

What is a dwelling for the purposes of EQCover?

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When is a dwelling not a dwelling? This is probably the most popular question EQC is asked by insurance companies and brokers. This factsheet is designed to help assist you when determining whether or not your insured's property constitutes a dwelling.

To establish the existence of a dwelling, the premises must:

- be self-contained; and **either**
 - be the home or holiday home of at least one person;
- or
- be capable of being the home or holiday home of at least one person and be intended by the owner of the premises to be the home or holiday home of at least one person.

1.1. "Self-contained"

To be self-contained a premises must contain the facilities necessary for day-to-day living on an indefinite basis. There must be somewhere:

- to cook;
- to sleep;
- to live;
- to wash; and
- to carry out ablutions.

The facilities needed to live in a self-contained manner do not have to be in one building, but must be for the exclusive use of the dwelling.

Self-contained	+	is actually the home or holiday home of 1 or more persons		=	Dwelling
Self-contained	+	is capable of being the home or holiday home of 1 or more persons	+	is intended by the owner to be the home or holiday home of 1 or more persons	= Dwelling

What is a dwelling for the purposes of EQCover? (continued)

For example, a property may have an external ablutions building in the grounds. As the whole property has the facilities to enable the people using the house to live in a self-contained manner, and the facilities are not shared with other homes, this property will be self-contained for EQCover purposes.

1.2. “Home” or a “holiday home”

a. “Home”

Where a person chooses to live (whether alone or with others) on a more than temporary or transient basis and the prime purpose of the premises is to serve as somebody’s home, then this will constitute a home for EQCover purposes.

Examples include:

- an owner occupied home;
- a home leased to a tenant; or
- flatting situations.

b. “Holiday home”

A holiday home is a secondary residence for somebody whose home is elsewhere. It may be used on a transient basis by that person, usually for holidays.

As guidance, a building is unlikely to be a holiday home if:

- it is set up purely as a commercial enterprise and the owners do not use it or intend to use it for their own purposes (or for somebody else to use it as their holiday home).
- an organisation which owns holiday homes purely for the benefit of its members, and these members pay to stay there.
- it is on the same property as the owners’ residence. Even though others, like family and friends, may use the building for holidays or visits, it is unlikely to be the holiday destination for the owners or the holiday home of any other person.

1.3. “Capable” of being a home or holiday home

Where a building contains all the requisite components needed for a home, but is not occupied as a home, then it can still be covered by EQC if it is capable of being a home and is intended by the owner to be a home. For example, a tenanted property may have a period where it is untenanted. If this period occurs at the renewal date of an insurance policy, then the building is not being used as someone’s home. However, if the landlord is intending to tenant the building during the insurance period, then it will be considered to be capable of being a person’s home.

1.4. “Intended” by the owner to be a home or a holiday home

a. Intended to be a home

There are no defined criteria to evidence this intention. It is inferred from circumstances such as:

- the owner’s description of what the owner is intending to do with the property;
- lease/tenancy type and duration;
- the type of insurance policy covering the property; and
- steps the owner is taking to tenant the property, e.g. advertisements.

b. Intended to be a holiday home

From the circumstances there must be an intention on the part of the owner to return again and again no matter how minimal the use. At a minimum it is acceptable if the owner has the entitlement to occupy the property whenever they wish and they store their possessions there. It is contemplated that a holiday home may be used:

- solely by the owner;
- by friends and family as well as the owner; and
- by tenants on a periodic basis but the owner too, when the owner wants to use it.

1.5. Dwellings generally

As guidance, a dwelling will generally be of the same scale as a house or other typical place of residence.

Examples of situations where there is not a dwelling include:

- premises which provide temporary or transient accommodation (hotels and motels);
- the occupants living there are not in occupation by their own free will (such as a corrections prison, police jail, police barracks, police cells and lock-ups, and armed forces barracks for the accommodation of persons subject to the Armed Forces Discipline Act 1971);
- premises which do not have as their prime purpose the provision of somewhere to live on an indefinite basis (such as hospitals, hotels, night shelters); and
- university hostels, boarding school accommodation, club houses or workers’ hostels

If you require further clarification please feel free to contact eqcover@eqc.govt.nz with your query. Please note you can also refer to the [Insurer Guide to EQCover](#) for more detail with regards to specific property types.