

Determination 2026/029

An authority's decision to issue a notice to fix in relation to compliance schedule obligations

1940 State Highway 50, Fernhill, Hawkes Bay

Summary

This determination considers an authority's decision to issue a notice to fix for contravention of the Building Act concerning compliance schedule obligations. The authority considered the owner's building was being used for public accommodation and that the owner had not complied with their compliance schedule obligations, including the need to provide the authority with an annual building warrant of fitness. In making the decision, the determination considers whether the building was used "wholly as a single household unit" at the time the notice to fix was issued.



Figure 1. Photo of the Lodge
(Source: Google Maps 23 June 2026)

In this determination, unless otherwise stated, references to “sections” are to sections of the Building Act 2004 (“the Act”).

The Act and the Building Code are available at www.legislation.govt.nz. Information about the legislation, as well as past determinations, compliance documents (eg, Acceptable Solutions) and guidance issued by the Ministry, is available at www.building.govt.nz.

1. The matter to be determined

- 1.1. This is a determination made under due authorisation by me, Peta Hird, for and on behalf of the Chief Executive of the Ministry of Business, Innovation and Employment (“the Ministry”).¹
- 1.2. The parties to the determination are:
 - 1.2.1. Hastings District Council, carrying out its duties as a territorial authority or building consent authority (“the authority”); the authority is the applicant in this determination.
 - 1.2.2. Farmhouse NZ Ltd, which is the owner of the building and recipient of the notice to fix (“the owner”). The sole director of this company lives on site at the property with their partner and together they manage the property; I refer to them separately and collectively as “the manager/s” in this determination.
- 1.3. This determination arises from the authority’s decision to issue a notice to fix. The authority believed that the owner’s building was being used to provide sleeping accommodation for the public, and as such, should be subject to the compliance schedule and building warrant of fitness regime in the Act. The owner disagreed on the basis that the building was being occupied as a single household.
- 1.4. The matter to be determined in terms of sections 177(1)(b) and 3(e) of the Building Act 2004 (“the Act”), is the authority’s decision to issue notice to fix NTF20260001 dated 16 February 2026 in relation to the inspection, maintenance or reporting procedures set out in a compliance schedule issued on 28 November 2008.
- 1.5. In deciding this matter, I must consider the use of the building at the time the notice to fix was issued, in so far as this relates to the particulars of contravention identified in the notice to fix.

2. Background

- 2.1. The owner’s property is an 835sqm site located just off State Highway 50 in a rural area on the outskirts of Hastings. A public road, Hotel Road, leads to the property

¹ The Building Act 2004, section 185(1)(a) provides the Chief Executive of the Ministry with the power to make determinations.

where it terminates in a dead end. The owner also owns the property on the opposite side of the road, giving a combined area for the two properties of 2.4 hectares. The owner bought the properties in 2008.

- 2.2. The property that is the subject of this determination is on the Western side of Hotel Road. There is a large two-storeyed wooden building constructed on the property adjacent to the road, as shown in Figure 1. This building, which is known as and described in the notice to fix as Farmhouse Lodge (“the Lodge”), is in the style of a 19th century rural hotel building and is over 100 years old.
- 2.3. Based on a hand-drawn site plan and photographs provided by the authority, the Lodge contains 15 bedrooms (five on the ground floor and 10 on the first floor); five communal bathroom areas (one on the ground floor and four on the first floor) offering differing combinations of toilets, basins, showers and baths, plus a separately accessed toilet on the first floor; two kitchen areas and an associated auxiliary area with benches and chillers (ground floor); a communal lounge area (ground floor); and several storage areas of various sizes (ground floor). The main entry at the front of the building leads to a shared hallway and entry area, with a flight of stairs leading from there to the first floor. There are various other external doors at the front and rear of the ground floor. On the first floor, external doors lead onto a wooden veranda (at the front) and exterior walkway (at the back), which in turn lead to exterior stairs.
- 2.4. There is a house next to the Lodge, with its own kitchen and bathroom, which I understand is used as the residence and office of the managers, and an attached large single-storey structure (see Figure 2).



Figure 2. Photo of property taken by the authority on 26 November 2025.

