

Councils: Granny flats building consent exemption

A quick guide for councils on the building consent exemption for small
standalone dwellings



Ministry of Business, Innovation and Employment (MBIE)
Hīkina Whakatutuki – Lifting to make successful

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The quick guide for councils is produced by the Building System Performance branch. It is intended to provide information to councils on the building consent exemption for small standalone dwellings.

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1. About this quick guide

This guide is for councils responsible for administering the granny flats building consent exemption (also known in legislation as non-consented small standalone dwellings).



It explains:

- the legal framework for the exemption
- the council's role before, during and after building work
- how Project Information Memorandums (PIMs) operate for granny flats
- how completion documentation is received and recorded
- how the exemption interacts with Schedule 1 building consent exemptions
- how the building consent exemption interacts with resource consent requirements.

This guide is not a substitute for the Building Act 2004, the Resource Management Act 1991, or legal advice. Councils must exercise their statutory functions in accordance with the legislation.

2. Understand the granny flats building consent exemption

The granny flats building consent exemption enables certain new, single-storey, standalone dwellings up to 70 square metres to be built without a building consent, provided all exemption conditions in Schedule 1A of the Building Act are met and the building work fully complies with the New Zealand Building Code.

The exemption:

- removes the requirement for a building consent
- does not remove the requirement to comply with the Building Code
- does not remove the need for a PIM
- does not create an approval or certification role for councils.

The exemption relies on:

- licensed building professionals carrying out or supervising the work
- full compliance with all Schedule 1A conditions being maintained throughout the build, and
- formal notification to councils both before building work starts and after it is completed.



For further information on the conditions of the granny flat building consent exemption see: [Granny flats exemption: Building design conditions checklist](#)



Councils should treat the exemption as a compliance-based regulatory pathway, not an approval or certification pathway.

3. The council's role under the exemption

Under the granny flats exemption, councils have a reduced but clearly defined statutory role. Councils do not approve, inspect or certify building work carried out under the exemption.

Councils are responsible for:

- receiving Project Information Memorandum (PIM) applications and
- issuing PIMs
- providing additional information as required by the Building Act
- receiving and storing completion documentation
- administering development contributions (if applicable)
- taking enforcement action where non-compliance is identified.

Councils are not responsible for:

- determining or confirming that a proposed granny flat meets all Schedule 1A exemption conditions
- reviewing or approving construction plans
- inspecting building work
- certifying Building Code compliance
- issuing Code Compliance Certificates.

Good-faith protections and limits on council liability

When administering the granny flats building consent exemption, councils are protected from liability for actions taken in good faith and within their statutory functions under the Building Act. The Building Act recognises that territorial authorities perform regulatory roles based on information available at the time and are not guarantors of Building Code compliance where no building consent or inspection regime applies.

Councils do not assume responsibility for design, construction quality or compliance outcomes by issuing a PIM, receiving completion documentation or providing general information about the exemption, provided these functions are carried out honestly, reasonably and without negligence.

This protection reinforces the importance of councils maintaining clear boundaries between their statutory role and the responsibilities of homeowners and licensed building professionals, and of avoiding informal advice or actions that could be interpreted as approval, inspection or certification of exempt building work.

What the law says:

Section 392A Territorial authority not liable

No civil proceedings may be brought against a territorial authority or any member, employee, or agent of that authority for anything in good faith—

- (a) stated in, or omitted from, a statement or description required by or provided under section 35A; or
- (b) done or omitted to be done in relation to the information supplied to it under section 42B(4) or 88(1A).

4. Project information memorandum (PIM) for granny flats

A PIM is mandatory for all granny flats built as a non-consented small standalone dwelling. Building work must not begin until a PIM has been issued for the final site.

For councils, the PIM is the primary statutory mechanism for both providing site-specific information to the homeowner and formally recording that the council has been notified of the proposed building work.

When processing a PIM application for a granny flat, councils must provide information required under the Building Act, including advice on development contributions, where applicable.

It is important that councils clearly communicate that:

- a PIM is informational, not determinative
- issuing a PIM does not confirm exemption eligibility
- responsibility for compliance remains with the owner and licensed professionals.



Avoid using language that could be interpreted as approval.

PIM application form (Form 2AA)

Applications for a PIM for a granny flat must be made using Form 2AA: Application for Project Information Memorandum for non-consented small standalone dwelling, or an equivalent council-approved format.

Councils should check that the application is complete and valid before processing but should not assess or verify whether the proposed design fully meets the exemption conditions. The responsibility for meeting Schedule 1A rests with the homeowner and licensed building professionals.

