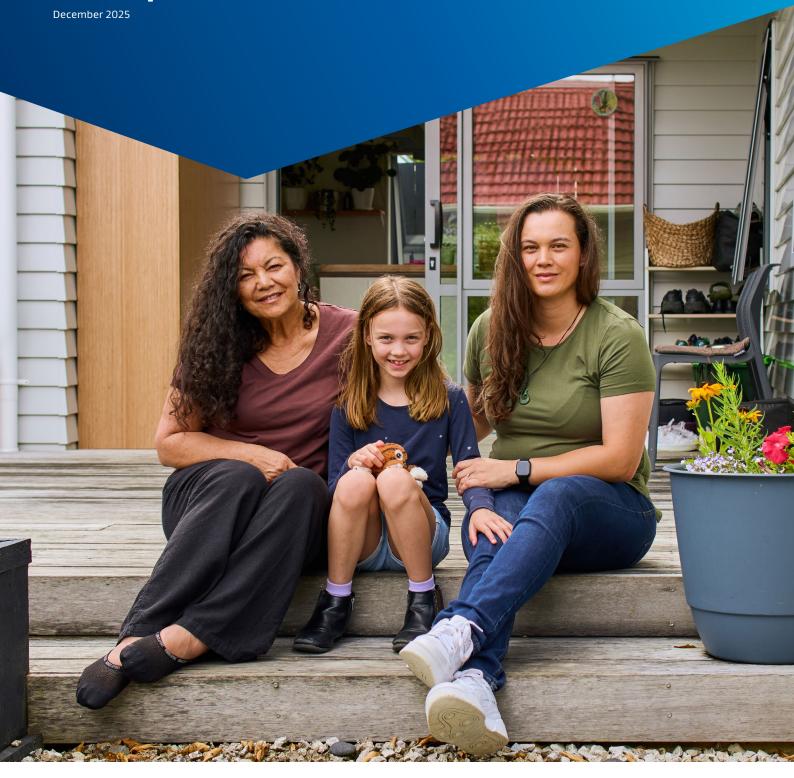


Guidance

Granny Flats
Exemption Guidance



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

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

More information

This document is issued as guidance under section 175 of the Building Act 2004.

While MBIE has taken care in preparing the document it should not be relied upon as establishing compliance with all relevant clauses of the Building Act or Building Code in all cases that may arise.

This document may be updated from time to time, and the latest version is available from MBIE's website at www.building.govt.nz.

Information, examples, and answers to your questions about the topics covered here can be found on our website: www.mbie.govt.nz or by calling us free on 0800 24 22 43.

Disclaimer

This document is a guide only. It should not be used as a substitute for legislation or legal advice. To the extent permitted by law, the Ministry of Business, Innovation and Employment (MBIE) is not responsible for the results of any actions or omissions taken on the basis of information in this document, or for any errors or omissions.

ISBN 978-1-991409-40-9 (print)

ISBN 978-1-991409-39-3 (online)

December 2025

©Crown Copyright

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders.

Document status

This resource is version 1 of MBIE's Granny Flats Exemption Guidance and takes effect from January 2026.

Document history				
Status	Date published	Alterations		
Version 1	18 December 2025	-		

Contents

	Document status	1
1.	Using the granny flats building consent exemption guidance	4
	What is in the granny flats exemption guidance	5
	Features of this document	6
	Who the granny flats exemption guidance is for	6
2.	Background to the granny flats exemption	7
	What the granny flats exemption is for	7
	Resource consent	8
3.	Granny flats exemption: roles and responsibilities explained	9
	Homeowners	9
	Building professionals	10
	Councils (territorial authorities)	13
	The Ministry of Business, Innovation and Employment (MBIE)	16
4.	Plan and design a granny flat	17
	What qualifies as a granny flat (and what doesn't)	18
	Deciding if the granny flats exemption is right for you	19
	Design-build options and off-site construction	22
	Compliance with the Building Code	22
	Building design conditions	24
	Natural hazards	31
	Licensed building professionals must be involved as a condition of the exemption	33
	Finding the right licensed building professional	34
	Records and documentation for the design	35
	Getting a project information memorandum (PIM) for a granny flat	36
	Obtain other authorisations and approvals	42

5.	Build a granny flat	43
	Manage the build process	44
	Consumer protection for granny flats built under the exemption	44
	If things go wrong	45
	Build to the plans and specifications	46
	Manage variations to granny flat building plans	46
	Consequences of non-compliance with the granny flats exemption	48
	Non-compliance management and enforcement	51
	Inspecting, monitoring, recording and certification of granny flats building work	53
	Records and documentation	57
	Records you must have for the granny flats exemption	60
	When documentation cannot be provided	61
	Extend your granny flat completion date	61
6.	Complete a granny flat	62
	Documentation for granny flats	63
	Notify the council of completion	65
	Pay granny flats development contributions	66
	Optional granny flats completion steps	68
7.	Granny flats exemption appendices	70
	Appendix 1: Glossary	70
	Appendix 2: Forms and resources	72

3

Using the granny flats building consent exemption guidance

Use this guidance to help understand the building consent exemption for granny flats.

The guidance:

- outlines the conditions under which granny flats up to 70 square metres may be constructed without a building consent
- explains the scope, intent and practical application of the granny flats exemption
- provides a clear framework for the design and construction of granny flats
- ensures all critical safeguards, compliance with the Building Code and other legislation, and mitigation of natural hazards are maintained
- helps councils, building professionals and homeowners to understand the requirements for this exemption.

This guidance has been developed for a range of people involved in designing, constructing and owning a granny flat. While each of these parties plays a different role, the shared aim is to provide safe, code-compliant and fit-for-purpose granny flats.

For the purposes of this guidance, we refer to non-consented small standalone dwellings as granny flats or the granny flats exemption, and we refer to building owners as homeowners.

What is in the granny flats exemption guidance

This document is divided into six sections:

Section 1: Using the granny flats building consent exemption guidance Section 2: Background to the granny flats exemption	Introduces the guidance, its scope, and intended audience, explaining the legal granny flats exemption under Schedule 1A of the Building Act 2004. It identifies who the guidance is for. Provides background to the exemption, its role in supporting housing supply and its interaction with the resource consent system.
Section 3: Granny flats exemption: roles and responsibilities	Explains the legal responsibilities of homeowners, designers, builders, councils, and the Ministry of Business, Innovation and Employment (MBIE). It explains who must carry out restricted building work and submit compliance documentation and ensures all parties understand their obligations before building work begins.
Section 4: Plan and design a granny flat	Covers the pre-construction phase, including applying for a project information memorandum (PIM), engaging licensed building professionals, and ensuring compliance with the Building Code. It also discusses site-specific risks, utility connections, and other approvals.
Section 5: Build a granny flat	Outlines the construction process, including quality control, documentation, and managing variations. It explains how to manage changes during the build and how to meet the granny flats exemption conditions. It also discusses consequences of non-compliance, such as enforcement actions and impacts on insurance or resale.
Section 6: Complete a granny flat build	Details the final steps in the process, including submitting Records of Work and certificates to the council, and paying any development contributions.

Features of this document

Hyperlinks are provided to cross-reference within this document and to external websites. These hyperlinks appear with <u>an underline.</u>

This guidance uses terms that have a distinct meaning under the Building Act and related regulations. A glossary is provided to help with these terms in Appendix 1.

Who the granny flats exemption guidance is for

This guidance is designed to support a range of users involved in the design, construction and regulation of granny flats, including:

- **building owners** homeowners building a granny flat
- designers Licensed Building Practitioners (design) and architects
- **builders** Licensed Building Practitioners and other tradespersons such as plumbers, gasfitters, drainlayers and electrical workers
- **councils** territorial authorities (TAs).

2. Background to the granny flats exemption

The Building and Construction (Small Stand-alone Dwellings)
Amendment Bill introduced changes to the Building Act that made it
easier to build granny flats, helping address the housing shortage and
increase affordable housing options.

These changes aim to provide more flexible living options while ensuring they remain safe, healthy, and durable.



What the granny flats exemption is for

The granny flats exemption enables eligible dwellings of up to 70 square metres to be built without a building consent, provided they meet specific design and construction conditions and are built or supervised by licensed building professionals.

The granny flats exemption makes it easier for homeowners to build, through the removal of some of the regulatory barriers that may slow down or complicate the building process. The granny flats exemption is designed to support an increase in the supply of affordable homes, provide more housing choices, while the conditions ensure that granny flats are safe, healthy, and durable.

Granny Flats Exemption Guidance

All building work completed using the granny flats exemption must comply with the New Zealand Building Code. Homeowners are required to use licensed building professionals to carry out design and building work. They must notify their council before starting and after completing the build, and must provide councils with documentation such as final plans, Records of Work, and certificates of compliance.

The council may charge a development contribution and this will be notified through the project information memorandum (PIM) process.

Resource consent

The granny flats building consent exemption operates alongside the resource management system. Under the Resource Management Act 1991, the National Environmental Standards for Detached Minor Residential Units (NES-DMRU) allows minor residential units to be built without a resource consent, provided certain permitted activity standards and criteria are met.

The NES-DMRU applies in residential, rural, mixed-use, and Māori purpose zones¹, ensuring consistency and clarity in how minor residential units (granny flats) are treated under district and regional plans. Building a granny flat may still require a resource consent in certain circumstances.

This guidance covers the requirements of the granny flats exemption under the Building Act only. For guidance on the National Environmental Standards, please contact the Ministry for the Environment or follow the link, below.



The NES-DMRU and the building consent exemption can operate independently.

Find information about the National Environmental Standards for Detached Minor Residential Units (NES-DMRU).

Depending on the site-specific circumstances for the proposed granny flat, homeowners may be able to use the building and resource consent exemptions or may need to apply for a building consent and/or a resource consent. For example, a granny flat may meet the permitted activity standards under the NES-DMRU but still require a building consent, or vice versa.

Together, the granny flats building and resource consent exemptions form a coordinated regulatory framework that removes unnecessary barriers, supports housing growth, and maintains safeguards for environmental and community wellbeing.

^{1.} As defined in the <u>National Planning Standards 2019</u>

3. Granny flats exemption: roles and responsibilities explained

The granny flats exemption involves several parties, each with distinct roles and responsibilities.

Homeowners

For the purposes of this guidance, we refer to building owners as homeowners.

Homeowners are legally responsible for ensuring that building work fully complies with the conditions of the granny flats exemption and meets the requirements of the Building Code. If any of the exemption conditions are not met, the building work is not considered exempt and a building consent will be required.

Under the granny flats exemption, homeowners must:

- comply with all granny flats exemption conditions and other related legislation (such as the Resource Management Act)
- engage licensed building professionals, such as Licensed Building Practitioners (LBPs) and registered plumbers or drainlayers or electrical workers
- ensure the building work meets all relevant Building Code requirements relating to the design of the building
- apply for a project information memorandum (PIM) before starting construction building work can only start after the PIM is issued
- check that the proposed site for the granny flat is free from natural hazards, or that any risks are properly managed
- connect to network utility operator (NUO) systems if available, or install suitable on-site water and drainage systems if not
- ensure building work is complete within two years of the PIM issue date
- submit all required documentation to the council within 20 working days of completion:
 - final design plans
 - Records of Work (RoWs)
 - Certificates of Work (CoWs)
 - electrical and gas safety certificates
- pay any development contributions within the same timeframes.

If a homeowner chooses to the use the exemption over the normal building consent process, it will also be important to understand the consumer protection provisions under the Building Act. This is because homeowners are responsible for compliance with the conditions of the exemption. They and their tradespeople are liable for fixing any issues with the building work.

Homeowners are not permitted to carry out building work on their granny flat unless they hold the appropriate qualification(s).

Exception

Homeowners intending to live in their granny flat may use the domestic exemption under section 79 of the Electricity Act 1992 to do certain electrical work during construction. All such work must be inspected by a licensed electrical inspector for compliance.

Because no building consent is issued for granny flats built using the exemption, councils do not carry out inspections, issue approvals or a code compliance certificate.

What the law says:

Section 14B of the Building Act outlines the responsibilities of an owner. It outlines that an owner is responsible for:

- obtaining any required consents, approvals and certificates
- ensuring that building work carried out by the owner complies with the building consent or, if there is no consent, with the Building Code
- ensuring compliance with any Notices to Fix.

Building professionals

All work on a granny flat must be carried out or supervised by licensed building professionals.

Building a granny flat using the building consent exemption involves a range of professionals, each with their own responsibilities under the Building Act. These include designers, builders and tradespeople, such as LBPs, architects, engineers, plumbers, gasfitters, drainlayers and electrical workers, who must work together to ensure the building work is safe, compliant and properly documented.

These professionals are referred to throughout this guidance using specific terms - such as designer, builder, tradesperson, LBP and contractor - depending on their role and qualifications. Each term has a distinct meaning under the Building Act and related regulations.

Section 4 of this guidance document, Plan and design a granny flat, has information on finding a licensed building professional.