- 2.5. There are numerous other buildings and structures on the property, including cabins, sheds and containers, collectively known as “Farmhouse Lodge”. Based on the ‘Boarding House Agreement/Rules of Accommodation’ and notices posted on the ground floor, the kitchens in the Lodge are also used by the occupants of the (approximately) 25 cabins.² However, this determination is concerned solely with the building that is the subject of the notice to fix.
- 2.6. There are numerous signs throughout the building and rules in the ‘Boarding House Agreement / Rules of Accommodation’ for occupants of both the Lodge and other accommodation on site. Rules include no cooking after 10pm, no kitchen appliances in bedrooms, no overnight visitors without permission, the requirement for visitors to sign in, no sleeping in the ‘TV room’, and silence between 11pm to 6am. Signage refers to occupants as ‘tenants’ and several of these warn of the imposition of penalties of various types, including immediate eviction, if the rules are broken.
- 2.7. The owner originally used the Lodge to provide public sleeping accommodation. The authority issued a compliance schedule for the Lodge for this use on 28 November 2008, which included several specified systems within the building.³
- 2.8. More recent photos of the Lodge, taken in 2025, show there are still specified systems present in the building, including a sprinkler system, emergency warning system and exit signage (although it is not clear whether they are functional).
- 2.9. In 2017, following the issue of a dangerous building notice and subsequent filing of charges,⁴ the authority accepted the Lodge was then being used as a single household unit. While in that use, the compliance schedule obligations for the building did not apply.
- 2.10. On 26 November 2025, the authority executed a search warrant at the property, including entering the Lodge. Based on the evidence gathered, the authority believes that the Lodge is no longer being used wholly as a single household unit but is instead being used for public sleeping accommodation.
- 2.11. On 16 February 2026, the authority issued a notice to fix (NTF20260001) to the owner on the grounds that ‘the inspection, maintenance or reporting procedures

² The ‘Boarding House Agreement/Rules of Accommodation’ states ‘No jugs in the Cabin, Heater max 1000 watt, No microwave, no Electric Stove, that’s why we supply Share Kitchen in main building’.

³ A compliance schedule contains a description of each of the specified systems that a building contains, their performance standards, and inspection, maintenance and reporting procedures to be followed. Specified systems are systems which contribute to the proper functioning and safety of a building. All buildings, other than buildings being used wholly as a single household unit, that contain specified systems are required to have a compliance schedule and annual warrant of fitness. The legislation relating to compliance schedules and building warrants of fitness can be found in sections 100 to 111 of the Act.

⁴ Those chargers were dismissed by the court, refer *Hastings District Council v Dawson Bliss* [2017] NZDC 17499.

stated in a compliance schedule dated 28 November 2008 ... are not being, or have not been, properly complied with'. The operative parts of the notice are set out in Appendix A. The due date for compliance cited in the notice was 16 March 2026.

- 2.12. The notice to fix states that following the court's decision in 2017, the authority accepted that the Lodge was being used wholly as a single household unit, and "Accordingly, while in that use, the [authority] did not expect the owner to comply with its obligations under sections 105 and 108 of the Act, including the need to provide the [authority] with an annual building warrant of fitness". However, as the building had returned to its original use as accommodation, and the authority had "not received any reporting on the building's specified systems or a building warrant of fitness since 2003, the [authority] considers on reasonable grounds that the inspection, maintenance, or reporting procedures stated in the compliance schedule issued are not being, or have not been, properly complied with."
- 2.13. The covering letter for the notice to fix explained that because of the Lodge's current use 'as a hostel or similar type of sleeping accommodation', the owner must either resume compliance with the compliance schedule regime relating to the building, or cease operating the building as sleeping accommodation and return it to an exclusive single-household use.
- 2.14. On 4 March 2026, the manager wrote to the authority, stating that their position was that the building remains a single household unit.
- 2.15. The authority applied for a determination, and this was accepted by the Ministry on 20 April 2026.

3. Submissions

The authority

- 3.1. The authority made submissions during the determinations process, the main points of which can be summarised as follows.
- 3.1.1. There are 15 rooms available for sleeping in the Lodge, eight of which appeared to be occupied at the time of the search warrant. There was a sprinkler system with smoke detectors in some but not all rooms, and their operability was unclear.
- 3.1.2. Occupants were paying rent or board for room-based accommodation, as evidenced by the physical configuration with multiple lockable sleeping rooms, communal facilities for tenants, notices in the building referring to 'tenants', bank statements showing credits which are consistent with rent payments, correspondence confirming an occupant was a rent-paying 'tenant' and the absence of any discernible single-household relationship among occupants (beyond the use of shared facilities).

