

Ministry of Business, Innovation and Employment
Via email: building@mbie.govt.nz

25 February 2025

Re. Consultation on H1 energy efficiency settings for new builds

To whom it may concern,

As you may know, Property Council is the leading not-for-profit advocate for New Zealand's most significant industry, property. Property is New Zealand's largest industry with a direct contribution to GDP of \$50.2 billion (15 percent). The property sector shapes New Zealand's social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.

We are writing to you to provide comment on the Ministry of Business, Innovation and Employment consultation: H1 energy efficiency settings for new builds. Property Council supports policy settings that ensure dry, healthy and energy efficient buildings. In 2022, Property Council supported the proposed extension transition period for adopting new insulation requirements for housing in Acceptable Solution H1/AS1 and Verification Method H1/VM1.

Continual changes

While we support the four additional outcomes MBIE is wanting to achieve with the proposed changes, we are concerned that the proposed changes come so soon after the H1 settings were last updated. It is important that policy settings are rational and stable, especially given that the industry has already begun making the required changes based on the previous update.

Continual changes put significant pressure on the sector, especially on smaller companies that may not have the necessary capital to adapt quickly. This will result in pressure on the sector as a whole. We recommend that, if any of the proposed changes are implemented, the industry be given a reasonable timeframe to adjust, such as a transition period of up to 24 months.

Education

Property Council also recommends that there be better education in this space, especially given the continued changes to H1 settings in the last few years. Training and education in this space will create a more efficient transition period but also reduce unnecessary compliance and build costs.

In conclusion, Property Council supports initiatives that will make upfront building costs better balanced and improve the certainty of compliance and consenting of buildings. However, we need these changes to be long lasting given that the industry needs the time and reassurance to adapt.

Should you have any questions, please contact [Sandamali Ambepitiya](#), Senior Advocacy Advisor.

Yours sincerely,



Leonie Freeman
Chief Executive
Property Council New Zealand