Many building professionals belong to industry associations. These organisations promote professional standards, offer training and support, and may provide consumer protections such as warranties or dispute resolution services.

Membership of an association can be a useful indicator of competence, professionalism and experience, but it does not replace the legal requirement for the building professional to hold the appropriate qualification or licence.



Because councils are not responsible for checking the compliance of the building work with the Building Code, it is important that homeowners choose their building professionals carefully and be satisfied that they are employing the right people for the right job.

Designers: LBP (design) and architects

A designer, as referenced in this guidance, is an LBP. They have a design licence or equivalent qualification such as a Registered Architect, or CPEng Engineer.

Their job is to prepare plans and specifications for building work or provide advice on compliance with the Building Code. Under the Building Act, the designer is responsible for ensuring that their plans and advice are good enough so that, if followed correctly, the building work will comply with the Building Code.

Designers must ensure that their designs:

- meet the performance requirements of all relevant Building Code clauses, including but not limited to Clause B1 (Structure) and Clause B2 (Durability)
- include accurate, buildable details that are within the scope of the granny flats exemption conditions
- are clearly documented and suitable for the intended audience, including builders, homeowners, and councils.

In addition, when using the granny flats exemption designers must:

- ensure preliminary design plans are provided to the homeowner for submission with the PIM application
- ensure final design plans are provided to the homeowner for submission to the council within 20 working days of project completion
- provide a Certificate of Work (CoW) for the design of restricted building work
- coordinate with other licensed building professionals (eg builders, plumbers) and advise homeowners this is to ensure the design is buildable and compliant
- consider site-specific constraints such as natural hazards, local bylaws and district or regional plan requirements when preparing plans.

Under the granny flats exemption, 'plans' for building work includes both the preliminary and final design plans.

Even when a project is exempt from requiring building consent, the design must still meet all relevant Building Code performance requirements.

What the law says:

Section 14D of the Building Act outlines the responsibilities of a designer. It outlines that:

A designer means a person who prepares plans and specifications for building work or who gives advice on the compliance of building work with the Building Code.

They are responsible for ensuring that the plans and specifications, or the advice, are sufficient to result in the building work complying with the Building Code, if the building work were properly completed in accordance with those plans and specifications or that advice.

Builders (LBP) and tradespersons

A builder, as referenced in this guidance, means a licensed building professional - such as an LBP (other than LBPs with a design licence), plumber, drainlayer, gasfitter or electrical worker - who carries out or supervises the physical construction of a granny flat.

Builders are responsible for ensuring that all building work complies with the Building Code and must ensure that their work aligns with the plans and specifications prepared by the designer.

Granny flats include restricted building work (RBW) and this work must be carried out or supervised by an LBP. This includes work on the primary structure and external moisture management systems.

Builders must:

- ensure that all building work complies with the Building Code, whether or not a building consent is required
- use building products and methods in a way that complies with the Building Code
- be licensed in the appropriate class and ensure the work is done in accordance with the Building Act if they are an LBP who carries out or supervises restricted building work (RBW).

Once building work is underway on-site builders have a number of important responsibilities that ensure the structural integrity and quality of the build. These are:

- ensuring that building work does not begin until a PIM has been issued by the council
- following the plans and specifications
- supervising any unlicensed workers eg apprentices and ensuring their work meets compliance and quality standards
- working with the homeowner and designer to manage any on-site changes and help ensure that final design plans accurately reflect what was built
- providing a Record of Work (RoW) using the prescribed form to both the homeowner and the territorial authority (TA) that issued the project information memorandum (PIM) this includes a RoW for prescribed sanitary plumbing and drainlaying
- ensuring that certificates of compliance and safety certificates for electrical and gas work are provided to the homeowner, as required under the Electricity Act 1992 and Gas Act 1992.

What the law says:

Section 14E of the Building Act outlines that a builder means any person who carries out building work, whether in trade or not.

Section 14E (2A) outlines that:

A builder who carries out building work that is not covered by a building consent is responsible for ensuring that—

- the building work complies with the Building Code; and
- all building products and building methods used in carrying out that building work are used in a manner that complies with the Building Code.

Section 14E (3) outlines that:

A licensed building practitioner who carries out or supervises restricted building work is responsible for—

- ensuring that the restricted building work is carried out or supervised in accordance with the requirements of this Act; and
- ensuring that he or she is licensed in a class for carrying out or supervising that restricted building work.

For residential building work costing \$30,000 or more (including GST), builders must have a written contract and provide the homeowner a disclosure statement and standard checklist. A 'builder' is a person or company contracted to do building work, such as a builder, plumber, electrical worker or any other tradesperson that the homeowner deals with directly - it does not include subcontractors.

Councils (territorial authorities)

The role of councils relating to the construction of consent exempt granny flats is limited. It differs to their normal role in regulating buildings constructed with a building consent.

Councils play a limited role in the exemption process. They are responsible for issuing relevant information, collecting development contributions and maintaining records after a consent exempt granny flat has been built.

Before building work starts on a granny flat homeowners must apply for a project information memorandum (PIM). The PIM is not an approval, and councils do not approve or refuse building work associated with granny flats.

Additional information provided by councils with a PIM has a good faith liability protection under section 392A of the Building Act 2004. This means that if a council provides statements and additional information about a property - like hazards or infrastructure - and they do so in good faith, they may have a good faith liability protection in any civil proceedings brought against them.

Councils must keep a record of the information they provide to the homeowner with the PIM. On completion of the granny flat, councils must receive and retain the following information submitted by the homeowner:

- final design plans
- Records of Work (RoWs)
- Certificates of Work (CoWs)
- certificates of compliance and safety certificates for electrical and gas work.

Councils have no duty or obligation to assess information supplied to them on completion of building work but are responsible for storing records.

This information must be provided as part of a land information memorandum (LIM) and will form an important and useful property file record for insurance, lending and resale purposes.

Councils hold good faith liability protection for storing these records, as they are not required to review them when they are submitted.

Councils are responsible for:

- issuing project information memoranda (PIMs) on the prescribed PIM form for granny flats within 10 working days of receiving a complete application. The PIM must include relevant site information such as:
 - heritage status of the building
 - 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
- attaching an additional information document to the PIM indicating whether the proposed build is likely, unlikely, or unclear in meeting the following exemption criteria:
 - it is standalone
 - it is new (that is, it is wholly new and not an addition or alteration to existing building work or an existing building)
 - it has a floor area that is equal to or less than 70 square metres
 - it is single storey only
- providing any other information, they consider may affect the design, construction or location of a granny flat including bylaws, district/regional plan details, utility restrictions, contaminated ground, covenants, and proximity to power lines
- advising homeowners if their building design is likely or unlikely to adequately account for any natural hazard present on the land, and if it does not, advising that changes will need to be made (and/or a building consent applied for)- councils can also state if this is unclear based on information submitted in the PIM application
- issuing a development contribution notice stating that payment is due within 20 working days of completion of building work
- issuing a Notice to Fix if the building is unsafe or non-compliant.

What the law says:

Sections 32(b)(ii) and 33 of the Building Act 2004 specify that an owner may apply to a territorial authority for a project information memorandum (PIM) for building work in connection with a non-consented small stand-alone dwelling. The application must be in the prescribed form and provide supporting information.

Section 34 specifies that a territorial authority must issue the PIM within 10 working days after receiving the application. Sections 35 and 35A specify that the PIM must be issued in the prescribed form and that additional information must be provided.

Section 36 specifies that if the territorial authority considers that a development contribution under the Local Government Act 2002 is payable by the owner for the small stand-alone dwelling, the territorial authority must issue a development contribution notice—

- in the prescribed form; and
- stating that the development contribution is required to be paid by the owner within 20 working days after the completion of the building work (as described in section 42B(6)).

Section 164 specifies that a territorial authority can issue a Notice to Fix to a building owner or person carrying out or supervising building work if they consider on reasonable grounds that the person is failing to comply with the Building Act or the regulations.



What councils are not responsible for

Councils do not approve eligibility for the granny flats exemption.

Homeowners may proceed with building their granny flat regardless of the information provided by councils in the PIM but do so at their own risk.

During the construction phase a council has no duty or obligation to track or monitor building work on granny flats being built using the exemption.

Councils are not responsible for checking the compliance of the building work with the Building Code. They may investigate granny flats proactively or in response to complaints

The Ministry of Business, Innovation and Employment (MBIE)

MBIE is the central regulator of New Zealand's building system. MBIE is responsible for supporting the overall performance of the building system by updating legislation, monitoring system performance, and supporting compliance through education and guidance.

MBIE's responsibilities in relation to the granny flats exemption include:

- monitoring and evaluating the uptake and impact of the exemption
- providing support to the Licensed Building Practitioners Board, which manages complaints, investigations, and disciplinary processes
- issuing determinations under the Building Act to resolve disputes and clarify how the law applies in specific cases
- providing guidance, tools, and resources to help homeowners and building sector participants meet the requirements of the Building Act.

All resources are available on MBIE's Building Performance website, so those involved in building work can understand their responsibilities and make informed decisions.

www.building.govt.nz

4. Plan and design a granny flat

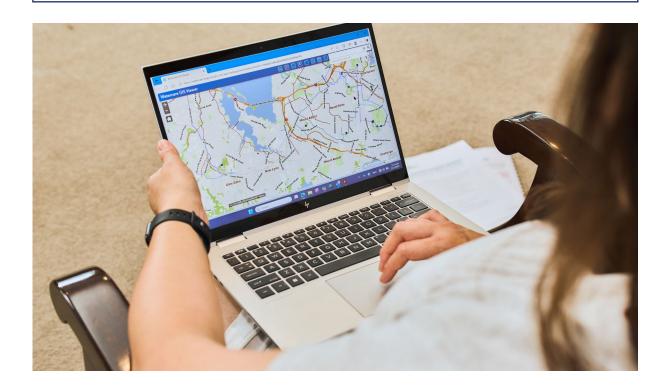
Doing the required homework at the planning, feasibility and design stages helps to understand what's possible on the site, what's allowed using the granny flats exemption, and what steps need to be taken. This can prevent unnecessary delays, unexpected costs, and compliance issues, while supporting a safe, code-compliant, and fit-for-purpose build.



Find a step-by-step guide for planning, designing, building and completing a granny flat

Find a step-by-step guide for planning a granny flat

Find a step-by-step guide for designing a granny flat



What qualifies as a granny flat (and what doesn't)

Granny flats are classified as *Housing – detached dwelling* and must meet all relevant requirements of the Building Code.

Housing - detached dwelling applies to a building or use where a group of people live as a single household or family. Examples of this use include a dwelling, holiday cottage or boarding house accommodating fewer than 6 people.

The granny flats exemption is limited to a maximum floor area of 70 square metres and restricted building work must be designed and built, or supervised by a Licensed Building Practitioner (LBP). Homeowners are required to notify their local council both before construction begins, and after the building work is completed.

They must meet specific conditions to be exempt from requiring a building consent using the granny flats exemption. Not all small buildings will qualify.



While granny flats built using the exemption may resemble other small structures in some situations, they are distinct from:

- sleepouts, garden sheds, or garages, which are not considered dwellings as these do
 not have all the necessary facilities to be self-contained (for example, a bathroom or
 kitchen). Find guidance on these types of buildings at https://www.building.govt.nz/
 projects-and-consents/building-work-that-doesnt-need-a-building-consent/detachedstandalone-buildings/
- tiny houses on wheels, which are mobile and subject to different requirements. See https://www.building.govt.nz/projects-and-consents/special-projects/tiny-houses/ for more information
- buildings larger than 70 square metres, which do not qualify as small standalone dwellings to use the granny flats exemption
- existing structures, such as garages or sleepouts, or partially built buildings the exemption applies only to new granny flats built after the exemption has commenced.

Deciding if the granny flats exemption is right for you

As a homeowner, you have a choice when building a granny flat. You can use the granny flats exemption or follow the standard building consent process.

Use this checklist to help decide whether your project is more suited to the granny flats exemption or the standard building consent process. Each option has its own advantages and limitations. The right choice depends on your design, materials, timeframe, and how much flexibility or certainty you need.

You may want to use the granny flats exemption if: or your dwelling is new, single-storey, standalone, self-contained and 70 square metres or less you're using lightweight construction materials (eg timber or steel framing) you want to start building quickly and complete the build faster without waiting for formal consent approval or council inspections you're looking to reduce upfront costs, such as consent fees you're comfortable with a simplified process that involves less paperwork and fewer inspections you're building for residential use, such as multigenerational living you understand that licensed building professionals must still carry out or supervise all restricted building work you're happy to notify the council before and after construction and submit a project information memorandum (PIM) application your design is straightforward and unlikely to change beyond the scope of the granny flats exemption conditions during construction. You should apply for a building consent if: your design is larger than 70 square metres, multi-storey or includes complex features your project is an alteration to an existing building or building work is already underway your project is on land that is likely to be subject to a natural hazard and this cannot be mitigated as required by the exemption conditions you want to use heavier or more complex materials, such as panelised construction or structural steel you need the ability to include features like level-entry showers or a solid fuel heater you prefer the legal certainty of having a formal record of approval for insurance, resale or future renovations you're comfortable with a longer timeframe to get formal approval before starting construction you want to ensure your project is fully inspected, documented and supported by council oversight. If you're considering using the granny flats exemption, make sure you read all sections of this guidance to understand what's required and how to meet your responsibilities.