- 3.1.3. At least 60 tenants were paying the owner rent at the wider property over the period of 1 May 2025 to 1 May 2026, with at least 29 paying rent into the owner's bank account at the time of the search warrant.
- 3.1.4. An undated list of tenants for the rooms in the Lodge⁵ showed names next to 13 rooms, indicating that the occupancy has previously been as high as 13 tenants.⁶
- 3.1.5. The occupants of the Lodge were subject to a 'significant degree of restriction' as evidenced in the tenancy agreements, and in various signs displayed throughout the communal areas of the Lodge. These restrictions were more 'than would ordinarily be seen in a domestic household'.
- 3.1.6. In the authority's opinion, this evidence showed that the building was no longer being used wholly as a single household unit and was instead being used in its original classified use as a hostel, boarding house or similar communal sleeping accommodation. The 'purpose of the Lodge appears to be solely commercial'.
- 3.1.7. This use re-engaged the owner's obligations relating to the building's compliance schedule, including to maintain the specified systems, obtain the required inspections and reporting, and provide an annual building warrant of fitness.
- 3.1.8. The issue of the notice was an appropriate response, directed to public safety and statutory compliance.

The owner

- 3.2. The owner made submissions during the determinations process, the main points of which can be summarised as follows.
 - 3.2.1. In the owner's opinion, the building remains a single household unit, and 'therefore is not subject to regulatory compliance requirements'.
 - 3.2.2. With reference to the section 7 definition of a "household unit", the owner submitted that the Lodge "is a building that is used, only or mainly for residential purposes. It is occupied as the home or residence of not more than 1 household. It is not a hostel, boardinghouse or other specialized accommodation."

⁵ As opposed to the list of tenants for the cabins, which was also provided.

⁶ I note one name was on the list twice, indicating the list may not be a record of occupation at a single point in time.

- 3.2.3. With reference to the definition of a boardinghouse in the Residential Tenancies Act 1986,⁷ the owner submitted the Lodge “is not occupied or intended to be occupied by at least six tenants”.
- 3.2.4. There has been no change of use of the building since 2017, and the managers continue to reside in the Lodge with the occasional boarder and family members staying with them periodically. In 2017, they had a boarder and friends stay from time to time, and at that point the court was not satisfied that the authority had proved that the Lodge was being used as a backpackers or similar accommodation. Signage stating ‘No visitors upstairs’ was present in 2017 and was considered by the court to be easily read as relating to any people visiting the managers.
- 3.2.5. Ordinarily, the Lodge was reserved for family members, though communal facilities such as the kitchen and lounge were used by the managers to cook for tenants and watch television.
- 3.2.6. If they were operating as a commercial accommodation business, and only had 8 of 15 rooms occupied (as contended by the authority in November 2025), this is a particularly low occupancy rate and as such, is more indicative of a single household unit. However, the owner does not accept that eight rooms were occupied at that date, and initially stated that three rooms have been and were being used by family members who stay periodically. In a later submission, the owner stated that at the time of the search warrant, five boarders and other family and friends were staying in rooms, sharing communal kitchen and bathroom facilities and meals as a single-family household.
- 3.2.7. As at the time of the owner’s submission on 20 July 2026, the owner stated there are now no boarders staying at the Lodge.
- 3.2.8. Documentation provided by the authority refers to accommodation provided at the property external to the Lodge building, although it is still referred to under the umbrella of ‘Farmhouse Lodge’.

4. Discussion

Legislation

- 4.1. The matter for determination is the authority's decision to issue notice to fix NTF20260001 for a contravention of sections 105 and 108. The provisions relating to notices to fix are set out in sections 163 to 168 of the Act. Section 164(1)(a) provides for an authority to issue a notice to fix if it considers, on reasonable

⁷ Section 66B of the Residential Tenancies Act 1986.

grounds, that a specified person⁸ is contravening or failing to comply with the Act or its regulations.

