

## BCTRAG Risk Submission

Risk Title:	Tiny Homes Compliance pathway
What is the risk :	<p>The prevalence of this type of building has been growing for some years and has become the subject of numerous determinations and subsequent court action underway currently.</p> <p>Even before the “tiny home” title there have been many issues arise over whether structures are buildings or vehicles.</p> <p>The risk involves aspects of safety for occupants if these structures are occupied on a permanent residential basis, and also involves financial risk for the owners if they have these structures constructed in a manner that is non-compliant.</p> <p>The further risk is to the industry as a whole not having a consistent set of rules and guidelines with which to advise customers or to take appropriate enforcement action.</p> <p>There is also a tension between requirements under the RMA and the Building act which need to be better clarified.</p>
Impacted Building Code Clauses:	Pretty much most code clauses
Potential impact or harm arising from this risk:	<p>It is being felt within the community now, with many determinations and court cases being taken.</p> <p>The main driver currently is around financial risk, although the larger strategic risk is around whether there should be controls enforced for these structures and the impact of any future injuries or fatalities which may occur because of failure to have appropriate building standards required.</p>
How prevalent is this risk now, and in the future:	<p>There are a substantial number of tiny homes already built.</p> <p>There are many companies looking to set up manufacturing plants for these structures. technically within the building act if they just make these structures as “stock” to sell and they are not specifically for a property when they are built, then they are not considered building work and don’t require a building consent to be obtained.</p> <p>So the Building Act needs attention to deal with this anomaly which also affects prefabricated and modular buildings constructed off-site or off-shore.</p>

<p>Factors influencing magnitude of this risk:</p>	<p>The time to address this risk is really yesterday, as the current level of proliferation of these structures seems to be increasing with public awareness. There is political interest in the cases currently in the media with opposing views evident.</p> <p>The reputational risk for MBIE and Local Authorities is increasing particularly around the perception of inconsistency of approach across the country. Our belief is the setting needs to be clarified at both the act and building code level to provide certainty for the whole of the industry about what is acceptable.</p> <p>The number of determinations being applied for should be an indicator of the need for regulatory action.</p>
<p>What caused the risk to come to your attention:</p>	<p>Multiple years of reference in media and determination decisions. More frequent references in the last 12 months.</p>
<p>Cost Benefit Analysis:</p>	
<p>Supporting files:</p>	<p>Yes - see attached</p>
<p>Submitted By:</p>	<p>Peter Laurenson</p>
<p>Submitted on behalf of:</p>	<p>Auckland Council</p>