Due diligence as the homeowner

Doing your due diligence means making sure that all the facts are known before making decisions.

It helps manage risks and keep the project on track and on the right side of the law.

This section outlines key steps and considerations to take when deciding to build using the granny flats exemption.



Check the conditions for the granny flats exemption and understand what is permitted and what the timeframes are.

You will need to comply with these in every respect to be able to use the exemption. Failure to comply with the exemption conditions means that the building work will be illegal and can result in enforcement action.



Find a checklist for homeowners doing due diligence checks

Choosing to build using the granny flats exemption means the work won't be reviewed or approved by the local council.

This can offer time and cost savings, but it also means the responsibility for ensuring the work complies with the Building Code rests entirely with you and those carrying out the work.

You're responsible for making sure everything is compliant, and you could be liable if something goes wrong. There are still ways to gain confidence in the quality and safety of the build, such as:

- engaging licensed building professionals to carry out or supervise the work
- arranging third-party inspections or quality assurance checks
- keeping thorough records of design decisions, materials used and who completed the work.

Following these steps will help ensure the building work complies with all granny flats exemption conditions.

Know the rules for the site before starting work

The granny flats exemption is a building consent exemption under the Building ${\sf Act}.$

You must also comply with the planning rules so always check the local council's planning rules and the Resource Management Act (RMA) to see what's allowed on the site.

Alongside the requirements in the National Environmental Standards for Detached Minor Residential Units (NES-DMRU), your local council will be able to help you identify any relevant requirements under the local regional and district plans, including whether there are any natural hazards identified on the site.

The Ministry for the Environment has useful resources to help you understand any national rules that might apply and when a resource consent may be required

Gather site and design information

Before you start work, apply for a project information memorandum (PIM) from your council. The PIM, and the additional information issued alongside it, will tell you about any heritage status, hazards, infrastructure or other requirements for your site.

If your land is at risk from natural hazards, your design must address these risks and make adequate provision to protect the land, building work or other property from that hazard. If it can't, you'll need to get a building consent instead of using the granny flats exemption.

Read information about building a granny flat on a site that may be affected by a natural hazard.

Find guidance about the natural hazards sections of the Building Act

Check for extra costs

Even without a building consent, there will be costs for design, approvals, insurance and construction. Building a granny flat could affect the rateable value of your property.

Development contributions may also apply. Ask your council if you'll need to pay development contributions or other fees for your granny flat.

These charges can vary depending on where you are and what you're building.

Check with your local council about development contributions for your site.



Investigate and arrange finance and insurance

Even though a building consent isn't required if you are using the granny flats exemption, insurers and lenders still need assurance that the building is safe, legal and meets all relevant standards.

Finance and insurance providers may ask for things like:

- the advice provided by councils to understand if the home that is built is suitable for the land it is built on
- confirmation that records have been submitted to the local council
- final design plans for building, sanitary plumbing and drainlaying work
- Records of Work
- Certificates of Work
- certificates of compliance
- proof of payment for development contributions.

Talk to your bank and insurer early on to find out what is needed to secure finance and insurance for the granny flat. This can depend on meeting all the exemption and Building Code requirements and being able to prove it.

Read about getting insurance for a building project
Read information about property insurance

Design-build options and off-site construction

Some companies offer a full design and build service for granny flats, which can simplify the process for homeowners by managing both the planning and construction stages.

These providers may offer kitset options or use off-site construction methods, such as prefabricated or modular builds, which can reduce on-site time and help ensure quality control.

All exemption conditions and requirements for professional qualifications still apply. Restricted building work must be carried out or supervised by LBPs, and homeowners must ensure that all professionals are suitably qualified and licensed for the work they undertake.

If the granny flat is manufactured off-site, a project information memorandum (PIM) is only required for the final location where the building will be placed.

Compliance with the Building Code

A granny flat must fully comply with all applicable Building Code requirements. No waivers or modifications to the Building Code apply, as section 67 of the Building Act 2004 does not apply to granny flats.

Granny flats must be designed and constructed to achieve full compliance with the requirements of the Building Code that apply to detached dwellings, including structural integrity, durability, fire safety, moisture control, energy efficiency and sanitation.

A granny flat has a classified use of Housing – detached dwelling, as defined in Clause A1 of the Building Code.

Check building classified uses in Clause A1



Under the Building Act, the legal responsibility for ensuring that a granny flat complies with the Building Code rests with the homeowner. This applies even when the building is exempt from requiring a building consent.

Designers and builders also play key roles by ensuring the plans and specifications will result in a building that complies with the Building Code if they are followed, and for carrying out the building work in accordance with those plans and specifications.

All parties must work together to ensure the completed dwelling is compliant and fit for purpose.

Figure 1 Intersecting responsibilities for building a code compliant granny flat



There are a number of ways that a granny flat can be designed and built to comply with the Building Code:

- **Acceptable solutions** are approved methods for complying with specific Building Code clauses if the design and construction follow an acceptable solution, the work is deemed to comply with the Building Code.
- **Verification methods** involve testing or calculation to prove compliance they are often used for more complex or innovative designs.
- **Alternative solutions** are custom approaches that differ from acceptable solutions or verification methods.

A granny flat will usually be designed using a combination of these compliance methods.



MBIE has published information about how the Building Code works together with acceptable solutions, verification methods and technical guidance to support Building Code compliance with all the relevant code clauses:

Read about how the Building Code works

Find acceptable solutions and verification methods and supporting guidance for complying with Building Code requirements for detached dwellings including granny flats:

- B Stability: B1 (Structure), B2 (Durability)
- <u>C Protection from Fire: C1–C6</u>
- D Access: D1 (Access routes)
- <u>E Moisture: E1 (Surface water)</u>, E2 (External moisture), E3 (Internal moisture)
- <u>F Safety of Users: F1 (Hazardous agents), F2 (Hazardous building materials), F4</u> (Safety from falling), F5 (Construction and demolition hazards), F7 (Warning systems)
- <u>G Services and Facilities: G1 (Personal hygiene), G2 (Laundry), G3 (Food preparation), G4 (Ventilation), G7–G13 (Water supply, drainage, electricity, gas, etc.)</u>
- <u>H Energy Efficiency: H1 (Energy efficiency).</u>

Councils may take enforcement action if they become aware that a completed granny flat does not comply with the Building Code.

Consequences of non-compliance has more information

Building design conditions

Granny flats are intended to be small, lower risk dwellings lived in by single households. To ensure that buildings meet this intent, the granny flats exemption conditions:

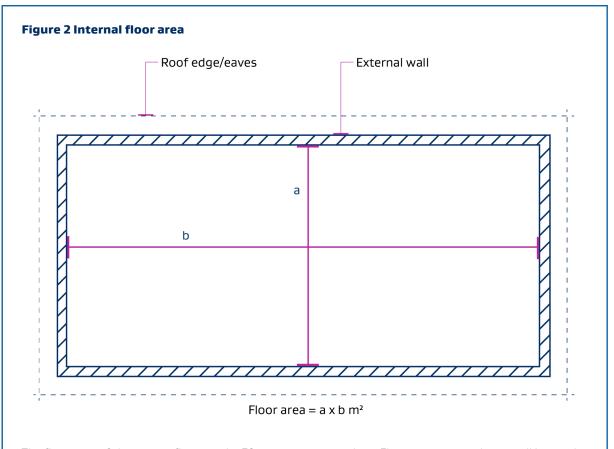
- limit the building's size and height
- specify how close granny flats can be to boundaries and other residential buildings
- ensure they have the facilities (eg cooking, electricity, running water, toilets) needed for a home to be used independently from any other buildings.

New, single storey, standalone and self-contained

The granny flat must be:

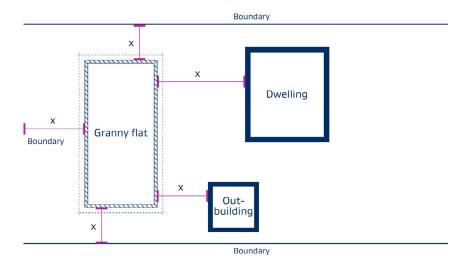
- single-storey one-storey only, without a part-storey or mezzanine floor
- standalone not connected to other buildings and complying with all Building Code requirements for a detached dwelling
- a dwelling that is intended for a single household or family
- a new build it cannot be an addition, alteration or conversion of an existing structure.

Building dimensions and location



The floor area of the granny flat must be 70 square metres or less. Floor area means the overall internal dimensions measured between the finished internal faces of the external walls. An attached or internal garage may be included as part of the 70 square metre floor area.



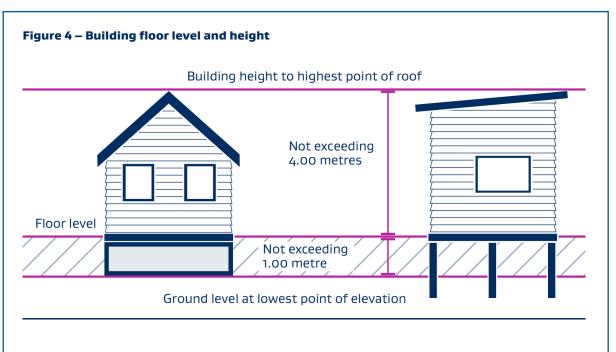


The building must be two metres or more away from any other residential building or any legal boundary and cannot be built across boundaries between allotments.

This distance is measured from the boundary to the external walls of the granny flat eg the exterior face of the wall cladding.



It pays to find boundary pegs rather than relying on fences to show where the legal boundary is.



The building must have:

- a maximum floor level of one metre above ground (as measured from the lowest point of elevation within the building footprint)
- a maximum height of four metres above the floor level.

Construction materials

Granny flats must be built using lightweight roof and wall framing materials that support commonly used and familiar methods of construction. This helps ensure the building is safe and durable. The granny flat must be designed and built using:

- · light steel or light timber for the wall and roof framing
 - Light timber framed buildings are often designed and specified in accordance with NZS3604:2011.
 This standard is sponsored by MBIE and can be accessed free of charge from Standards New Zealand.
 Access NZS3604:2011- Timber framed buildings
 - The National Association of Steel Framed Housing Standard Part 2:2019 Light Steel Framed Buildings provides design and detailing for single storey wall and roof construction, and bracing systems for lightweight steel buildings.
 - Access the NASH Standard Part 2:2019 Light Steel Framed Buildings.
- **lightweight building products for the roof cladding with a maximum weight of 20 kilograms per square metre.** Lightweight roof claddings include metal sheet and metal tiles (of normal thickness) and membrane roofing systems. Acceptable solution E2/AS1 provides roof cladding solutions for timber framed roofs.
 - Find information about lightweight roof claddings in Acceptable Solution E2/AS1
- wall cladding with a maximum weight of 220 kilograms per square metre. This includes a range of
 wall cladding types including clay masonry veneer, autoclaved aerated concrete (AAC) cladding and timber
 weatherboards.
 - Find information about wall claddings in Acceptable Solution E2/AS1

Water supply and drainage systems

Granny flats must have safe and reliable water supply and drainage systems that comply with the Building Code, and any relevant local and regional council rules and bylaws.

These systems must connect to existing network utility operator (NUO) systems where available, including where the NUO confirms there is capacity. If connection isn't possible, onsite systems can be used instead.

Plumbing and drainage connections

These connections must connect to NUOs where available.

Councils are often the providers for NUO services such as water supplies used for drinking, cooking and washing and reticulated sewer and stormwater drainage.

Councils will provide information about who the NUO providers are for the site, and how to apply for a connection as part of the PIM for the granny flat.

Systems that connect to NUOs must be designed and built in accordance with the following acceptable solutions for compliance with clauses E1, G12, and G13 of the Building Code:

- E1/AS1, E1/AS2 or E1/VM1 for its surface water system; and
- G12/AS1 or G12/AS3 for its water supply system; and
- both G13/AS1 and G13/AS2 or G13/AS3 for its foul water drainage system.

If there is no NUO service available, or the NUO confirms there is not enough capacity to connect, an on-site system can be used for the granny flat.

This may be an existing system or a new one. If this is being modified or installed using the granny flats exemption a building consent is not required, but a resource consent may still be needed.

On-site systems for granny flats installed where NUO systems are not available, must be designed and built in accordance with:

- E1/AS1, E1/AS2 or E1/VM1 for its surface water system; and
- G12/AS1 or G12/AS3 for its water supply system; and
- both G13/AS1 and G13/AS2, or G13/AS3 or G13/VM4 for its foul water drainage system.

Find acceptable solutions and verification methods for:

- <u>surface water drainage systems in E1 Surface water</u>
- water supply systems in G12 Water supplies
- foul water drainage systems in G13 Foul Water.