Processing PIM applications

Councils are responsible for issuing a PIM for a granny flat within 10 working days of receiving a complete application.

When processing a PIM application for a granny flat, the PIM (Form 2AAB) must include relevant site information such as:

- heritage status of the building (if any)
- special land features notified under other Acts
- requirements for Heritage NZ notification and Fire & Emergency evacuation scheme
- existing stormwater, wastewater systems, and any authorisations required under other legislation (eg drinking water, network utilities)
- timeframe for completing building work (two years), submission of Records of Work, and property file updates.

Councils must provide additional information (Form 2AAC) alongside the PIM containing the following:

- a statement indicating whether the proposed building work is likely, unlikely, or unclear in meeting clause 1 of Schedule 1A, that is:
 - standalone (not attached to another building)
 - wholly new (not an addition or alteration)
 - floor area of 70 square metres or less
 - single storey only
- a statement about natural hazards, including whether:
 - the land is, or is likely to be, subject to one or more natural hazards
 - the building work is likely to accelerate, worsen or cause a natural hazard
 - it is unclear whether either of the above applies
- the natural hazard(s) that the council considers likely to be present on the land
- if a natural hazard is or is likely to be present:
 - whether section 71(2) of the Building Act would apply if the exemption did not exist
 - if section 71(2) would not apply, a note that a building consent may be required or the design may need to change to protect against the hazard
- a description of any relevant bylaws that may affect the design, construction or location of the dwelling (eg stormwater or wastewater rules).

Use of preliminary plans and information at the PIM stage

Information and plans provided with a PIM application are used to describe the proposed building work and enable the council to prepare the PIM. This information supports the council's statutory function of identifying site-specific matters and other relevant requirements under the Building Act.

The provision of preliminary or indicative information at the PIM stage does not determine whether the proposed building work qualifies for the building consent exemption (other than whether the proposed building work is likely, unlikely, or unclear in meeting clause 1 of Schedule 1A), nor does it trigger an assessment of Building Code compliance or restricted building work requirements. A PIM is not an approval or verification step, and councils should not treat information submitted with a PIM as final or relied-upon design documentation.

Where proposed building work will be subject to statutory design or construction requirements, those requirements must be met before the building work proceeds or is relied on for construction. If those requirements are not met at that later stage, the building work may no longer qualify for the exemption, and the usual compliance and enforcement provisions of the Act may apply.

In processing PIM applications, councils should accept and assess information only to the extent necessary to fulfil their PIM obligations, seek clarification where information is missing or unclear, and clearly communicate relevant obligations to applicants. This should be done without treating the PIM process as a decision point on exemption eligibility or compliance outcomes.

Requests for additional information

Councils may request additional information under section 33 of the Building Act where the information provided with a Project Information Memorandum (PIM) application is insufficient to enable the council to prepare the PIM.

Requests for additional information must be limited to what is necessary to meet the council's statutory obligations when issuing a PIM, and procedural in nature, not an assessment of design compliance or exemption eligibility.

Requests should not extend into:

- assessing compliance with Schedule 1A,
- verifying whether the proposed building work qualifies for the building consent exemption, or
- reviewing or approving design solutions.

Additional information may be requested where:

- site information is incomplete or unclear
- the proposed building location on the site is not clearly identified
- natural hazard information cannot be confidently provided
- infrastructure or service information required for the PIM is missing or unclear.

Councils should clearly explain that requests for additional information are made to enable the PIM to be prepared, not to assess the proposal and must be resolved before the PIM can be issued.

Managing the PIM record

Once issued, the PIM enables building work to commence and forms part of the permanent property record. Councils should ensure that:

- PIMs and related correspondence are clearly recorded against the property file
- subsequent completion documentation references the correct PIM
- staff understand that a PIM does not authorise building work beyond what is allowed under the exemption.

Project Information Memorandum (PIM) validity and extensions

A PIM issued for a granny flat is valid for two years from the date of issue. Building work may only be carried out while the PIM remains in force. If the PIM lapses before work is completed, the building work is no longer authorised under the exemption.

Where building work is not completed within the original PIM period:

- the homeowner may apply to the council for an extension of the PIM, and
- councils have discretion to grant an extension in accordance with the Building Act.

In administering PIM extensions, councils should:

- confirm that the request relates to the same dwelling and final site,
- consider whether site conditions or relevant information have materially changed, and
- issue the extension without reassessing exemption eligibility or design compliance.

