NZGBC
NEW ZEALAND GREEN BUILDING COUNCIL
TE KAUNIHERA HANGANGA TAUTAIAO

2026 Manifesto:
Building a smarter, lower cost energy future for Kiwi families

Key Facts

- Buildings account for 15% of Aotearoa's natural gas/LPG use and 23% of electricity use for space and water heating.
- Heat pumps, rooftop solar, batteries and good design can reduce costs, lower energy demand and improve resilience.
- Clear, trusted information for buyers and tenants drives better market decisions and encourages investment in efficient buildings.
- Government leadership—through cutting red tape, encouraging higher standards, transparency, and procurement—can accelerate change across the property and construction sector.

About the New Zealand Green Building Council

Established in 2005, the New Zealand Green Building Council (NZGBC) now represents more than 700 organisations across the property, building, investment, finance and manufacturing sectors. Our members span the full supply chain and collectively deliver thousands of homes and buildings each year.

NZGBC members include the publicly listed property firms, the largest construction firms in the country, the large architecture firms, building owners, energy companies, engineers, the big Australian banks, product suppliers, government departments, local authorities and many others.

The property sector in New Zealand is the largest industry and second largest employer, providing jobs for 10% of the workforce.

The sector's contribution to GDP of $50.2b accounts for 15% of GDP.

Working with industry experts, NZGBC develops and administers Aotearoa's leading energy and environmental impact rating systems: Homestar, Green Star, and NABERSNZ—supporting developers, owners, tenants, and investors to improve building performance and lower emissions.

New Zealand's property and construction sector is committed to delivering warm, healthy, resilient and affordable buildings that support strong communities and a productive economy. We stand ready to enable practical, future-proof solutions—boosting innovation, reducing waste, strengthening local jobs and skills, and ensuring our built environment remains a lasting source of wellbeing and prosperity for Aotearoa.

Significant opportunities to reduce energy waste and operating costs

New Zealand's current energy challenges are placing pressure on households, businesses, and the wider economy. Energy bills have risen sharply, energy security concerns are increasing, and businesses—particularly those dependent on gas—are facing reduced production or closure.

To relieve pressure on households, businesses, and the electricity network we need effective policies that will free up energy. Buildings are major energy users, with 15% of natural gas/LPG and 23% of electricity being used just to heat space and water in commercial and residential buildings. Buildings are on track to use 26% of gas by 2030.

The impacts of current energy challenges are significant and wide-reaching:

- A 2025 survey by the Business NZ Energy Council found that nearly half of large gas users (31 out of 66 firms)had already reduced operations, increased prices, or cut staff due to energy costs or supply uncertainty. Another 30% expect to take similar measures in the next 12 months.
- Research by Sense Partners for MBIE estimated that high electricity and gas prices between 2017 and 2025 caused Real GDP to be 1.25% ($5.2 billion) lower by 2025 than it would have been under lower price scenarios.

> Buildings are a critical part of the solution. Proven technologies and design approaches already exist that can dramatically reduce energy waste, ease pressure on the electricity system, and lower costs. However, upfront cost remains a barrier for many families and businesses.

Energy efficiency is a critical mechanism for achieving decarbonisation, energy security and lowering energy costs. Moving homes and buildings away from gas makes this critical resource available for gas-dependent industries. The technology and techniques are already available to significantly reduce energy waste in our buildings. They can reduce costs for businesses and households, free up energy for industry, reduce pressure on energy prices, and reduce the risk of shortages. Upfront cost is a major barrier.

A coordinated policy approach can unlock these benefits at scale. Key opportunities include:

- Expanding Warmer Kiwi Homes to support efficient space and water heating, insulation, ventilation, and lighting.
- Introducing rebates for hot water heat pumps—the single largest opportunity for household energy savings.
- Supporting access to rooftop solar and batteries through low–or zero-interest loans.
- Encouraging commercial building upgrades through targeted tax settings.
- Requiring replacement appliances to be energy efficient and electric, rather than gas powered.
- Strengthening information tools through Energy Performance Certificates and NABERSNZ that can give buyers, tenants and lessees more information at the point of transaction.
- Modernising the Building Code to enable all-electric, well–insulated, low-energy homes.
- Using Government procurement to lead the market.
- Funding deep retrofits for the least efficient homes.

Helping households and businesses reduce energy waste

Heating of space and water remains one of New Zealand's largest and least efficient energy uses. Heat pumps are four times more efficient than gas or resistance heaters, yet uptake is limited by upfront cost. Similarly, rooftop solar and batteries provide resilience and reduce grid demand, but adoption lags well behind comparable countries.

> Heat pumps are significantly cheaper to run than gas and resistance electric systems, but a third of households still use gas or electric resistance as their primary space heating and 97% use gas or electric resistance hot water systems. EECA surveys show that the upfront cost of conversion is the barrier.

Targeted financial support, clear standards, and trusted information will enable households and businesses to reduce energy bills, improve comfort, and cut emissions.