All plumbing and drainage systems installed using the granny flats exemption must also meet specific criteria:

- maximum 30 fixture units
- no pumped systems inside the building
- main drain ≥ DN100 at a minimum of 1:60 grade
- branch drains ≥ DN65 at a minimum of 1:40 grade
- upstream vents ≥ DN65
- no uncontrolled water heating.

Fixture units are a way of measuring the load that a sanitary fixture places on the plumbing and drainage system. It tells you how much water a fixture uses, how often and how long it's used.

Adding the fixture units together helps estimate the total demand fixtures will put on the plumbing and drainage system.

Limiting the total fixture units for a granny flat to a maximum of 30 ensures that the number of sanitary fixtures is not too high and therefore the load placed on the outfall system is manageable.

If the plumbing and drainage system is designed to comply with G13/AS1 and AS2, then:

- the size and gradient of main and branch drains must meet the minimum requirements specified above, and
- the total discharge volume from the granny flat must not exceed 30 fixture units.

'Fixture units' is defined in AS/NZS 3500.0:2021. Designs using G13/AS1 and AS2 can meet this requirement by limiting discharge to 30 discharge units, as defined in Table 2 of G13/AS1.

Electric and gas installations

The granny flat must have independent points of supply for electricity and gas (where applicable). Heaters must be electric or gas heaters if installed.

The installation of other forms of heating such as a solid fuel heater requires building consent.

Shower installations

Granny flats can include showers that do not require a waterproof membrane, such as prefabricated acrylic shower units. They cannot include level entry, or wet-floor showers. This helps reduce the risk of internal waterproofing failures, which can lead to costly damage and repairs.



If the granny flat doesn't meet all of the exemption conditions the building work requires a building consent.

Find a building design conditions checklist

What the law says:

Schedule 1A of the Building Act specifies the characteristics of a small stand-alone dwelling:

A small stand-alone dwelling is a building that has all of the following characteristics:

- it is stand-alone
- it is new (that is, it is wholly new and not an addition or alteration to existing building work or an existing building)
- it has a floor area that is equal to or less than 70 square metres
- it has a single storey only.

It also specifies requirements for a small stand-alone dwelling:

A small stand-alone dwelling must be constructed in accordance with the following requirements:

- it meets the requirements for a detached dwelling, as defined in clause Al of the building code
- it has a maximum height of 4 metres above the floor
- it has a floor level of up to 1 metre above the supporting ground
- it must not contain a mezzanine floor
- it has a frame made of lightweight building products (being steel or timber)
- it is at least 2 metres away from any other residential building or any legal boundary
- it is built using lightweight building products for the roof that have a maximum weight of 20 kilograms per square metre
- its wall cladding has a maximum weight of 220 kilograms per square metre or less
- its water supply, sanitary plumbing, and drainage must—
 - be designed and built in accordance with the following acceptable solutions or verification methods for compliance with clauses E1, G12, and G13 of the building code:
 - a. E1/AS1, E1/AS2, or E1/VM1 for its surface water system; and
 - b. G12/AS1 or G12/AS3 for its water supply system; and
 - c. both G13/AS1 and G13/AS2 or G13/AS3 for its foul water drainage system; and
 - connect to network utility operator systems (NUO systems), if those systems are available,
 or, if not available, connect to on-site systems
- an on-site system must be designed and built in accordance with—
 - any applicable acceptable solution specified in the schedule; or
 - verification methods E1/VM1 and G13/VM4 (if applicable)

continued ▶

- a connection to an NUO system or an on-site system does not require a building consent
- · building work in connection with an on-site system does not require a building consent
- it must have an independent source of supply for electricity and, if gas is to be used in the dwelling, an independent source of supply for gas
- where heaters are installed, they must be either electric or gas heaters
- it does not have a level entry shower requiring a waterproof membrane.

The following additional requirements apply to the water supply, sanitary plumbing, and drainage systems for a small stand-alone dwelling (but do not apply to on-site systems):

- there must be no more than 30 fixture units
- there must be no pumped systems within the dwelling
- the main drain must be no less than DN100, at a grade of 1:60
- all branch drains must be no less than DN65, at a grade of 1:40
- upstream vents in connection with any branch or main drain must be no less than DN65
- there must be no uncontrolled water heating.

A small stand-alone dwelling can include a garage with internal access if the characteristics and requirements listed above are met.

Natural hazards

Before building a granny flat using the exemption, it's important to understand whether the site is affected by natural hazards.

Natural hazards are naturally occurring events that have a potential to cause damage to land or buildings. The Building Act defines natural hazards as:

- erosion
- falling debris
- subsidence
- inundation (including flooding, overland flow, storm surge, tidal effects and ponding)
- slippage.

If the site of the granny flat is, or is likely to be, affected by one of the natural hazards listed above - or if the building work could accelerate, worsen, or result in such a hazard - adequate provision must be made to protect the land, the building work, and other property from the hazard.

Where adequate provision cannot be made, the granny flats exemption cannot be used, and a building consent is required.

Read about the natural hazard provisions of the Building Act



Owners and designers should check whether any natural hazards are likely to affect the site. Information about natural hazards can be found on:

- the Natural Hazards Portal
- local and regional council maps and websites

How councils share information about natural hazards

Councils will provide additional information alongside the PIM about any natural hazards that they are aware of that affect the site.

If a natural hazard is, or is likely to be present, they will also consider whether the preliminary design plans submitted with the PIM application show whether adequate provision has been made to protect:

- the land,
- building work, and
- other property.

The PIM must include:

- a statement about whether the land is, or is likely to be, subject to a natural hazard under section 71(3) of the Building Act 2004
- a statement about whether the construction is likely to worsen or cause a hazard
- advice on whether section 71(2) of the Building Act would apply if the exemption did not exist
- if section 71(2) of the Building Act would not apply, a note that a building consent may be required or that the design may need to be amended to adequately protect against the hazard, or both.

Preliminary design plans may need to be amended, and/or a building consent obtained if the PIM confirms that the council is not satisfied that adequate provision has been or will be made to:

- protect the land, building work, or other property from a natural hazard or hazards; or
- restore any damage to that land or other property as a result of the building work.

When adequate provision has not been made for natural hazards

If the PIM indicates that the granny flats site is affected by a natural hazard, and adequate provision has not been made:

- 1. The designer should assess the site-specific natural hazard risks and identify appropriate mitigation measures. This may require input from specialists.
- 2. The homeowner and designer should determine whether the granny flats exemption can be used, or if a building consent is required.
- 3. The designer must update the preliminary design plans and the final design for the granny flat must show that the building work will not worsen the hazard and that adequate protection for the land, building work and other property has been incorporated into the design.

All advice, assessments, and design changes should be documented and retained.

The granny flats exemption can only be used once the risks from the natural hazard have been mitigated to the same extent that would be required if a building consent were being issued under section 71(2) of the Building Act.

What the law says:

Section 35A of the Building Act specifies that when a PIM is issued for a granny flat, it must include:

- a statement on whether the land is, or is likely to be, subject to one or more natural hazards as defined in section 71(3)
- a statement on whether the construction is likely to accelerate, worsen, or result in a natural hazard on the land or any other property
- if hazards are identified, a statement on whether section 71(2) would apply if Schedule 1A did not apply.

Section 71(3) of the Building Act specifies that a natural hazard is any of the following:

- erosion (including coastal erosion, bank erosion, and sheet erosion)
- falling debris (including soil, rock, snow, and ice)
- subsidence
- inundation (including flooding, overland flow, storm surge, tidal effects, and ponding)
- slippage.

Section 71(1) specifies that:

A building consent authority must refuse to grant a building consent for construction of, or major alteration to a building where:

- the land on which the building work is to be carried out is subject or is likely to be subject to 1 or more natural hazards; or
- the building work is likely to accelerate, worsen, or result in a natural hazard on that land or any other property.

Section 71(2) specifies that this applies unless the authority is satisfied that adequate provision has been, or will be made to:

- protect the land, building work, or other property referred to in that subsection from the natural hazard or hazards; or
- restore any damage to that land or other property as a result of the building work.

Licensed building professionals must be involved as a condition of the exemption

Licensed building professionals have the qualifications, experience and accountability to ensure building work is done safely, legally and to the required standards.

Building a granny flat using the exemption is a collaborative process. Using the granny flats building consent exemption shifts responsibility for compliance to homeowners, designers and builders who each have their own roles and responsibilities.



It is important to identify who holds responsibility and understand what each party is required to do.

Granny flats exemption: roles and responsibilities explained has more information

Granny flats are housing and the design and building of a granny flat involves restricted building work. Under the conditions of the exemption all restricted building work must be carried out or supervised by licensed building professionals (homeowner exemptions do not apply). Licensed building professionals can include:

- LBP builders and designers
- licensed plumbers, drainlayers, gasfitters and electrical workers.

Homeowners cannot design or build granny flats themselves unless they hold the required qualifications. This requirement ensures that even though the work is exempt from needing a building consent, it still meets the Building Code and is completed by competent professionals who are accountable for the quality and safety of the work.

Finding the right licensed building professional

When choosing a licensed building professional such as an LBP, designer or tradesperson, check that they are currently licensed and suitably qualified to carry out the type of work needed.

Look for professionals who are experienced in residential construction and can provide the required documentation, including:

- Records of Work
- Certificates of Work
- certificates of compliance and safety certificates for electrical and gas work.

Many building professionals belong to industry associations. These organisations promote professional standards, offer training and support, and may provide consumer protections such as warranties or dispute resolution services.

Membership can be a useful indicator of professionalism and experience, but it does not replace the legal requirement for the building professional to hold the appropriate qualification or licence.

Homeowners building a granny flat can find licensed building professionals such as LBPs, architects, architectural designers, electrical workers, plumbers, gasfitters and drainlayers through official registration boards and industry directories.



To find a licensed building professional, start by searching the following registers:

- <u>Licensed Building Practitioner (LBP) register</u> lbp.govt.nz
- plumbers, gasfitters and drainlayers register pgdb.co.nz
- <u>electrical workers register</u> mbie.govt.nz
- New Zealand architects register nzrab.nz
- <u>Chartered Professional Engineer database</u> engineeringnz.org

Choosing the right people for your type of building work has more information to help find professionals for a granny flat project.

Records and documentation for the design

Design work on a granny flat must be properly documented and recorded. This helps ensure the work is traceable, compliant and safe.

This is also useful for future maintenance, upgrades or resale. Some documents may also be required for insurance and lending purposes. Confirm what records and documentation will be needed by lenders and insurers before building work commences.

The following requirements apply to documentation, records and certification for design work on granny flats.

All LBP designers must provide a memorandum known as a Certificate of Work (CoW) that identifies the restricted building work involved, and states that the design work complies with the Building Code.

This must be provided by an individual, not on behalf of a company. They must provide this to the homeowner with the final design plans.

Homeowners must then provide this to councils when final design plans and other records are submitted.

What the law says:

Section 45AA of the Building Act specifies that final design plans submitted in connection with a small stand-alone dwelling must be accompanied by a Certificate of Work.

The Certificate of Work must:

- be provided by 1 or more licensed building practitioners who carried out or supervised that design work; and
- identify work described in paragraph (b) of the definition of restricted building work in section 7(1); and
- state that the design work complies with the building code.



Find a template for a Certificate of Work

Read information about Certificates of Work

Getting a project information memorandum (PIM) for a granny flat



Homeowners must notify their council both before starting and after completing building work on a granny flat. This ensures councils can provide relevant information, support compliance, and collect development contributions.

PIM application

Before any building work begins on a granny flat, the homeowner must apply for and receive a project information memorandum (PIM) from the relevant territorial authority, or council. This is a mandatory step and must occur prior to construction starting.

Applications must be submitted using the appropriate prescribed form and should be made to the local council. A fee may be charged for this application. Check with the local council to find how to apply and to check their schedule of fees and charges.

A granny flats PIM application form must include specific details and be accompanied by:

- preliminary design plans
- a description of the proposed building work.

If the granny flat will be manufactured offsite, a PIM is only required for the final location. If more than one granny flat is proposed on a site, a separate PIM is required for each dwelling. In this situation a resource consent may also be required.

What the law says:

Section 32(1)(b)(ii) of the Building Act specifies that an owner may apply for a project information memorandum for a small stand-alone dwelling.

Section 32(2) specifies that no building work can begin on a small stand-alone dwelling before the project information memorandum has been issued.

Section 33(1) specifies that an application for a project information memorandum for a small stand-alone dwelling must be in the appropriate prescribed form and must contain:

- a description of the proposed building work; and
- preliminary design plans for the proposed building work.

Section 34(5) specifies that if a project information memorandum is issued for building work in connection with a non-consented small stand-alone dwelling on a particular site (the final site), no further project information memorandum is required just because the place where the dwelling is constructed is in a different location from the dwelling's final site (for example, a dwelling that is constructed in a factory and then transported to the final site).