Councils should also be aware that LBPs do not apply for PIM extensions but may need to advise homeowners if work is approaching the PIM lapse date.



Failing to complete the granny flat before the PIM lapses means the project can no longer rely on the exemption and a building consent and/or certificate of acceptance is required.

Managing a lapsed PIM

Once a PIM is issued, a granny flat PIM is valid for 24 months (two years). If the granny flat is not finished within two years (or within any extension period the council may allow), then by law the PIM lapses and is of no effect.

After the PIM has lapsed, any further building work requires a building consent, and continuing to build without a consent would violate Section 40 of the Building Act. While simply missing the two-year deadline is not a separate offense by itself, doing additional construction on the unconsented dwelling beyond that point is an offense.

In practice, if a granny flat isn't completed in time, the council may issue a Notice to Fix for unconsented work and require the owner to obtain a building consent or a certificate of acceptance for the project going forward.

Section 34A of the Building Act, which governs the 24-month lapse, is intended to operate retrospectively. That is, once the PIM has expired, it is treated as if it never authorised the work, so the entire build is regarded as unconsented until a Code Compliance Certificate is obtained through the consent process and/or a certificate of acceptance for already completed building work.

If building work is complete but records are not filed by the homeowner, a certificate of acceptance and/or building consent is not required but a council may issue an infringement notice for failing to provide records within the required timeframe.

What the law says:

Section 34A Lapse of project information memorandum for non-consented small stand-alone dwelling

A project information memorandum for building work in connection with a non-consented small stand-alone dwelling lapses and is of no effect if the building work to which it relates has not been completed within—

- (a) 2 years after the date of issue of the project information memorandum; or
- (b) any further period that the territorial authority may allow.

5. Council involvement during construction

Councils have no inspection, supervision or approval role during construction under the exemption.

This removes council oversight from day-to-day building activity and places responsibility for compliance on homeowners and licensed building professionals. Councils should be clear that the absence of a building consent does not create an alternative approval or monitoring role during construction, and council staff should avoid actions that could be interpreted as providing consent, endorsement or assurance of compliance.

This means that councils should not:

- attend site inspections or construction meetings
- review construction sequencing, workmanship, or quality
- assess or approve construction changes or variations
- provide opinions on whether work meets the Building Code or Schedule 1A conditions while construction is underway.

Any involvement of this nature risks undermining the structure of the exemption and may expose councils to unintended liability by creating an expectation of oversight where none exists.

Connections to services and network utilities

Although councils do not oversee construction, they continue to have a role in relation to connections to services and network utilities, as these matters sit outside the building consent exemption and may involve separate statutory processes.

Councils may be involved in:

- providing information through the PIM about existing water, wastewater, and stormwater infrastructure
- advising whether connection approvals or capacity checks are required
- administering bylaws or local requirements relating to service connections, vehicle crossings, or minor engineering works
- coordinating with network utility operators where council-owned infrastructure is affected.

It is important to distinguish that:

- approvals for service connections are not building consents
- compliance with service connection requirements does not confirm Building Code compliance
- responsibility for designing and installing compliant service connections remains with licensed building professionals.

Councils should ensure that information provided to homeowners and licensed building professionals clearly separates building consent exemption requirements under the Building Act and service connection or infrastructure requirements under other legislation or bylaws.

Responding to issues during construction

If council staff become aware of potential non-compliance during construction, for example through complaints, referrals or other information, this should be treated as a regulatory matter, not an advisory one. Councils should avoid informal engagement that could be seen as guiding or approving work and instead consider whether statutory thresholds for intervention have been met.

In these situations, councils should consider whether:

- the information indicates a possible breach of Schedule 1A conditions
- building work may have started without a PIM or continued after a PIM lapsed
- unlicensed or unauthorised work may be occurring
- formal enforcement powers under the Building Act should be exercised.

Possible responses may include initiating a formal investigation, issuing a notice to fix or infringement notice where appropriate or requiring building work to stop until the correct statutory pathway is followed.

Enforcement actions relating to granny flats

Councils can use normal Building Act enforcement powers if they discover a non-compliant situation. For example, if someone falsely claims an exemption but doesn't meet the conditions (such as builds an oversized or otherwise non-compliant granny flat without consent), the council can treat it as unconsented building work. This may require a certificate of acceptance and/or consent and potentially applying penalties just as they would for any other unauthorised building work.

