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 commenced on 1 April 2023.

Rental properties with existing ceiling insulation below an R-value of R2, 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 insultation 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 ads for new leases must indicate whether the property meets the standard.

From 1 April 2023
Rental properties are 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.

ACT Government

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 are able to access supports from 1 April 2023 through the Sustainable Household Scheme and the Home Energy Support Program.

What happens if you don't meet the standard?

In addition to the requirements of the minimum energy efficiency standard regulation, under the *Residential Tenancies Act 1997* (the Act), it is 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 5 penalty units may apply.*

Under 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 disputed

> 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.

*Up to $800 for individual and $4,050 for corporation (as at August 2025).

What if the rental property is an apartment?

If your rental property is an apartment in a unit complex, more information for owners, owners corporations and strata managers is available in a factsheet.

More information

Web: act.gov.au/housing-planning-and-property/renting/minimum-housing-standard-for-ceiling-insulation-in-rental-properties

This fact sheet provides general information to help you understand tenancy laws. It does not constitute legal advice.