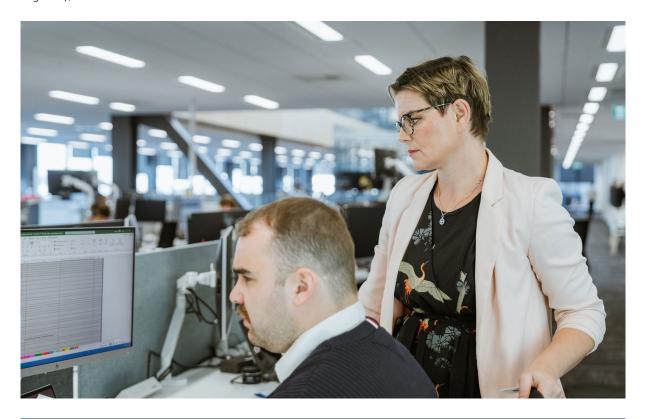


Find a template for a PIM application form

PIM processing

Councils will check the application to confirm that all required information has been provided. If the application is complete, the council must issue the PIM within 10 working days. If the application is incomplete, the council may request the missing information. The 10-day processing timeframe is paused until the applicant provides the necessary details.

This information allows the local council to make assessments in relation to site-specific risks and exemption eligibility, such as risk from natural hazards.



What the law says:

Section 34(1) of the Building Act specifies that a territorial authority must issue a project information memorandum for a small stand-alone dwelling within 10 working days of receiving the application.



Find a template for a PIM

Find a template for PIM additional information

PIM issued by the council

The PIM and the additional information must be issued using the prescribed forms. Councils must provide additional information 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).

Councils can also issue any additional information it considers to be relevant. This can include other important information that may affect the design, construction or location of the granny flat such as information from district or regional plans.

Councils will not issue a certificate under section 37 of the Building Act confirming that a resource consent is required.

Homeowners should carefully review the information provided to them and seek further guidance if needed.

Read about complying with the Resource Management Act

The PIM provides important site-specific information and advice, but it is not an approval. Homeowners may choose to proceed with building work even if the council advises that the proposed granny flat is unlikely to comply with the granny flats exemption requirements.



Before proceeding with building work, the homeowner must ensure they have understood the PIM, updated the proposal to meet all requirements and are confident it complies with the law because responsibility for any non-compliance rests with them.

What the law says:

Sections 35 and 35A of the Building Act specify that the PIM must be issued in the prescribed form and that the following additional information must be provided:

- a statement indicating whether—
 - the proposed building work is likely or unlikely to satisfy the characteristics of clause 1 of Schedule 14: or
 - it is unclear if the proposed building work is likely to satisfy those characteristics; and
- a statement as to whether the territorial authority considers that the construction of the dwelling—
 - is proposed to occur on land that is, or is likely to be, subject to 1 or more natural hazards (within the meaning of section 71(3)); or
 - is likely to accelerate, worsen, or result in a natural hazard on that land or any other property; and
- if the territorial authority advises that there is or is likely to be a natural hazard present, or that the construction of the dwelling is likely to accelerate, worsen, or result in a natural hazard on the land or any other property,—
 - a statement as to whether section 71(2) would apply if Schedule 1A did not apply; and
 - if a statement is made under subparagraph (i) that section 71(2) would not apply if Schedule 1A
 did not apply, a statement that a building consent may be required, or that the preliminary design
 plans may need to be amended to adequately protect the land, building work, or other property
 from the natural hazard; and
- where the territorial authority advises that there is likely to be a natural hazard present on the land and section 71(2) would not apply, it must also provide a statement that:
 - a building consent may be required, and/or
 - preliminary design plans may need to be amended to adequately protect the land, building work,
 or other property
- a description of any bylaws that may affect the design, construction, or location of the non-consented small stand-alone dwelling (for example, bylaws relating to wastewater or stormwater pipes)
- any other information concerning the land that the territorial authority considers to be relevant (including relevant information in the district plan and regional plan).

Development contributions

When a homeowner applies for a PIM for a granny flat, the council may determine that a development contribution is payable under the Local Government Act 2002.

Development contributions are one-off charges and are different to rates. They are used to help councils cover the cost of increased demand on local infrastructure and services when new dwellings are added to an area.

The amount charged will vary depending on the council, the size of the granny flat and whether the dwelling needs to connect to network utility operator services.

If a development contribution is required, the council must issue a development contribution notice in the prescribed form.



Find a template for a development contribution notice

The development contribution must be paid within 20 working days after the completion of the building work. If a homeowner does not pay a development contribution when required, the council may recover the payment using existing mechanisms under the Local Government Act 2002.

What the law says:

Section 198(1)(ba) of the Local Government Act 2002 specifies that territorial authorities may require development contributions for non-consented small stand-alone dwellings within their districts.

Part 11 of Schedule 1AA of the Local Government Act 2002 provides transitional arrangements for three years from commencement. During this period, a territorial authority may require development contributions for non-consented small stand-alone dwellings, even if this is not authorised by, or is contrary to, its development contributions policy. Subpart 5 of Part 8 applies with necessary modifications.

Section 208 of the Local Government Act 2002 empowers territorial authorities to recover unpaid development contributions for non-consented small stand-alone dwellings.

A council must refund the development contribution if:

- the PIM lapses (ie the building work is not completed within two years)
- the development does not proceed
- the council does not provide the infrastructure for which the contribution was charged.

What the law says:

Section 209(1A) of the Local Government Act 2002 specifies that territorial authorities must refund or return to the applicant for a project information memorandum for a non-consented small stand-alone dwelling, if—

- the project information memorandum lapses; or
- the development or building in respect of which the project information memorandum was granted does not proceed; or
- the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.

After receiving the PIM

Once a PIM has been issued by the council, building work on the granny flat can begin. Throughout the course of the build the homeowner must monitor progress and ensure that the two-year timeframe for completion will be met. Councils do not carry out inspections of granny flats.

Homeowners have two years from the date the PIM is issued to complete the build. If the build is not completed within this timeframe, the PIM will lapse, and homeowners must either:

- apply to the council for an extension to the PIM or a new PIM if work has not started, or
- contact their council to request an extension of the original PIM where work is already underway.

This ensures that the information used to guide the build remains current and supports compliance with the Building Code.

A PIM will automatically lapse if the building work is not completed within two years of the PIM being issued. To avoid this, the homeowner must apply to the council for an extension before the two-year deadline.

Extend your granny flat completion date has more information.

What the law says:

Section 34A of the Building Act specifies that:

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 2 years after the date of issue of the project information memorandum, or
- any further period that the territorial authority may allow.

Obtain other authorisations and approvals

Building work that meets the granny flats exemption conditions will still need to meet other legal requirements.

Before starting work, confirm whether additional approvals are needed from your local council or other authorities. These requirements sit outside the Building Act and must be met separately. Any development contributions that are required as notified in the PIM must be paid.

Additional approvals may be required for:

- network utility connections approval from water, wastewater, stormwater, electricity or gas providers
- resource consent a resource consent may be required depending on compliance with the National Environmental Standards for Detached Minor Residential Units (NES-DMRU) and the relevant rules in the local regional and district plans under the Resource Management Act 1991
- vehicle crossings permission for new or altered access to the road or kerb
- land use restrictions such as easements, covenants, or consent notices that affect where and how you build.

Check the timeframes for obtaining these approvals and any associated fees or costs. Contact the relevant providers early to understand what applies to your site and project.



These requirements must be factored into the planning and design of the granny flat, even if the building work itself is exempt from needing a building consent.

5. Build a granny flat

Once the homeowner and their designer have completed the steps required to comply with the granny flats exemption conditions in the 'Plan and design a granny flat' phase, building work can begin on site.



This phase involves managing the building project on site, ensuring building work complies with the granny flats exemption conditions, Building Code requirements, meeting all documentation and notification requirements and checking compliance with other related legislation.

This phase can begin on site once all pre-build actions required by the granny flats exemption conditions are complete. This means:

- the PIM for the granny flat has been issued
- the exemption conditions relating to the design of the granny flat have been met and construction plans and specifications have been prepared
- the homeowner has appointed licensed building professionals and other specialist tradespeople to carry out the building work.

Building work can begin once all these actions have been completed.



Find a step-by-step guide for planning, designing, building and completing a granny flat

Find a step-by-step guide for building a granny flat

Manage the build process

Homeowners must decide how they want the build to be managed. This includes choosing a project management approach that suits their level of expertise, appetite for risk, and how involved they wish to be in the building process.

When choosing a preferred project management approach, homeowners should consider how much oversight and coordination is needed during the build to ensure things run smoothly, who will be responsible for managing tradespeople and ensuring work meets the Building Code, and whether they have the time, skills and confidence to manage the build themselves or need professional support.

Homeowners can manage the build themselves or engage a project manager who specialises in managing builds. When making this decision they should consider who will:

- coordinate builders and tradespeople
- arrange deliveries of materials
- manage the project programme and timeline
- ensure work is completed to the approved plans
- be responsible for inspecting and approving the completed building work
- collect all necessary documentation such as records and certifications.

Homeowners can also mix project management approaches, for example, manage the early design phase themselves, then hand over to a contractor or project manager for the build.

There are some things that a homeowner may prefer to manage themselves, such as arranging insurance and finance for the build, and seeking independent legal advice on any contracts that are put in place. However, managing the construction project is often best done by an experienced professional.

Whichever path is used the arrangement should be fully spelt out in the building contract. This should include which party will be responsible for obtaining any approvals required, to carry out the building work and who will be carrying out and/or supervising the building work.

Find information about building contracts, warranties and guarantees

Consumer protection for granny flats built under the exemption

All residential building work, including granny flats built using the building consent exemption, is covered by consumer protection measures under the Building Act 2004.

These protections apply whether or not a building consent is required and are designed to support a fair and safe building process for both homeowners and builders.

Written contracts

For building work costing \$30,000 or more (including GST), a written contract is mandatory. The contract should clearly set out the scope of work, timeframes, payment terms, and dispute resolution processes. Builders must also provide a disclosure statement and a standard checklist before work begins.

Find information about Why contracts are valuable

Find information about the Consumer protection – disclosure statement and standard checklist

Implied warranties and defect repair period

Builders are responsible for fixing any defects that arise within 12 months of the work being completed.

Implied warranties apply for 10 years and cover requirements such as building to code, using suitable materials, and completing work with reasonable care.

Find information about <u>Implied warranties and defects</u>

Information and accountability

Builders must provide key information before signing a contract. Licensed tradespeople are subject to oversight by professional bodies, which adds a layer of accountability. Some builders may offer additional protection through third-party guarantees (such as the Master Build 10-year guarantee).

Find information about <u>Consumer protection measures</u>

If things go wrong

Homeowners having difficulty obtaining documentation should start by contacting the licensed building professional directly and request the documentation in writing. Clearly explain what is required and why it is needed.

If this does not resolve the issue, escalate the matter by lodging a complaint with the relevant professional board or registration body:

- Licensed Building Practitioners (LBPs) Complaint or Registration Body: Building Practitioners Board
- Plumbers, Gasfitters, Drainlayers Complaint or Registration Body: PGD Board
- <u>Electrical Workers Complaint or Registration Body: Electrical Workers Registration Board</u>
- Architects Complaint or Registration Body: New Zealand Registered Architects Board (NZRAB)
- Chartered Professional Engineers (CPEng) Complaint or Registration Body: Engineering New Zealand

These boards are responsible for overseeing practitioner conduct and can investigate complaints where professionals fail to meet their obligations, including providing the records required by the Building Act for the granny flats exemption.

Homeowners should also discuss this with their council and request an extension to the PIM timeframe while the issue is being resolved.

Find information about Resolution options

Build to the plans and specifications

Under the Building Act, the homeowner is responsible for ensuring that the building work complies with the Building Code, and the builder is responsible for carrying out the work in accordance with the plans and specifications.

The plans and specifications prepared by the designer detail how the proposed building should be built to meet the granny flats exemption conditions and Building Code. Any departure from these documents may affect compliance and could result in the granny flats exemption no longer applying. This could lead to enforcement action.

To support compliance:

- ensure all builders and tradespeople have access to the plans and specifications
- monitor progress to confirm that work is being completed as documented
- keep records of inspections, communications, and any decisions made during the build.

All parties must understand and meet their respective obligations throughout the build.

Manage variations to granny flat building plans

Sometimes things can change during the course of a building project. If a homeowner wants to change the plans before or during construction, they should discuss this with the designer as soon as possible.

The contract should include how variations to the building work covered by the contract will be agreed before work continues. Variations to the design or construction during the build should be carefully considered. Even minor changes can affect whether the build continues to meet the granny flats exemption conditions.

If the variation affects restricted building work, the updated drawings must be prepared or signed off by the LBP designer and the Certificate of Work must also be revised to reflect the change.

The homeowner and their project manager (if applicable) should work with the designer and builder to confirm that the variation does not affect compliance with the granny flats exemption conditions and Building Code.