Summary of enforcement actions that councils can take in relation to granny flats			
Breach type	Enforcement action	Penalty / consequence	Can issue Notice to Fix?
Building work does not comply with the Building Code – breach of section 42B(3)(a)	Notice to Fix to obtain building consent	Must obtain building consent for remaining work and rectify work to meet Building Code compliance	✔ Yes
Work carried out by unauthorised persons (eg not licensed or registered) –breach of section 42B(3)(b)	Notice to Fix to obtain building consent	Must obtain building consent for remaining work	✔ Yes
No project information memorandum (PIM) issued before work begins - breach of section 42B(3)(c)	Notice to Fix to obtain building consent	Must obtain building consent for remaining work	✔ Yes
Work on hazard-prone land without mitigation - breach of section 42B(3)(d)	Notice to Fix to obtain building consent	Must obtain building consent for remaining work and comply with natural hazard provisions of s71-74	✔ Yes
Owner fails to submit to council within 20 working days after completion final design plans, Certificates of Work, Records of Work etc under section 42B(4)	Infringement offence	Infringement fee of \$500 if served with an infringement notice; if proceeded against by charging document or disputed in court, a maximum fine of \$1,000	✘ No
Failure, without good reason, by Licensed Building Practitioner who carries out/supervises work to provide Records of Work or Certificates of Work to the owner and council	It is a ground for discipline of LBPs (under section 317 Building Act 2004)	Disciplinary action by the registration LBP Board under section 318 of the Building Act 2004	✘ No
Failure by registered person or provisional licence holder (eg plumber or drainlayer) to provide Records of Work to the owner	It is a ground for discipline (under section 89 Plumbers, Gasfitters, and Drainlayers Act 2006)	Disciplinary action by the PGD Board under section 106 of the PGDA	✘ No

Managing risk and maintaining boundaries

Councils should ensure that staff understand the importance of maintaining clear role boundaries during construction under the exemption. Informal advice, site visits, or comments on compliance can blur responsibilities and undermine the compliance-based framework of the exemption.



By maintaining a clear separation between council functions and private responsibility, councils help ensure the exemption operates as intended while preserving their ability to act decisively where non-compliance is identified.



6. Completion and council notification

A granny flat is considered complete once the homeowner has received all documentation required under the Building Act from licensed building professionals and trades, and that documentation has been provided to the council within the statutory timeframe.

Unlike consented work, there is no Code Compliance Certificate and councils do not assess or certify compliance. Instead, the exemption relies on the receipt, accuracy and retention of documentation as the primary record of compliance.

Records of Work and trade certification

Licensed Building Practitioners (LBPs) who carry out or supervise restricted building work on a granny flat are legally required to complete a Record of Work (RoW) for that work. The RoW must accurately describe the restricted building work carried out or supervised and confirm that, if completed in accordance with the plans and specifications, the work complies with the New Zealand Building Code.

LBPs must provide their Records of Work to:

- the homeowner, and
- the territorial authority that issued the Project Information Memorandum (PIM).

In addition to LBP Records of Work, councils should expect homeowners to submit documentation from other licensed trades, including:

- Records of Work for prescribed sanitary plumbing and drainlaying,
- electrical certificates required under electrical safety legislation, and
- gas safety certificates where gasfitting work has been carried out.

Councils should note that the obligation to prepare, certify, and provide Records of Work and other compliance documentation sits entirely with homeowners, licensed building professionals and trades, not with the council.

The council's role is limited to receiving and retaining this documentation, and councils are not responsible for checking the technical accuracy, completeness, or Building Code compliance of the documents provided. These records are accepted on the basis that they have been prepared by authorised professionals in accordance with their statutory duties.

Once received, the documentation forms part of the permanent property record held by the council and may be relied on in the future for a range of purposes, including regulatory enforcement, insurance or lending decisions, property sale and due-diligence processes, or investigations into alleged non-compliance.

Timeframes and submission to council

The Building Act requires that all completion documentation be provided to the council within 20 working days of completion. For the purposes of the Building Act, completion occurs when the homeowner has received all required records and certificates from licensed professionals.

Councils should ensure that:

- internal systems clearly identify the 20-working-day requirement,
- documentation is correctly linked to the relevant PIM and property record, and
- delays or failures to submit documentation are treated as potential compliance matters.

Councils do not issue confirmation of completion and should avoid language that could be interpreted as sign-off or approval.

