, rental providers will be able to access supports from 1 April 2023 through the Sustainable Household Scheme and the Home Energy Support Program. More information on support will be available by early 2023.

What happens if you don't meet the standard?

In addition to the requirements of the minimum energy efficiency standard regulation, under proposed future changes to the *Residential Tenancies Act 1997*, it will be an offence if property owners:

- > fail to disclose if their property complies with, or is exempt from, the minimum standard in a rental advertisement for the property
- > make a false or misleading statement in rental advertisements about a key aspect of the property's compliance with the minimum standard.

A penalty of up to \$800 for individuals or up to \$4,050 for corporations may apply.

Under the proposed changes to the Act, tenants will also be able to apply to the ACT Civil & Administrative Tribunal (ACAT) for dispute resolution in circumstances where:

- > a claim that the property meets the standard is not correct
- > an exemption is found to be based on a false or misleading statement
- > the property does not comply with the minimum standard within the designated period.

ACAT may make orders for rent reduction, financial compensation and/or to terminate the tenancy.

More information

Web: justice.act.gov.au/renting-and-occupancy-laws

Phone: 13 22 81

Email: Access Canberra contact form