Once compliance is confirmed the designer can update the plans and specifications as these must accurately reflect what gets built, including:

- building layout and structure
- plumbing and drainage systems
- any variations or building product substitutions made during construction.



If a variation means the build no longer meets the granny flats exemption conditions, a building consent will be required before continuing.

Building product substitutions

Substituting building products during construction may affect compliance. For example, using heavier roof cladding or an alternative structural component could breach the granny flats exemption conditions.

Before substituting any building product, a designer should:

- confirm that the new product meets Building Code performance requirements
- ensure it is suitable for the intended use and location
- check that it does not affect the exemption conditions
- update the specifications and retain documentation of the change.

Find guidance on product substitutions

When your build no longer meets the granny flats exemption conditions

The building consent exemption for granny flats can only be used if every condition is met. If the plans change during construction and the build no longer complies with the granny flats exemption conditions, the exemption no longer applies and the homeowner must take action to remain compliant with the Building Act.

1. Stop work and reassess

If changes are made that affect compliance with the exemption, for example increasing the floor area beyond 70 square metres, using heavier construction materials, or altering the design in a way that affects self-containment, building work must stop immediately.

The homeowner must:

- reassess the build against the granny flats exemption conditions
- determine whether the changes mean the granny flats exemption no longer applies
- seek advice from a licensed building professional or council if unsure.

2. Apply for a building consent if the granny flats exemption no longer applies

If the granny flats exemption no longer applies, the homeowner must apply for and obtain a building consent before continuing with any further building work. In some cases, a certificate of acceptance may also be required for work already completed. This provides lower assurance and may incur additional costs.

Councils retain enforcement powers and may take action if non-compliant work is identified.

Consequences of non-compliance with the granny flats exemption

Non-compliance with the granny flats exemption conditions can have serious implications:

- legal: prosecution and fines under the Building Act.
- financial: increased costs for consents, remediation, and insurance.
- risk: unable to obtain insurance.
- reputational: disciplinary action for licensed building professionals involved.
- practical: delays, disputes, and reduced confidence in the build.

Homeowners and building professionals must each understand their responsibilities and ensure that these are met.

The homeowner must ensure that building work complies with the Building Code, regardless of whether a building consent is required. Building professionals must carry out building work in accordance with the plans and specifications and ensure it complies with the Building Code.

If the granny flats exemption no longer applies, the project must transition to the building consent process to remain lawful.

Find information about applying for a building consent.

The building consent exemption for granny flats does not remove accountability. Homeowners and builders must:

- ensure they meet every condition of the exemption
- keep records of compliance (eg licensed builder details, council notifications)
- understand that non-compliance could lead to significant financial penalties.

Check the roles and responsibilities under the granny flats exemption in section 3

Under the Building Act, all building work must have a building consent unless it qualifies for an exemption. If the work does not meet the conditions and is carried out without a building consent, this is an offence under the Building Act and may result in prosecution.



Fines for non-compliance

Carrying out building work without the required consent is an offence under the Building Act and carries a maximum fine of \$200,000, with an additional fine of up to \$10,000 per day for a continuing offence.

Designers and builders carrying out work on granny flats have responsibilities for ensuring that the work complies with the Building Code. Any LBP who agrees to carry out work that does not follow the conditions of the granny flats exemption will be in breach of their licence requirements and the LBP Code of Ethics.

What the law says:

Section 42B of the Building Act specifies that a building consent is not required for the building work on a small stand-alone dwelling as specified in Schedule 1A subject to the following conditions:

- the building work complies with the building code to the extent required by this Act
- all building work (including all design work), sanitary plumbing, drainlaying, electrical work, or gasfitting is carried out in accordance with the requirements of this Act and, where applicable, the Plumbers, Gasfitters, and Drainlayers Act 2006, the Electricity Act 1992, or the Gas Act 1992, by a person who is authorised to do the work
- no building work may begin before a project information memorandum for that dwelling has been issued under section 34 by the relevant territorial authority and building work may continue only until the project information memorandum expires or lapses
- the building work is carried out on land that is not subject to a natural hazard (as advised by the relevant territorial authority), or where a natural hazard is present, building work is not carried out unless adequate provision has been made to protect the land, building work, or other property from the natural hazard
- the small stand-alone dwelling is not constructed over a boundary on land that comprises or partly comprises 2 or more allotments of 1 or more existing subdivisions (whether comprised in the same record of title or not).

Homeowners

Homeowners can be prosecuted or fined under the Building Act for the following offences:

- failure to provide the council with the required documentation within 20 working days of the building work being complete. Homeowners can be issued an infringement notice with a fee of \$500 by councils and may be liable for a fine of up to \$1,000
- failure to meet the conditions of the granny flats exemption, which means a building consent would have been required. Carrying out or authorising building work without a building consent where it is required is an offence under the Building Act and carries a maximum fine of \$200,000, with an additional fine of up to \$10,000 per day for a continuing offence
- carrying out building work that is dangerous or insanitary may lead to enforcement action or fines.

Councils can issue a Notice to Fix to a granny flat homeowner where:

- a granny flat build does not comply with the granny flats exemption conditions, and no building consent was obtained
- the build is non-compliant with the Building Code
- the homeowner fails to provide required documentation (eg Records of Work, final design plans, certificates of compliance) within 20 working days of completion
- the building is dangerous or insanitary as defined in sections 121 and 123 of the Building Act.

Licensed Building Practitioners (LBPs)

LBPs who fail to provide a Record of Work or Certificate of Work for restricted building work may face disciplinary action under the Building Act. This can include:

- suspension or cancellation of licence
- financial penalties.

Builders may also face fines for doing building work on granny flats that does not comply with the exemption conditions. Building work that does not meet the conditions of the granny flats exemption under section 42B (3) - including non-compliance with the Building Code - is considered illegal if carried out without a building consent.

Councils can issue a Notice to Fix to a builder or tradesperson where:

- they have carried out or supervised building work on a granny flat that does not comply with the Building Code
- they fail to provide the required documentation within 20 working days of completion of building work (eq Records of Work, Certificates of Work).

Plumbers, drainlayers and electrical workers

Plumbers, drainlayers and electrical workers carrying out work on granny flats using the granny flats exemption are required to provide records, and may face disciplinary action if they fail to do so:

- Plumbers and drainlayers (registered persons and provisional licence holders) must provide a record of work to the homeowner for prescribed sanitary plumbing or drainlaying under section 27A of the Plumbers, Gasfitters, and Drainlayers Act 2006.
 - Failure to do so without good reason is a disciplinary offence under section 89.
- Electrical workers must provide a certificate of compliance and an electrical safety certificate to both the homeowner and the person who contracted for the work within 20 working days of completing prescribed electrical work, as required under the Electricity Act 1992 and Electricity (Safety) Regulations 2010. Failure to do so is an offence under section 143(f) of the Electricity Act 1992 and the Electricity (Safety) Regulations 2010, and may result in disciplinary action including fines of up to \$10,000, suspension or cancellation of the electrical worker's licence, and an order to pay costs.
- Gasfitters must provide a certificate of compliance and a gas safety certificate to both the homeowner and the person who contracted for the work within 20 working days of completing gasfitting work, as required under the Gas Act 1992 and Gas (Safety and Measurement) Regulations 2010.
 - Failure to do so is an offence under the Gas (Safety and Measurement) Regulations 2010 and may result in disciplinary action including fines of up to \$10,000.



Non-compliance management and enforcement

MBIE can make determinations under sections 176–190 of the Building Act on matters relating to building compliance, and in some matters specific to the granny flats exemption. MBIE may make a determination when:

- a Notice to Fix is issued by the council and the homeowner or builder disputes whether the notice was correctly issued and whether the building work is non-compliant
- there is disagreement between councils and homeowners about a council's decision to refuse to extend the timeframe for a granny flats PIM.

Read about determinations

Impact of non-compliance on the building

If the building does not meet the granny flats exemption conditions, and no building consent was obtained it may require a certificate of acceptance, which offers lower assurance and will incur a cost.

A building consent may also be required for any remaining building work.

Find information about certificates of acceptance

Non-compliance can affect how easy it is to insure, finance or sell the property. Insurers and lenders may require evidence that the dwelling meets the granny flats exemption conditions before offering products or services.

Enforcement actions relating to granny flats

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	

Inspecting, monitoring, recording and certification of granny flats building work

Homeowners and licensed building professionals play a key role in ensuring that building work meets the requirements of the Building Code and the conditions of the granny flats exemption.

By actively inspecting and documenting work throughout the build, they can identify and resolve issues early, support quality assurance, and provide clear evidence of compliance when the project is complete.

Inspecting building work as it progresses and keeping good records is a key part of ensuring that a granny flat complies with the Building Code and meets the conditions of the granny flats exemption.

What the law says:

Section 14E of the Building Act 2004 outlines that builders who carry out building work that is not covered by a building consent are responsible for ensuring that—

- the building work complies with the building code; and
- all building products and building methods used in carrying out that building work are used in a manner that complies with the building code.

Quality assurance (QA) plans to help with inspections

To support compliance, homeowners should develop and implement a quality assurance (QA) plan as part of their approach.

This plan should outline how inspections, monitoring, and documentation will be carried out throughout the build.

Arranging quality assurance checks at key stages, such as foundations, framing, pre-line, and final completion is a practical way to confirm that the work is progressing as planned and meets compliance requirements.

These QA checks may include inspections carried out by suitably competent professionals, such as LBPs or Chartered Professional Engineers, who can verify that the work aligns with approved plans and Building Code performance standards.

Supporting documentation such as site notes, photographic records, producer statements, and test results can provide further evidence of compliance and help meet lender, insurer, and future resale requirements.

QA inspections help identify issues early, when they are easier and less costly to fix. This is especially important for work that will later be covered up, such as foundations, framing, plumbing, and insulation.

If problems are not addressed before the next stage of work begins, it may be necessary to undo and redo completed work, which can delay the project and increase costs.



Best times for a quality assurance (QA) check

For a typical single-storey residential build, key stages where construction monitoring or checks could occur include:

- foundations: before concrete is poured for foundations, piles, or slabs. Building location is also confirmed at this point.
 - Confirms the building is correctly located and that foundations, piles, or slabs meet structural performance requirements before concrete is poured. This ensures the building is correctly located and that foundations are structurally sound.
- framing: framing is complete but before roof cladding is installed.
 Verifies that the structural frame is built to plan before roof cladding is installed.
 This ensures the building can safely carry loads and resist wind and seismic forces, supporting overall structural performance and durability.
- building wrap: building wrap complete but before joinery is installed.

 Checks that the wrap is correctly installed before windows and doors go in. This is critical for achieving weathertightness and protecting the building envelope from water ingress.
- pre-clad: varies dependent on cladding system but can include half-high masonry veneer, pre-clad inspection of flashings and cavity systems.
 Confirms that flashings and cavity systems are correctly installed. These elements are essential for managing moisture and ensuring long-term weathertightness.
- pre-line: cladding is complete and building is weathertight, insulation and services
 are installed but before internal linings go up.
 Verifies that insulation and services are installed and the building is weathertight
 before linings go up. This supports energy efficiency, internal moisture
 management, and occupant comfort.
- drainage: before trenches are filled in and pipework is covered.
 Ensures that drainage pipework is correctly laid and tested before trenches are filled. This helps prevent future drainage failures.
- final: once all building, plumbing, and energy work is complete.

 Confirms that all building, plumbing, and energy work is complete and meets

 Building Code performance requirements. This provides assurance that the build is safe to occupy.

This list is not exhaustive. Additional monitoring or checks may be needed depending on the type of build and how the project progresses.

Who to use for QA checks

Councils do not carry out inspections of exempt work, which means that homeowners should ensure that checks happen at key stages. This helps maintain quality and provides assurance that the build meets compliance requirements.

Homeowners should:

- establish what checks are required
- confirm who will carry out each check and that they have the right experience, qualifications and competence
- decide who will be responsible for scheduling checks
- identify what reports and records will be produced for each check.

Homeowners can talk to their project manager (if applicable), designer and builder about what checks may be needed.

In some cases, specialist designers such as Chartered Professional Engineers who have designed specific elements like foundation systems, may need to carry out construction monitoring and oversee the work they designed. This is particularly important if they have been asked to provide a producer statement confirming that the work was completed in accordance with their design.

Homeowners should also check with their lender to confirm what information, certification, and records will be required at key stages of the build for them to release stage payments. This should be considered when planning inspections.

Select someone to carry out your granny flat building work checks

When selecting someone to carry out the checks, homeowners should confirm that the person is appropriately qualified, experienced in residential construction, and familiar with the Building Code and granny flats exemption conditions.

To help confirm this, homeowners can:

- use licensed building professionals such as LBPs, Chartered Professional Engineers (CPEng), or other registered tradespeople with relevant expertise. Check credentials using official registers
- ask about experience with similar projects and whether they can provide the required documentation, such as inspection reports
- clarify responsibilities early. Make sure it is clear who will carry out each inspection, what they will check, and what records they will provide.