What the law says:

42B Building work for which building consent is not required under Schedule 1A

- (6) For the purposes of this Act, building work in connection with a non-consented small stand-alone dwelling is complete when the owner of the building has received from the relevant designers, builders, plumbers, drainlayers, electricians, and gasfitters—
- (a) the records of work required under section 88 for restricted building work;
 - (b) the records of work required under section 27A of the Plumbers, Gasfitters, and Drainlayers Act 2006 for prescribed sanitary plumbing and drainlaying;
 - (c) all certificates of compliance and electrical safety certificates required under the Electricity Act 1992 or the Electricity (Safety) Regulations 2010 for electrical work or any corresponding document under subsequent legislation that amends or replaces that Act or those regulations;
 - (d) all certificates of compliance and gas safety certificates required under the Gas Act 1992 or the Gas (Safety and Measurement) Regulations 2010 for gasfitting work or any corresponding document under subsequent legislation that amends or replaces that Act or those regulations.

Council role after completion

Once documentation has been received, the council's role is limited to recording and retaining the information and using it if required for compliance, investigation or enforcement purposes if required.



Councils should not:

- assess whether the building work complies with the Building Code,
- validate the content of Records of Work or certificates, or
- imply that receipt of documentation confirms compliance.

7. Interaction with resource consent requirements

The building consent exemption operates independently from resource consent requirements under the Resource Management Act.

The building consent exemption for granny flats operates alongside planning rules under the Resource Management Act 1991. In many cases, a granny flat may also be able to be built without a resource consent if it meets the permitted activity standards in the National Environmental Standards for Detached Minor Residential Units (NES-DMRU). These standards set nationwide planning rules, such as where the granny flat can be located on the site and how close it can be to boundaries or the main house.

The building consent exemption and the resource consent rules are separate processes. Meeting one does not automatically mean the other is met.

The building consent exemption focuses on how a dwelling is designed and built, including Building Code compliance and construction conditions, and can apply even where a granny flat is proposed on bare land from a building-control perspective.

In contrast, resource consent rules focus on how land is used and developed and may require that a principal or main dwelling already exists on the site before a detached minor residential unit or granny flat is permitted.

As a result, a project may meet the building consent exemption conditions but still require a resource consent, or be unable to proceed under planning rules, if land-use requirements are not met.

For councils planning matters such as natural hazards, earthworks or heritage may still require consent and building and planning advice should remain clearly separated.



Meeting the building exemption does not automatically remove planning controls.



For information about the National Environmental Standards for Detached Minor Residential Units (NES-DMRU) see - <https://environment.govt.nz/acts-and-regulations/acts/national-direction/>

8. Using the granny flats exemption alongside Schedule 1 exemptions

The granny flats building consent exemption sits in Schedule 1A of the Building Act and operates as a stand-alone exemption pathway.

The granny flats building consent exemption is legally and operationally distinct from the general building consent exemptions in Schedule 1 of the Building Act 2004, which apply to specific types of building work rather than to an entire dwelling.

General principle

A granny flat itself cannot be built under Schedule 1. A granny flat built using the building consent exemption must either meet all conditions of Schedule 1A or be built under a building consent.



Schedule 1 exemptions cannot be used to avoid the design and construction conditions that apply to a granny flat.

During construction of a granny flat under Schedule 1A the building work must be assessed as a whole against Schedule 1A conditions and councils should not treat individual components of the granny flat (such as foundations, walls or services) as separately exempt under Schedule 1.



Example

A builder cannot rely on a Schedule 1 exemption for a detached structure to construct part of a granny flat (for example, starting with a “shed” or “sleepout”) and later convert it into a granny flat. The dwelling must meet Schedule 1A conditions from the outset, or a building consent is required.

Using Schedule 1 exemptions after the granny flat is complete

Once the granny flat is complete, it is treated as a lawful building and Schedule 1 exemptions may then apply to future work, provided the work independently meets Schedule 1 criteria.

After completion, the granny flat exists as a lawful, standalone dwelling and future building work can be assessed in the same way as for any other dwelling. An example of this is minor repairs or maintenance to the granny flat may be exempt under Schedule 1 if they meet the relevant conditions.

In these situations, councils should assess the new work, not the original granny flat, against Schedule 1.

Using Schedule 1 exemptions on the same site at the same time

Schedule 1 exemptions can be used on the same site at the same time but only for separate building work. The work must not form part of the granny flat’s structure, services, or self-containment and the work must not undermine Schedule 1A conditions.

9. Further information and support



More information and resources for councils are available on building.govt.nz/grannyflats

This includes:

- full granny flats exemption policy guidance
- PIM application and other forms
- checklists
- step-by-step guides for each stage of the process
- links to other helpful websites and information.





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