- 4.2. Sections 100 to 111 of the Act set out the requirements for compliance schedules and building warrants of fitness for buildings that are not used wholly as a single household unit. Section 100 states:

100 Requirement for compliance schedule

(1) A building not used wholly as a single household unit—

(a) requires a compliance schedule if—

(i) it has a specified system; or

(ii) it has a cable car attached to it or servicing it; and

(b) requires the schedule for all specified systems it has and any cable car it has attached to it or servicing it.

- 4.3. Section 105 sets out the obligations of an owner of a building for which a compliance schedule has been issued.

105 Obligations of owner if compliance schedule is issued

An owner of a building for which a compliance schedule has been issued must ensure—

(a) that each of the specified systems stated in the compliance schedule is performing, and will continue to perform, to the performance standards for that system; and

(b) that the owner provides to the territorial authority an annual building warrant of fitness in accordance with section 108; and

(c) that the compliance schedule is kept—

(i) in the building; or

(ii) in another building in the district of the territorial authority; or

(iii) in some other place agreed on by the owner and the territorial authority; and

(d) that the compliance schedule is available for inspection by any person or organisation who or that has a right to inspect the building under any Act; and

(e) that, for the first 12 months of the period of the compliance schedule, there is displayed publicly in the building so that users of the building can have access to it a statement by the territorial authority in the prescribed form that contains the following information:

(i) the specified systems covered by the compliance schedule; and

(ii) the place where the compliance schedule is held; and

(iii) any other prescribed information.

- 4.4. Section 108 sets out the obligations to obtain and supply a building warrant of fitness that apply to owners of buildings for which a compliance schedule has been issued.

⁸ Section 163 defines a specified person and this includes the owner of a building.

108 Annual building warrant of fitness

(1) An owner of a building for which a compliance schedule has been issued must supply to the territorial authority a building warrant of fitness in accordance with subsection (3).

(2) The purpose of a building warrant of fitness is to ensure that the specified systems stated in the compliance schedule are performing, and will continue to perform, to the performance standards for those systems that are set out in the relevant building consent.

(3) The building warrant of fitness must—

(a) be supplied on each anniversary of the issue of the compliance schedule; and

(b) state that the inspection, maintenance, and reporting procedures of the compliance schedule have been fully complied with during the previous 12 months; and

(c) have attached to it all certificates, in the prescribed form, issued by an independently qualified person that, when those certificates are considered together, certify that the inspection, maintenance, and reporting procedures stated in the compliance schedule have been fully complied with during the previous 12 months; and

(d) have attached to it any recommendation made by an independently qualified person that the compliance schedule should be amended to ensure that the specified systems stated in the compliance schedule are performing, and will continue to perform, to the performance standards for those systems; and

(e) be in the prescribed form; and

(f) contain the prescribed information.

(4) The owner must publicly display a copy of the building warrant of fitness in a place in the building to which users of the building have ready access or, if the compliance schedule relates only to a cable car, publicly display the copy of the building warrant of fitness in or near the cable car.

4.5. In summary, the owner of a building that is “not used wholly as a single household unit”, for which a compliance schedule has been issued, and that contains specified systems is required (amongst other obligations) to supply a building warrant of fitness with relevant supporting information⁹ to an authority on the anniversary of the issue of the compliance schedule.

4.6. Section 7 defines specified systems as a system or feature contained in, or attached to, a building that contributes to the proper functioning of the building, and that has been declared to be a specified system for the purposes of this Act; for example, an automatic sprinkler system and warning systems.

⁹ Supporting information such as certification that the inspection, maintenance and reporting procedures stated in the compliance schedule have been fully complied with during the previous 12 months)

Is the building used ‘wholly as a single household unit’?

- 4.7. The matter to be determined turns on how the Lodge was being used at the time the notice to fix was issued. The owner submits that the Lodge was being used as single household, and hence the provisions in the Act relating to compliance schedules and building warrants of fitness do not apply.
- 4.8. As set out above, section 100 provides that a building “not used wholly as a single household unit” requires a compliance schedule if it has a specified system. Therefore, to determine whether the owner must adhere to its compliance schedule obligations, I must consider whether the building was being used “wholly as a single household unit”.
- 4.9. The term “household unit” is defined in section 7:

household unit -

(a) means a building or group of buildings, or part of a building or group of buildings, that is—

- (i) used, or intended to be used, only or mainly for residential purposes; and
- ii) occupied, or intended to be occupied, exclusively as the home or residence of not more than 1 household: but

(b) does not include a hostel, boardinghouse, or other specialised accommodation.

