

New insulation standards to avoid being rolled back – industry sources



New home insulation standards are likely to be fine-tuned, rather than rolled back, BusinessDesk understands.

Building and Construction Minister Chris Penk was considering scrapping upgrades to glazing and insulation requirements brought in last year, amid reports they increase building costs and cause overheating in some homes, [RNZ reported](#) this year.

While some builders [welcomed the news](#), most in the construction industry, as well as [health experts](#) and environmentalists, [expressed dismay](#) at the prospect of reverting to previous standards.

Several sources told BusinessDesk officials are now looking at refining the standards, rather than removing them.

Penk declined to provide further details but confirmed an announcement would be made before the end of the year.

“The review is still under way, and I don’t want to prejudge what the review will find, but all options are on the table.

“This could include revising the requirements, introducing greater regional variation or introducing different

ways to demonstrate compliance with the regulations.”

Urgent investigation

Changes to the H1 standards came into force in November last year and are estimated to save a new home 40% on heating.

This year, Penk asked officials to urgently investigate the rules after reports from some in the building sector that they are adding up to \$40,000 to the cost of building a house and are overkill in some cases.

A [report from New Zealand Certified Builders](#) last month argued those claims were overblown, and H1 could add as little as \$2,180 to the cost of an average three-bedroom house.

It depended on which method was used to implement the standards, the research found. If the common "schedule" method was employed, where architects and designers follow standard insulation values for each key building element, such as the floor slab and roof, the added cost was about \$10,600.

But if a "calculation" method was used, where professionals work out the total heat loss and thermal performance of a proposed house and compare that with a reference house, the extra costs were reduced to just \$2,179.

[Certified Builders chief executive Malcolm Fleming](#) said the industry body would support the removal of the scheduling method as an option to achieve the standards.

Using the calculation method might add a small upfront cost to a project, but would lead to capital savings and a more holistic design, he said.

"The Government has taken on board industry feedback on the H1 debate and looks to be moving in the right direction."

Overheating challenge

[Master Builders chief executive Ankit Sharma](#) agreed the scheduling method was a problem.

Poor design was to blame for overheating, mould and cost increases rather than the new standards, he said.

But the industry body agreed small refinements were needed and would welcome the introduction of better design guidelines to bring down costs and avoid overheating.

The Green Building Council is also in favour of removing the scheduling method but advocates for a modelling method to be used instead of calculation, as it reduces the risk of overheating, chief executive [Andrew Eagles](#) said.

"The calculation method is cheaper but it doesn't solve overheating."

Using the modelling method took about a couple of hours extra entering details of the design into a 3D model, Eagles said.

The status quo would mean tens of thousands of homes would continue to be poorly designed, leading to overheating, he said.

The Ministry for Business, Innovation and Employment (MBIE) worked with key parts of the building and construction sector as part of its investigation into the impact of the new standards.

"We want to make sure the settings strike the intended balance between upfront costs and long-term benefits on reducing households' heating and cooling bills, and the health and comfort of building users," [acting manager building performance and resilience Fiona Hill](#)

said.

Opportunity for feedback

MBIE commissioned cost estimates from quantity surveyors and the Building Research Association of New Zealand to investigate concerns raised about overheating and moisture, and to prepare an updated cost-benefit analysis.

It was waiting on the results of this work before deciding on next steps.

Any changes to the standards would require an impact analysis and public consultation before progressing, as per the Building Act.

"This will give the sector and the public the opportunity to provide feedback on shaping any changes to the H1 insulation settings and ensures we consider all perspectives before making any decisions to progress with proposed changes," Hill said.

Read more of the Material Matters series [here](#).

Cécile Meier

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