Choosing the right people to check the building work helps ensure that the work is done properly, meets the granny flats exemption conditions, and complies with the Building Code.

This information should be communicated to all parties and included in project planning to ensure that building work is inspected and recorded by the right people at the right time.

How to resolve problems

If problems arise start by talking to the people involved:

- builder or contractor raise your concerns directly and try to resolve the issue informally
- designer or architect if the issue relates to plans or specifications.

You should check your contract to see if it includes anything relevant to the problem. If you don't have a contract, or if your contract doesn't have a clause that applies, default clauses within the Building Act might apply.

Resolving problems includes information about the default clauses.

When things can't be resolved directly, homeowners can use formal dispute resolution options:

- consumer protection under the Building Act includes mandatory warranties and remedies for residential building work
- Disputes Tribunal for claims up to \$30,000, this is a low-cost, informal way to resolve disputes
- District Court or High Court for larger or more complex claims
- mediation or arbitration can be arranged privately or through industry bodies to help reach a resolution without going to court.

Industry or regulatory bodies can help resolve disputes and hold practitioners accountable:

- LBP you can complain to MBIE and the Building Practitioners Board if a licensed practitioner has not met their obligations
- Plumbers, Gasfitters and Drainlayers Board for issues with licensed tradespeople in these areas
- Electrical Workers Registration Board for complaints about electrical work
- Commerce Commission if you believe you've been misled or treated unfairly under consumer law.

For advice or support homeowners can contact:

- Citizens Advice Bureau (CAB) free advice and support for resolving consumer issues
- Community Law Centres legal advice and support, often free or low-cost
- MBIE (Ministry of Business, Innovation and Employment) for guidance on building law, consumer rights, and complaints processes.

Design work is not covered by the consumer protections that apply to residential building work under Part 4A of the Building Act. This means that implied warranties and requirements for written contracts do not apply to design services, even if they relate to a granny flat.

However, you should have a contract with your design professional anyway, as this can be a significant cost. Having a contract for design work is a good idea so that you are legally protected and know what you're paying for.

Read about why contracts are important

Homeowners may also have protection under other laws. The Consumer Guarantees Act and Fair Trading Act may apply if the design work is misleading or fails to meet acceptable standards. If the design work involves restricted building work, the designer may also be subject to disciplinary action under the Building Act.

What the law says:

The Consumer Guarantees Act 1993 applies to services provided to the building industry but not to buildings and building materials.

The Fair Trading Act ensures people are not misled about products and services. Find out more about protections that are available under other laws:

- <u>Consumer Guarantees Act 1993</u> legislation.govt.nz
- Fair Trading Act 1986 legislation.govt.nz
- Your rights as a consumer comcom.govt.nz

Records and documentation

In addition to checking the building work as it progresses, homeowners can also request a range of supporting documentation and certification. These records can provide further evidence that the work:

- was done by suitably qualified professionals
- meets the granny flats exemption conditions
- complies with Building Code requirements.

Documentation for building work

LBP builders that carry out or supervise restricted building work must provide a Record of Work (RoW) on completion that clearly states what work they carried out or supervised.

This must be provided by the LBP to both the homeowner and the council that issued the PIM for the granny flat.

What the law says:

Section 88(1A) of the Building Act specifies that a licensed building practitioner who carries out or supervises restricted building work on a non-consented small stand-alone dwelling must, on completion of the restricted building work provide a record of work, in the prescribed form.

The record must state what restricted building work the licensed building practitioner carried out or supervised and must be issued to the owner and the territorial authority that issued the project information memorandum for the dwelling.



Find a template for a Record of Work

Read information about Records of Work

Documentation for plumbing, drainlaying and energy work

Registered plumbers and drainlayers (or provisional licence holders) must provide a Record of Work to the homeowner for all prescribed sanitary plumbing and drainlaying work in connection with a granny flat that they carry out or supervise.

This is required under section 27A of the Plumbers, Gasfitters, and Drainlayers Act 2006.

Plumbers and drainlayers may also need to work with designers to ensure that the 'final plans' reflect what was installed on site, for example by providing 'as-built' sanitary plumbing and drainage plans.

Registered electrical workers and gasfitters who carry out work on granny flats must provide certificates of compliance and safety certificates for electrical and gas work as required under the Electricity Act 1992 or Gas Act 1992.

Find information about certificates of compliance and safety certificates for electrical and gas work

What the law says:

Plumbers, Gasfitters and Drainlayers

Section 27A of the Plumbers, Gasfitters and Drainlayers Act 2006 specifies that each registered person and provisional licence holder who carries out or supervises prescribed sanitary plumbing or drainlaying must, on completion of the prescribed sanitary plumbing or drainlaying, provide the owner of the dwelling with a record of work in the prescribed form.

This record must state what sanitary plumbing or drainlaying work they carried out or supervised.

Gasfitters

Regulation 46 of the Gas (Safety and Measurement) Regulations 2010 specifies that a certificate of compliance must be issued for all general-risk and high-risk gasfitting work.

Regulation 52B and 52E of the Gas (Safety and Measurement) Regulations 2010 specify that a gas safety certificate must be issued for any gasfitting work on an installation or part installation once the work is finished and the installation is connected (or reconnected) to the gas supply.

Regulations 52G and 52I specify that where the work is carried out in connection with a non-consented small stand-alone dwelling, the responsible person must provide a copy of the certificate of compliance and the gas safety certificate to:

- the person who contracted for the work, if that person is readily available; and
- the owner of the dwelling in which the gas installation or part installation is located.

Electrical workers

Regulation 65 of the Electricity (Safety) Regulations 2010 specifies that a certificate of compliance must be issued for all general-risk and high-risk prescribed electrical work. The work is not considered complete until the certificate of compliance is issued (and a Record of Inspection, if applicable, for high-risk work).

Regulation 74A of the Electricity (Safety) Regulations 2010 specifies that an electrical safety certificate must be issued for any prescribed electrical work on an installation or part installation once the work is finished and the installation is connected (or reconnected) to the power supply.

Regulations 74E and 74G specify that where the work is carried out in connection with a non-consented small stand-alone dwelling, the responsible person must provide a copy of the certificate of compliance and the electrical safety certificate to:

- the person who contracted for the work, if that person is readily available; and
- the owner of the dwelling in which the installation or part installation is located.



Find a template for a Record of Work for plumbing and drainage work

Examples of other types of records, test reports and certifications common in residential construction are:

- builders quality assurance (QA) records such as site notes and photographic records showing key stages of construction
- plumbing and drainage records, such as:
 - pressure test results for water supply systems
 - sanitary plumbing tests (eg water testing)
- specialist materials and systems certification and warranties, such as:
 - installers certificates for external waterproofing systems eg membrane roofing
 - licensed installers statements for cladding systems
- producer statements for construction (PS3) often provided by the installers of proprietary or specialist systems eg enhanced raft foundations.

These records are not mandatory, but they are highly recommended. They help homeowners and professionals confirm that the work was done correctly, and they may be requested by lenders, insurers, or future buyers.

Records you must have for the granny flats exemption

The following records **must** be collected by the homeowner in relation to building work using the granny flats exemption:

- final design plans for the building and plumbing and drainage work
- Certificates of Work (CoW) from designers covering all restricted building work
- Records of Work (RoW) from LBPs who carried out or supervised restricted building work, including
 prescribed sanitary plumbing and drainlaying. LBPs are required to provide the RoW to both the
 homeowner and the council
- certificates of compliance and safety certificates for gas and electrical work.

These records, together with the supporting QA checks and related documentation, help confirm that the work was completed by licensed building professionals and complies with the Building Code.



Because these records are created at different stages of the build, homeowners should plan ahead to ensure they are collected during the course of the building project ready for submission to council on completion.

When documentation cannot be provided

Homeowners are responsible for collecting all required documentation from licensed building professionals, including Records of Work (RoW), Certificates of Work (CoW) and energy work certificates.

These documents are essential to demonstrate that the building work complies with the Building Code and meets the conditions of the granny flats exemption.

Extend your granny flat completion date

Completing building work within two years of the PIM being issued – or getting an extension to your PIM - is essential to continuing to meet the granny flats exemption conditions and avoid needing a building consent.

If the granny flat is not completed and the PIM lapses, the granny flats exemption no longer applies.

To obtain an extension to the PIM timeframe:

- homeowners should contact their council well before the two-year anniversary of the PIM issue date
- the request must be made while the original PIM is still valid
- councils may agree to extend the timeframe if they are satisfied that the build is progressing and the exemption conditions continue to be met.

Councils are not required to monitor progress or remind the homeowner of the deadline. It is the homeowner's responsibility to track progress and act early if delays arise. Councils may agree to extend the timeframe and may charge a fee for this.

If the PIM lapses before the granny flat is complete the homeowner may need to apply for a certificate of acceptance and/or building consent to obtain regulatory approval of the work.



If a council refuses to extend the PIM timeframe and the homeowner disagrees with this, they may apply to MBIE for a determination under section 177 of the Building Act.

Applying for a determination has more information.

6. Complete a granny flat

When a granny flat built using the building consent exemption is considered 'complete' check what documentation is required and the timeframes for sending it to the council.



Find a step-by-step guide for planning, designing, building and completing a granny flat

When a granny flat is considered complete

A granny flat is considered complete when the homeowner has received the following required documentation from licensed building professionals:

• Records of Work (RoW) for prescribed sanitary plumbing and drainlaying work

Find a step-by-step guide for completing a granny flat

- RoW from all Licensed Building Practitioners (LBPs) for restricted building work they carried out or supervised if more than one builder carried out or supervised restricted building work they each need to provide a RoW for their work the LBP must also provide this to the council that issued the PIM
- certificates of compliance and electrical safety certificates
- certificates of compliance and gas safety certificates.

Homeowners should also obtain:

- the final design plans (actual drawings/specifications used for construction) the home was built to
- Certificate of Work (CoW) for any restricted building design work if more than one designer carried out design of restricted building work, they each need to provide a CoW for the work that they designed.

What the law says:

Section 42B(6) specifies that 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—

- the records of work required under section 88 for restricted building work:
- the records of work required under section 27A of the Plumbers, Gasfitters, and Drainlayers Act 2006 for prescribed sanitary plumbing and drainlaying:
- 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:
- 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.

Homeowners should retain all the records noted above as they are responsible for submitting them to the council when the project is complete.

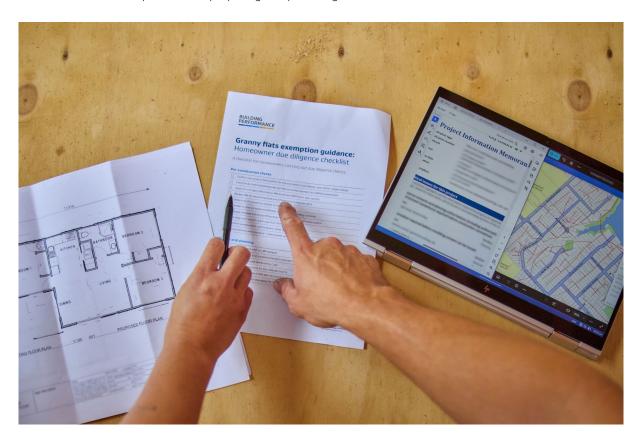
If any records are yet to be provided by a licensed building professional, the building is not considered complete. Homeowners have 20 working days to submit these records to the council that issued the PIM for the granny flat once they have received them all.

Homeowners must monitor progress throughout the build and ensure that the timeframes for completion and notification will be met. If the build is not completed within two years, the PIM will lapse.

The Plan and design a granny flat section has information about the timeframes for completing building work.

Documentation for granny flats

This section explains what documentation is required at completion including final plans and Records of Work, and outlines who is responsible for preparing and providing each item.



Final design plans

Homeowners must submit final design plans to the council that issued the project information memorandum (PIM) as part of the required documentation once the build is complete.

These plans are a critical component of the exemption process and must accurately reflect what was built.

Final design plans:

- are the drawings and specifications that show the actual building work completed
- may be the same as those submitted with the PIM, or they may have been updated during the project to reflect any variations made during construction
- must be prepared by an LBP with a design licence or equivalent qualification
- must be accompanied by Certificate(s) of Work (CoW) for restricted design work.



Find a template for a Certificate of Work

Read information about Certificates of Work

Final design plans must include:

- architectural plans showing the final layout and structure
- sanitary plumbing and drainlaying plans
- any changes made during construction that affect the design or compliance.

These plans form an important record of what was constructed using the exemption.

Records of Work and certification from builders and tradespersons

Homeowners must collect and submit a range of records and certificates that confirm the work was carried out by appropriately licensed building professionals and complies with the Building Code.

These include:

- Records of Work (RoW) from LBPs who carried out or supervised restricted building work
- Certificates of Work (CoW) from designers for any restricted design work
- energy work certificates, including:
 - electrical safety certificates
 - gas safety certificates (if applicable).

The documentation may be provided throughout the course of the build project to the homeowner as soon as the relevant work has been completed. LBPs are required to provide the Records of Work to both the homeowner and the council that issued the PIM.