- 4.10. The meaning of the term “household” was discussed in the case of *Singh v Auckland Council*.¹⁰ Judge Clark set out the authorities on the meaning of “household”, including the reasoning of Judge Neave in the *Wanaka Gym* case,¹¹ stating:

[29] Judge Neave adopted a similar approach. In determining that the company's building could not properly be described as a dwelling for use as a single household unit, he said:

[27] It seems to me in this case the following factors are relevant:

- a. There is considerable variance in the numbers at any given time;
- b. There are large numbers of people involved in the occupation of the building;
- c. There is a significant degree of restriction as a matter of contract on the freedoms of the occupant which is inconsistent with people being resident in a household;
- d. The relatively short term of the residence;
- e. The fact that there is no necessary connection with the others residing in the house;
- f. There is no agreement of the residents to reside together;

¹⁰ *Singh v Auckland Council* [2026] NZDC 775; at [29].

¹¹ *The Wanaka Gym Ltd & Fiona Caroline Graham v Queenstown Lake Districts Council* [2013] NZHC 2662; at [27].

g. The whole *raison d'être* of the building essentially is commercial rather than domestic.

4.11. The analysis of Judge Clark in the *Singh* case is also helpful when considering the term “household”.¹²

[57] First, as Judge Gibson held in *Jayashree Limited v Auckland Council*^[13] each situation needs to be approached on its own facts. In establishing the facts in this case, I place weight on the findings and observations of the Council inspection of November 2022. I note the tenants are a mixture of people referred from WINZ and corrections; basic rules were displayed but not enforced; a property manager lives next door; there are lockable bedroom doors; and the owner's description of “emergency housing with short term stay providing for urgent cases”.

[58] Second, it is important to consider the full phrase which is “where people live as a single household”. This means more is needed than a single physical building. The focus is on the way the people live in that building. It is necessary to have indications that the occupants operate and relate to each other as a unit. Given the characteristics of the property's occupants' living situation I do not consider there is sufficient social cohesion or relationships of a domestic nature to view this property as a single household.

[59] Third, the living situation of the occupants satisfies many of the factors both the District Court^[14] and the High Court held in the *Wanaka Gym* case to be indicators that the situation was not a sleeping single home (SH). Although the *Wanaka Gym* case was different factually from this case that does not diminish the relevance and assistance of the criteria considered. These include relatively short terms of residence, no necessary connection between people residing in the property and no agreement for the occupants to live together as might be expected in a flatting situation. Of particular note is the possible considerable variance in the numbers at the property at any given time. ...

4.12. The owner has not provided any evidence to support statements about who was occupying the Lodge and their relationship at the time the notice to fix was issued.

4.13. Notwithstanding the owner's claim that the building is not a “boardinghouse”, the document titled ‘Boarding House Agreement / Rules of Accommodation’ states that the tenancy will be ended if the ‘Tenant has used or allowed the boarding house to be used, for illegal purpose’. It is clear this document relates to the Lodge as well as the cabins, as it refers to ‘the Lodge or any Cabins’. Business cards also state that the owner is an ‘Accommodation provider’.

¹² *Singh v Auckland Council* [2026] NZDC 775; at [57]–[59].

¹³ [2019 NZDC 2407 at [9]].

¹⁴ [*Queenstown Lakes District Council v The Wanaka Gym Ltd* DC Christchurch CIV 2003 002 0265, 18 November 2008].