Policy Actions

- Expand Warmer Kiwi Homes eligibility and scope—subsidising heat pumps and hot water heat pumps, LED lighting, and ventilation systems, alongside insulation.
- Introduce hot water heat pump rebates.
- Support rooftop solar and batteries through affordable finance.
- Provide business tax incentives for efficient heating, ventilation, lighting, and smart controls.
- Establish an energy efficiency obligation for energy retailers.
- Update appliance standards and phase out inefficient products.

News Article in top image source: https://www.stuff.co.nz/money/360598416/heres-why-your-power-bill-getting-more-expensive

300,000 rebates of $1,000 each, over five years would lead to $1.8b in energy savings over the life of the hot water heat pump units, free up enough electricity to power every home in New Plymouth, and enough natural gas to meet the needs of the wood manufacturing and restaurant sectors.

An energy efficiency obligation could be established for New Zealand energy retailers, along the lines of the UK's Energy Company Obligation.

This would require the funding of energy efficiency upgrades, insulation and replacement of inefficient and/or fossil gas appliance and equipment for high-performing, all-electric appliances and equipment.

And further, updating energy efficiency standards for appliances and remove inefficient appliances from sale.

- End the sale of gas heaters and gas hot water heating systems.
- Require replacements to meet new standards, rather than 'like for like'.

Improving market information

Market preferences for homes and buildings that are cheaper to operate and create less pollution can be a driver of energy efficient, low emissions building options and heating technology. However, these preferences can only be realised if the market has the right information.

Energy Performance Certificates such as NABERSNZ are widely used across the OECD to provide transparency and encourage investment in better-performing buildings. These tools empower buyers and tenants while encouraging building owners to improve performance.

Similar to energy efficiency labels for vehicles and appliances, EPCs and NABERSNZ provide prospective home buyers and renters with information on how well insulated and affordable a home is to heat. These policies would not create direct costs for the government beyond minor administrations costs, which could be recouped. There is strong support from the property sector.

Information drives behaviour changes by making potential buyers and tenants more aware of the energy costs they will face in a building and more discerning on this point. In turn, this encourages sellers and potential future sellers to take opportunities to upgrade their homes.

Policy Actions

- Require EPCs when selling, leasing, or renting residential or commercial properties.
- Expand use of NABERSNZ for commercial buildings.
- Provide clear guidance for owners on improving efficiency.

Modernising the Building Code

New builds often overheat, causing high temperatures and discomfort. Moisture buildup in new homes is often creating mould concerns, due to a lack of adequate ventilation.

A clear pathway is needed to bring standards in line with global best practice, by including near–zero energy homes by 2035. Reducing embodied carbon in building products is also essential to meeting Aotearoa's emissions targets.

Building designs that deliver comfortable dry homes are well understood. Yet councils continue to sign off on buildings and homes that consume too much energy, and retailers continue to stock energy inefficient products.

Energy efficiency and thermal comfort requirements in the New Zealand's Building Code lag those of comparable nations. New Zealand continues to fall behind as other countries adopt near zero energy standards for new buildings. Additionally, in New Zealand when people make improvements to their homes that trigger a consent process, they are only required by current regulations to replace like for like. For example, a single-glazed window can be replaced with another single-glazed window, and insulation does not need to be upgraded to meet the current code, even if wall linings are removed and replaced.

This is a missed opportunity to improve health, reduce emissions and lower energy bills. A clear trajectory for future changes also needs to be set out. The building code should be near zero energy standards by 2035 at the latest. Every new home built that falls short of the near zero energy standard is going to make it harder and more costly to attain New Zealand's legislated zero carbon target, as those homes will be part of our housing stock for decades to come.

Research from the economists at BERL clearly shows that the earlier we build near–zero homes, the greater the economic impacts, electricity savings and emissions avoided.

Policy Actions

- Require all homes to meet energy performance standards, as in other countries, and be all-electric. Subsidised training for plumbers and gas fitters.
- Adopt a check at the design stage to confirm new build terraced homes and apartments do not overheat.
- Adopt a national framework for measuring and reducing embodied carbon over time.
- Require significant repairs and retrofits to meet the current Building Code. Windows and wall insulation should be designated as 'controlled fittings'. Qualified builders would be empowered to vouch for the compliance of work carried out.
- Prioritise faster consenting for energy–efficient homes (for example, those designed and built to Homestar).

Reducing costs for taxpayers

Government procurement plays a major role in shaping the market. This scale and breadth of demand means that the Government can have an outsize influence on the kind of buildings that the market delivers.

While voluntary rating tools such as Green Star and NABERSNZ have been embraced by industry leaders, the Government's commitment to using these rating tools will drive further uptake by the property sector along with delivering other benefits.

Extending the use of Green Star and NABERSNZ across the public portfolio—including specialist buildings such as schools and hospitals, offices, and social housing—will reduce long-term operating costs improve energy security and signal clear expectations to industry.

> Choosing buildings with low energy waste reduces costs for government agencies, schools, and social housing tenants. However, because agencies are funded separately for capital and operating costs, they may not see a direct benefit from choosing low energy waste options. There is an opportunity to provide clear direction to agencies and realise benefits of lower operating costs in the near term.