Find a template for a Record of Work

Find a template for a Record of Work for plumbing and drainage work

Read information about Records of Work

Find information about certificates of compliance and safety certificates for electrical and gas work

Notify the council of completion

The granny flat must be completed and the homeowner must have all the required documentation within two years of the project information memorandum (PIM) issue date.

The homeowner must submit the documentation to the council that issued the PIM within 20 working days of completing the build ie within 20 working days of receiving all the required documentation from licensed building professionals.



Homeowners that fail to provide the relevant documentation to councils within 20 working days of completion may be subject to an infringement offence and fee of 500 and a fine of up to 1,000 when prosecuted

Councils will add these records to the property file. This is an administrative process. Councils cannot review built plans to determine if a granny flat complies with the Building Code. However, councils retain their powers to issue a Notice to Fix or take enforcement action for non-compliant work.

Councils will record that the information has been provided and store the records on the property file but will not assess the documentation for compliance with the Building Code.

The granny flat record supports future insurance, lending, resale, and regulatory compliance, and will be provided with future Land Information Memorandums (LIMs).

What the law says:

Section 42B(4) and (5) of the Building Act specifies that:

The owner of a non-consented small stand-alone dwelling must send to the territorial authority that issued the relevant project information memorandum, within 20 working days after completion of the building work:

- the Records of Work and other documents described in subsection (6)(a) to (d):
- a set of final design plans for building, sanitary plumbing, and drainlaying work and the Certificate of Work required by section 45AA.

A person who fails to do this commits an infringement offence and is liable to a fine not exceeding \$1,000.

Pay granny flats development contributions

When a homeowner applies for a PIM for a granny flat, the council may issue a development contribution notice alongside it. This notice sets out any financial contributions required to support infrastructure and services impacted by the development.

These charges are not optional. To comply with this requirement development contributions must be paid by the homeowner within 20 working days of completing the building work as part of the post-build notification process. The development contributions amount will already have been set out in the notice attached to the PIM.

Councils are not required to re-confirm or re-issue the development contributions amount after completion.

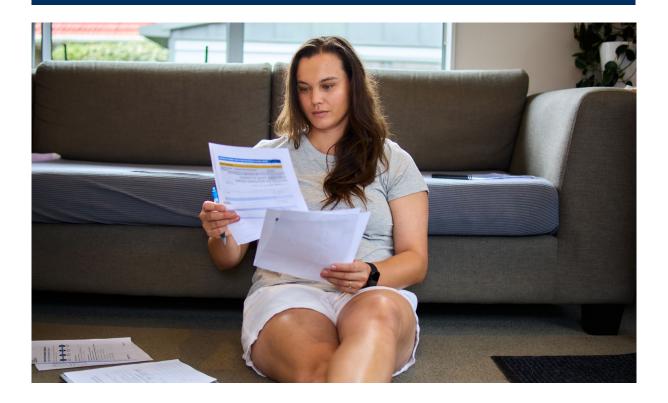
If the design of the granny flat changes during the build, and the final plans show a dwelling that would attract a different development contributions charge than originally assessed, the homeowner should discuss this with the council. Councils may reassess the charge based on the final design, but this is not automatic and must be discussed.

Failure to notify the council or pay the contributions within this timeframe may result in enforcement action to recover unpaid contributions under the Local Government Act 2002.

What the law says:

Section 36(2A) of the Building Act 2004 specifies that where the territorial authority considers that a development contribution under the Local Government Act 2002 is payable by the owner for a small stand-alone dwelling, the territorial authority must issue a development contribution notice.

The notice must be in the prescribed form and must state that the development contribution is required to be paid by the owner within 20 working days after the completion of the building work.



Granny flats completion checklist:

Use this checklist to make sure all the actions required by the granny flats exemption have been carried out.

When the build is delayed

Extend your granny flat completion date:

apply for a PIM extension as early as possible before the two-year PIM anniversary.

Extend your granny flat completion date

When the build is complete

The granny flat must be complete within two years of the date of issue of the PIM.

Records and documentation required for completion

The granny flat is complete when the homeowner has received the following records and documentation:

- Certificate of Work (CoW) for any restricted design work
- Records of Work (RoW) from Licensed Building Practitioners (LBPs)
- Records of Work (RoW) from registered plumbers and drainlayers
- electrical safety certificate
- gas safety certificate (if applicable)
- energy work certificates (if applicable).

Final design plans

The homeowner must also receive final design plans that show:

- building work including any changes made during construction
- sanitary plumbing
- drainlaying.

Documentation for granny flats

Submitting records to council

LBPs submit the Records of Work to both the homeowner and the council.

Within 20 working days of completion the homeowner must then:

- submit all required documentation to the council that issued the project information memorandum (PIM)
- pay development contribution (if applicable).

<u>Development contributions</u>

Once the above steps have been taken the granny flats project is complete.



Find a checklist for homeowners completing a granny flat

Optional granny flats completion steps

When building work on a granny flat is finished, there are practical steps that homeowners should consider.

These steps are not required by the exemption, but they help ensure the new building is properly recorded and protected in the future.

They include:

- notifying finance and insurance providers of completion
- being aware of consumer protections and the timeframes for defects that may appear
- understanding how the granny flat will affect rates assessments
- planning for any future alterations or changes to the building.

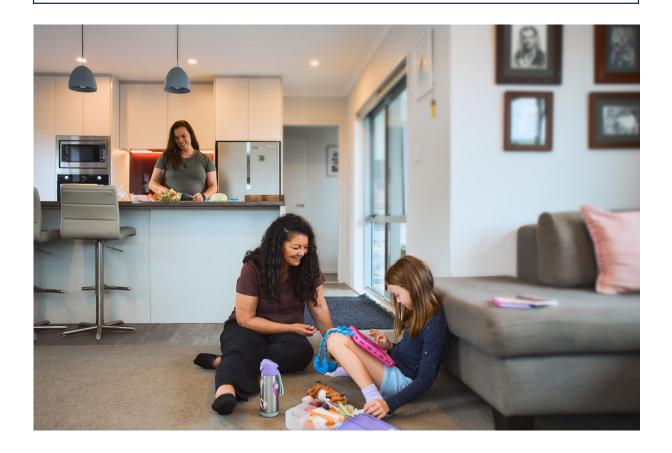


Notify finance providers and insurers

Once the build is complete, homeowners should:

- contact their bank or lender to confirm that construction milestones have been met and any final drawdowns or repayments can proceed
- update their insurance provider to ensure the new building is covered under their policy and confirm that the granny flat is eligible for natural hazard commission cover
- provide these entities with relevant documentation such as final plans, Records of Work and Certificates of Work, and energy safety certificates if requested.

This helps protect the investment and ensures the dwelling is appropriately insured from day one.





Council records

Councils do not issue code compliance certificates for granny flats built using the exemption, and a granny flat built using the exemption does not require a code compliance certificate for it to be sold.

The granny flats records provided by the homeowner will be stored by the council on the property file and may be used to reassess the rateable valuation (RV) for the property. Councils will also include the records for the granny flat with any future Land Information Memorandum (LIM) for the property.

Ensuring that the council records are complete and accurate supports future resale, insurance, and compliance. It also provides a clear record that the building work was completed lawfully and in accordance with the Building Code.

Plan for future use or alterations

Once building work on a granny flat is complete and all exemption conditions have been met, the building is considered lawful under the Building Act.

No code compliance certificate is issued, but the documentation submitted to council confirms that the work was completed by licensed building professionals and complies with the Building Act exemption and Building Code.

Future alterations and additions to the granny flat will be treated as alterations to an existing building. These must follow the appropriate regulatory pathway depending on the nature of the work. For example:

- building a deck may be covered by the Schedule 1 exemptions
- installing a solid fuel heating appliance will require a building consent.

Before starting any new work, homeowners should check whether the proposed changes affect compliance with the Building Code or require a building consent. Councils can provide advice on which pathway applies.

Check if you need a building consent for an alteration to an existing granny flat

7. Granny flats exemption appendices

Appendix 1: Glossary

Term	Definition	
Architect	A Registered Architect qualified to design buildings and ensure compliance with the Building Code.	
Builder	Has the meaning given to it by section 14E(1) of the Building Act.	
	For the purposes of this guidance includes a person or company contracted to carry out building work, including LBPs, plumbers, electrical workers, and other tradespeople.	
Building owner	Has the meaning given to it by section 7 of the Building Act.	
	For the purposes of this guidance is referred to as a homeowner.	
Building	Has the meaning given to it by section 7 of the Building Act.	
Certificate of Work	Has the meaning given to it by section 45AA of the Building Act.	
Contractor	For the purposes of this guidance means a person or company engaged to perform building work under a contract and may include builders and tradespeople.	
Council	This guidance uses the common term "council" to refer to local authorities. This includes territorial authorities (city and district councils) and unitary authorities, but excludes regional councils.	
Designer	Has the meaning given to it by section 14D(1) of the Building Act.	
	For the purposes of this guidance includes a Licensed Building Practitioner (LBP) with a design licence, Registered Architect, or Chartered Professional Engineer (CPEng) who prepares plans and specifications or advises on Building Code compliance.	
Engineer	A Chartered Professional Engineer (CPEng) who may contribute to structural or compliance aspects of the design.	
Final design plans	Has the meaning given to it by section 42B(4)(b) of the Building Act.	
Granny flats or granny flats exemption	Granny flats exemption for the purposes of this document means the building consent exemption small standalone dwelling that an owner builds, or intends to build, without obtaining a building consent.	
Homeowner	See Building owner.	
Preliminary design plans	Has the meaning given to it by section 33 (1A)(b) of the Building Act, and is preliminary design plans for the proposed building work that are submitted with an application for a PIM.	
Land information memoranda/ memorandum (LIM)	A memorandum issued by a local authority under section 44A of the Local Government Official Information and Meetings Act 1987 that includes matters affecting land.	
Licensed Building Practitioner (LBP)	A person licensed under the Building Act to carry out or supervise restricted building work, including design and construction.	
Licensed building professional	A collective term for LBP builders, architects, engineers, and licensed tradespeople who are qualified to carry out or supervise building work.	

Term	Definition	
Main drain	Has the same meaning as in AS/NZS 3500.0.2021	
Non-consented small standalone dwelling	Has the meaning given to it by section 7 of the Building Act.	
Not available, in relation to an NUO system	Has the meaning given under Schedule 1A.	
On-site system	Has the meaning given under Schedule 1A.	
Practitioner	A general term used in this guidance to refer to any licensed or qualified professional involved in the design or construction of a granny flat.	
Project information memoranda/ memorandum (PIM)	A memorandum issued by a territorial authority under section 34 of the Building Act 2004 that sets out information concerning land and building requirements relevant to a proposed building project.	
Record of Work	A record of work in the prescribed form that identifies the restricted building work carried out or supervised by a licensed building practitioner.	
Small standalone dwelling	Has the meaning set out in clause 1 of Schedule 1A of the Building Act. For the purposes of this guidance small standalone dwellings are referred to as granny flats, or the granny flats exemption.	
Tradesperson	A skilled worker such as a plumber, drainlayer, gasfitter, or electrical worker, licensed to carry out specific types of building work.	
Upstream vent	Has the meaning given under Schedule 1A.	

Appendix 2: Forms and resources

Forms for the granny flats exemption

Form 2AA: Application for project information memorandum for non-consented small standalone dwelling

Form 2AAB: Project information memorandum for non-consented small standalone dwelling

Form 2AAC: Additional information to accompany project information memorandum for non-consented small standalone dwelling.

Form 3A: Development contribution notice

Form 2A: Memorandum from licensed building practitioner (record of design work)

Form 6A: Memorandum from licensed building practitioner (record of building work)

Form: Record of work: sanitary plumbing and drainlaying for non-consented small standalone dwelling

Resources for the granny flats exemption

Step-by-step guides:

Step-by-step guides: Plan, design, build and complete a granny flat

Step-by-step guide: Plan a granny flat

Step-by-step guide: Design a granny flat

Step-by-step guide: Build a granny flat

Step-by-step guide: Complete a granny flat

Checklists:

Building design conditions checklist: Granny flats exemption

Homeowner due diligence checklist: Granny flats exemption

Completion checklist: Granny flats exemption

Websites

Websites and pages		
Licensed Building Practitioners (LBPs)	<u>lbp.govt.nz</u>	
Plumbers, Gasfitters, and Drainlayers Board	pgdb.co.nz	
Electrical Workers Registration Board	ewrb.govt.nz	
New Zealand Registered Architects Board (NZRAB)	<u>nzrab.nz</u>	
Engineering New Zealand	engineeringnz.org	
Standards New Zealand	standards.govt.nz/	
National Association of Steel Framed Housing	nashnz.org.nz	
Natural Hazards Portal	naturalhazardsportal.govt.nz/s/	
Ministry for the Environment	environment.govt.nz/	
Local Government New Zealand	lgnz.co.nz	
Insurance Council of New Zealand	icnz.org.nz	