- 4.14. Taking into account the factors set out in the *Wanaka Gym* case and the judge's considerations in the *Singh* case, I do not consider that the owner's building was being used wholly as a single household unit at the time the authority issued the notice to fix. In particular, I note the following.
- 4.14.1. With 15 bedrooms available in the Lodge, it is possible for large numbers of people to occupy the building and numbers to vary. There was evidence that eight rooms were occupied at the time of the search warrant.
- 4.14.2. The 'Boarding House Agreement' provides for a range of rental periods. The agreement states "The rental period is for long term rental being 30 days or more", but tenancies "are not fixed term", and it goes on to say "Rent price weekly and daily are different, if you rent not full week [sic], we charge you daily rate ...".
- 4.14.3. The amenities in the Lodge are not solely for the use of occupants of the Lodge but also serve for occupants accommodated elsewhere on the property.
- 4.14.4. There is a significant degree of restriction on the freedoms of occupants of the Lodge, expressed in both the agreements and in notices around the building, which is inconsistent with people being resident in a household.
- 4.14.5. I have not been provided with any evidence establishing connection between the tenants or between tenants and the owner, or agreement between tenants to reside together. There is no evidence to suggest a lease of the building taken on as a group, or that tenants were known to each other prior to residing there, or that they have any relationship to each other beyond shared use of facilities. Evidence provided shows that some tenants had been referred, and had their rent paid, by Work and Income.¹⁵
- 4.14.6. Bedrooms have lockable doors, and several tenants had kitchen items and food storage and preparation areas in their bedrooms, indicative of a level of distrust among occupants and not suggestive of social cohesion.
- 4.14.7. The purpose of the building is clearly commercial rather than domestic. Payment is per room, and there are several signs in the building which threaten fines or eviction or refer to tenants in offensive terms. A letter photographed in one of the occupied bedrooms (dated 15 August 2025), which repeatedly refers to "tenants", describes rent payments, occupancy rules, compliance requirements, CCTV monitoring, and possibility of eviction. In my opinion this demonstrates the Lodge being operated as managed accommodation.

¹⁵ Of the four of the rooms that had personal identification inside them at the time of the search warrant, three occupants had rent paid by Work and Income.

- 4.15. The judge in the case of *Hopper Nominees Ltd v The Rodney District Council*¹⁶, considering the meaning of the term “household” in relation to the Rating Act 1988, noted:

In any particular case it will be necessary for the features of the arrangement being examined to be considered in terms of consistency or inconsistency with the connotations of domestic residence of a family or a group living in a situation analogous to a family, such as a group of intimate acquaintances, friends or flatmates jointly residing in a house or flat. Institutions of a commercial or public nature whose services or functions include the provision of accommodation, or board and accommodation, such as boarding houses, rest homes, hospitals, boarding schools and prisons, do not, in common usage and therefore as used in s 30(2) of the Act, come within the scope of the term ‘household’.

- 4.16. I have not been provided with any evidence to suggest that the Lodge is used in a way which is consistent with the meaning of a “household”, as that term has been interpreted by the courts. Notwithstanding that the managers live onsite, I am satisfied that the Lodge is a commercial institution which provides accommodation for a variety of people who are not necessarily known to each other, and that the Lodge is not used “wholly as a single household unit”.¹⁷
- 4.17. As the building is not used “wholly as a single household unit” and has specified systems in it, a compliance schedule is required under section 100.
- 4.18. Under section 105, the owner has an obligation to ensure the specified systems are performing and to provide to the authority an annual building warrant of fitness for those systems in accordance with section 108. Under section 108, the owner must also display a copy of the building warrant of fitness in the building.
- 4.19. The search warrant was carried out on 26 November 2025, and I have concluded that the Lodge was not being used wholly as a single household unit at that time. As such, the most recent building warrant of fitness was due on 28 November 2025, that being the next anniversary of the issue of the compliance schedule.¹⁸ There is no dispute between the parties that the owner has not provided an annual building warrant of fitness to the authority on the anniversary date, being 28 November 2025.
- 4.20. Therefore, the owner has not met its obligations under sections 105 and 108 and has contravened these sections. Accordingly, I conclude there were grounds for the authority to issue the notice to fix to the owner.

¹⁶ *Hopper Nominees Limited v The Rodney District Council* [1996] 1 NZLR 239.

¹⁷ The owner states that there are now no boarders staying in the Lodge (as at 20 July 2026). However, the relevant time for the purposes of the determination is the time the notice to fix was issued. The fact that occupation may have changed since the notice was issued is a matter of whether the notice has been satisfied, not whether it was properly issued in the first place.

¹⁸ Refer to section 108(3)(a).

The form and content of the notice

4.21. The notice to fix states:

The [authority] obtained evidence and is reasonably satisfied that the building is no longer being used wholly as a single household unit and is instead being used in its original classified use under Clause A1 of the Building Code, as a hostel or similar sleeping accommodation.

4.22. In my view, it is not helpful or appropriate to refer to the classified use of the building under Clause A1, when this is not the test under section 100 as to whether this is the type of building that requires a compliance schedule. However, I do not consider this so significant that it invalidates the notice.

