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Easing the Regulatory Burden for Granny Flats

By Andrew Skinner – Ulrich Milne Lawyers

Housing affordability continues to present a key challenge in New Zealand, where we face some of the world's most unaffordable housing. This issue is exacerbated by an inconsistent regulatory system across New Zealand that can increase the costs of home construction. Recognising that many dwellings have a section that could be utilised, the previous Government introduced building consent exemptions for certain building work under 30 square metres. However, the same resource consent restrictions still apply.

The Government has recently proposed extending existing exemptions by making further amendments to the Building Act 2004 (Act) and the Resource Management Act 1991 aimed at facilitating the construction of small, self-contained, detached houses—commonly known as 'granny flats'—on properties already hosting a primary residence.

Building Consent Exemption

The proposed amendment to the Building Act 2004 includes the introduction of new exemptions for standalone dwellings of up to 60 square meters from requiring a building consent. Compared to the existing exemptions under Schedule 1 of the Act, the new schedule would have additional criteria to recognise the increased health and safety risks associated with granny flats. To mitigate these risks, the exemption would use existing occupational regulation of qualified professionals and would also require using certain Building Code Acceptable Solutions (structure, weather tightness and plumbing related) unless MultiProof or BuiltReady schemes are used. Property owners would also have to notify councils of the work. This change has been suggested will save builders between \$2,000 and \$5,000 in consent fees and streamline construction timelines.

Resource Consent Exemption

Additionally, there is a further proposal to establish a national environmental standard under the Resource Management Act 1991 (RMA) specifically for minor residential units (MRUs). This would ensure consistent permitted activity standards for MRUs, which serve as self-contained residential units ancillary to primary residential units. Notably, MRUs would be exempt from requiring resource



consent for their construction. The goal of this proposal is to focus RMA policy on enabling the development of MRUs throughout New Zealand.

Feedback by 12 August 2024

For further details, the Ministry of Business, Innovation and Employment and the Ministry for the Environment have jointly released the discussion document titled “Making it easier to build granny flats.” ([Making it easier to build granny flats \(2024\) | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz)).

To ensure the effectiveness of these changes, the Government is seeking feedback on their proposals from key stakeholders including builders, engineers, developers, surveyors, and planners. Submissions are open until Monday, 12 August 2024, at 5 pm. The Government aims to implement these changes by mid-2025.

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This article is not intended to be relied upon as legal advice.

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