Policy Actions

- Continue the commitment to achieving above building code standards through maintaining and expanding requirements for Green Star and NABERSNZ across all new and existing Government buildings.
- When funding the building of affordable homes, seek certification to the Homestar standard, helping ensure affordable bills, energy security and comfortable homes that do not overheat.

Bringing the worst homes up to standard

Around 200,000 New Zealand homes are cold, damp, and expensive to heat. Portable gas heaters—used by 43,000 households—pose significant health risks and worsen moisture problems.

EECA's Indoor Combustion Study confirms what clinicians have long warned: these appliances significantly worsen indoor air quality and are linked to asthma, respiratory illness and preventable hospitalisations, particularly in children and the elderly. These heaters also release significant quantities of water vapour, exacerbating mould and damp issues. National indoor air quality costs linked to these heaters are estimated at $900 million annually.

The Government has a role to play in identifying the 10% of New Zealand homes that need a comprehensive retrofit to make them healthy, cost–efficient homes to live in and developing funding tools to make that happen.

Policy Actions

- Fund a deep retrofit programme targeting the least efficient homes.
- Expand Warmer Kiwi Homes to remove unflued gas heaters.
- Phase out sales of portable gas heaters.
- Deep retrofit 200,000 homes by 2035, beginning with a pilot of 300 homes in 2027 focusing on insulation, double glazing, ventilation and electrification.

Reducing waste

Upfront emissions from building materials in the built environment accounts for about 9% of New Zealand's carbon pollution. Building materials can cause significant carbon pollution long before a key is turned in the lock or the lights go on for the first time. Changing the way we produce building materials and the way we design buildings and choose the materials that will be used in their construction is going to take significant effort to shift. Free and low cost tools are available to calculate upfront emissions from quantities of building materials.

Early action and clear policy direction will help industry invest in low–carbon processes.

Policy Actions

- Disclosure of upfront emissions of medium and large building projects at the consenting stage will create a common standard and provide incentives for providers of low carbon buildings materials.

Ensuring better outcomes from overseas investment

Overseas investment plays an important role in new homes and commercial buildings. Policy settings can ensure these developments meet high standards of energy efficiency and environmental performance, resulting in prime quality assets that are attractive to overseas investors.

Policy Actions

- Provide streamlined pathways for developments built to Homestar or Green Star.

What's the cost?

The table shows only upfront initial costs. Many financial benefits to government are not accounted for in the below table – such as existing homes being made healthier, which cuts rates of respiratory illness, reducing pressure on the health systems. Where peak load is reduced grid resilience is improved, reducing the need to build new generation.

	-$	$	$$	$$$	$$$$
Investing in distributed energy generation, storage and savings					
Expand Warmer Kiwi Homes eligibility and scope – subsidising heat pumps and hot water heat pumps, LED lighting, and ventilation systems, alongside insulation.			●		
Support heat pumps, rooftop solar and batteries through affordable finance.		●			
Provide business tax incentives for gas heating electrification, efficient HVAC systems, ventilation, lighting, and smart controls.		●			
Establish an energy efficiency obligation for energy retailers.	○				
Update appliance standards and phase out inefficient products.	○				
Cutting red tape for investment in energy efficient homes and buildings					
Faster or default consenting for homes built to established energy–efficient standards (for example, those designed and built to Homestar).	○				
Leverage foreign direct investment with streamlined investment pathways for international investors (and homebuyers) building or buying Homestar or Green Star accredited buildings.	○				
Prioritising whole of life costs in public construction					
Continue achieving above Building Code standards through maintaining and expanding requirements for Green Star and NABERSNZ across all new and existing Government buildings.		●			
Prioritising whole-of-life costs in residential and commercial construction					
Improve information by requiring EPCs when selling, leasing, or renting residential or commercial properties.	○				
Require new homes to be all–electric and for checks at the design stage to ensure new build terraced homes and apartments do not overheat.	○				
Adopt a national framework for measuring and reducing embodied carbon over time.	○				
Require significant repairs and retrofits to meet the current Building Code without unnecessary red tape. Windows and wall insulation should be designated as 'controlled fittings' and qualified builders can sign off compliance of work carried out.	○				
Introduce site waste management plan requirements under the Building Code.	○				
Investing in information, repair and maintenance to leverage existing stock for better national outcomes in health and energy					
Provide clear guidance for owners on improving efficiency.		●			
Expand Warmer Kiwi Homes to remove unflued gas heaters.		●			
Phase out sales of portable gas heaters.	○				
Retrofit 200,000 homes by 2035, beginning with a pilot in 2027 focusing on insulation, double glazing, ventilation and electrification.			as the project scales up		

-$ (Savings for Govt) $ (up to $10m) $$ ($10s of millions) $$$ (+$100m)

NZGBC
NEW ZEALAND
GREEN BUILDING
COUNCIL
TE KAUNIHERA HANGANGA TAUTAIAO