5. Decision

5.1. In accordance with section 188 of the Building Act 2004, I confirm the authority's decision to issue notice to fix NTF20260001 dated 16 February 2026.

Signed for and on behalf of the Chief Executive of the Ministry of Business, Innovation and Employment on 14 August 2026.

Peta Hird

Lead Determinations Specialist

APPENDIX A NOTICE TO FIX

The operative parts of NTF20260001 dated 16 February 2026 were as follows.

Notice to Fix

Sections 164 and 165, Building Act 2004

Number: NTF20260001

16 February 2026

To: Farmhouse NZ Limited
1940 State Highway 50
RD 5, Hastings, 4175
(A specified person as the owner of the building)

The building

Street address of building: 1940 State Highway 50, RD 5, Hastings 4175
Legal description of land where building is located: HB142/116 and HB142/117
(Part Lot 7 Deeds Plan 214 and Section 8 Block X Heretaunga SD)
Building name: Farmhouse Lodge
Location of building within site/block number: N/A
Level/unit number: N/A

Particulars of contravention or non-compliance

Pursuant to section 164(l)(c) of the Building Act 2004 (**the Act**) Hastings District Council, as a responsible authority, considers on reasonable grounds that the inspection, maintenance, or reporting procedures stated in a compliance schedule dated 28 November 2008 (**Annexure 1**) are not being, or have not been, properly complied with.

Following the Court's decision in Hastings District Council v Dawson Bliss [2017] NZDC 17499 (**Annexure 2**), the Council accepted that the Farmhouse Lodge was being used wholly as a single household unit. Accordingly, while in that use, the Council did not expect the owner to comply with its obligations under sections 105 and 108 of the Act, including the need to provide the Council with an annual building warrant of fitness.

However, on 26 November 2025 the Council executed a search warrant at the Property and during the execution of the search, authorised officers lawfully entered the Farmhouse Lodge. The Council obtained evidence and is reasonably satisfied that the building is no longer being used wholly as a single household unit and is instead being used in its original classified use under Clause A1 of the Building Code, as a hostel or similar sleeping accommodation.

In particular, the Council identified:

- Farmhouse Lodge consists of 15 rooms that are available for sleeping purposes. All have lockable doors.
- 8 of the 15 rooms appear to be occupied.
- There is a communal kitchen, mail pickup point, and lounge area for "tenants".
- Various notices throughout the building, including in the kitchen, refer to "tenants" of the building.
- Occupants appear to be paying rent/board to stay at the Farmhouse Lodge.
- There was no evidence to suggest that the tenants knew or had any type of relationship with each other, beyond the use of shared facilities.
- While there is a sprinkler system in the building and some (but not all) rooms have smoke detectors, it is unclear whether the sprinkler system and/or the smoke detectors are fully operable.

A summary of what the Council identified on 26 November 2025 (including annotated photographs) as well as a hand-drawn and annotated scene diagram is at **Annexure 3**.

Being so satisfied that the building has been returned to its original classified use, and having not received any reporting on the building's specified systems or a building warrant of fitness since 2003, the Council considers on reasonable grounds that the inspection, maintenance, or reporting procedures stated in the compliance schedule issued are not being, or have not been, properly complied with.

To remedy the contravention or non-compliance you must:

By 16 March 2026:

- Produce for inspection by the Council annual written reports for the 2025 year relating to the inspection, maintenance, and reporting procedures of the compliance schedule signed by each independently qualified person or other person who carried out 1 or more of those procedures; or
- Return to using the building wholly as a single household unit, such that a compliance schedule is not required under s 100 of the Act, and provide the Council with evidence to confirm that its use has been returned; or
- Take any other action within the bounds of the law to comply with this Notice to Fix, the Act, and the Regulations.

By 28 November 2026:

- If you make the decision to continue using the building as you are, supply an annual building warrant of fitness to the Council as required by s 108 of the Act.

Further particulars

If you require more time to comply with any aspect of this Notice to Fix, please contact the Council immediately so that an extension may be considered.

If you do not comply with this notice you commit an offence under section 168 of the Building Act 2004 and may be liable to a fine of up to \$200,000 and a further fine of up to \$20,000 for each day or part of a day that you fail to comply with this notice.