

General

Housing has become more difficult and expensive to build in New Zealand. The cost of building a house increased by 41% since 2019. This has an impact on the number of small houses being built. If costs and processes were less, more smaller houses would likely be built. If more are built, unmet demand would reduce, and the cost of housing would likely decrease.

The intended outcome of the proposed policy is to increase the supply of small houses for all New Zealanders, creating more affordable housing options and choice.

Refer to pages 4 – 7 of the discussion document to answer the questions in this section.

1. Have we correctly defined the problem?

Yes No Not sure/No preference

English meaning of Granny 1. Grandmother 2. an old women 3. any fussy,exacting person.

Is not an appropriate term for New Zealand legislation to describe a small house of maximum net internal area of 60m².

As proposed it will still require to be a minor dwelling on the same site as the main dwelling.

Present legislation and Distict Plans refer to them as Minor Residential Units and see no reason to change it to granny flats.

Are there other problems that make it hard to build a granny flat? Please explain your views.

Consenting costs are a small overall percentage of a houses cost. For the consenting processes as described to be viable and derisked, and for the right people to be doing the work, the NZRAB believes that regulation needs to be extended to provide:

1. A single tiered independent registration entity for architects, LBPs (Design), architectural registration assessments and decisions, protects titles, administers public registers and investigates complaints.
2. A single building sector disciplinary tribunal to conduct hearings into serious complaints.
3. Restricted Building Work (RBW) being extended to cover all buildings, with this being delineated into permissible levels based on complexity, difficulty and risk.

(Further detail can be found in our 18 April 2023 submission on the Review of the Registered Architects Act 2005).

This would include:

1. being extended to include a requirement to hold Professional Indemnity or other appropriate insurance to an appropriate level, as set out in the legislation;
2. having the power to award costs for remediation;
- 3.To use only approved construction contracts in all instances;
- 4 A registered entity to issue the Code of compliance and Code Compliance Certificate.

2. Do you agree with the proposed outcome and principles?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Are there other outcomes this policy should achieve? Please explain your views.

Refer to Question 1 response.

3. Do you agree with the risks identified?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Are there other risks that need to be considered? Please explain your views.

Owner Builders. The risk here is of them not knowing what they don't know and creating a problem, most likely for later owners. They don't need to have any of the tested skills required by the 'building professionals.

There is massive risk with work not complying with the Building Act, which may go unseen for a number of years. These are typically from people taking shortcuts (to save time or cost, or them thinking it is unnecessary – we saw this with flashings in the leaky home crisis), particularly when the liability cost to them is likely to be low. Appropriate insurances need to be required. If this system was in place, then risk onus would be more on the appropriately qualified person and this could reduce consenting requirements for other types of buildings, saving costs across the board. This is a risk to subsequent owners. Common issues are:

- Shortcuts with flashings, leading to waterproofing issues.
- Insulation being omitted.
- Bracing not being included.
- Ventilation (lack of).
- Fire. There is an industry wide lack of understanding surrounding detail.
- Waterproofing.
- Floor to ground clearances not being adhered to, leading to future moisture issues.

Building type not being tied to the practitioner's skill level (A Small Home could still be complex). Or, alternatively the Building needs to be confined to Category 1 buildings with a low envelope risk score.

Licensed Building Practitioner (LBP) Area of Practice (AOP) where *"Once licensed as an LBP you are not restricted to working within your AoP, LBPs can undertake all work covered by their licence class, but must only undertake work they are competent to do"*, meaning there are no checks in place to ensure people have the right skills for the work they are doing – it is self-regulating to a large extent – the ambulance is at the bottom of the cliff to pick up the mess rather than a fence at the top to prevent the issue happening. This needs to change in order for LBPs to only do the work they have been tested to be capable of.

Environmental effects

- Less area of permeable ground and loss of tree cover;
- Lack of privacy;
- Lack of access to light (and sun);
- Lack of appropriate outdoor area.

Infrastructure issues. Many areas already have overloaded and aging (or corked!) infrastructure.

Impacts on areas with Heritage and other important overlays within District Plans.

The present legislation does not protect the owner or principal from losing all money paid to the contractor if they go into receivership or liquidation prior to it being on site and completed.

Building system proposal

Options have been identified to achieve the objective of enabling granny flats, with related benefits, costs and risks. They include regulatory and non-regulatory options, options that do not require a building consent and fast-tracked building consents.

Refer to pages 8 – 11 of the discussion document AND Appendix 1 to answer the questions in this section.

4. Do you agree with the proposed option (option 2: establish a new schedule in the Building Act to provide an exemption for simple, standalone dwellings up to 60 square metres) to address the problem?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

The term 'simple' lacks definition. At the very least it should be a Category 1 building with a low-risk score.

There is a need to strengthen the licensing regime to put more onus on the practitioner should they fail to comply with the Building Act (and for rectification costs to be able to be awarded).

LBPs need to be tested by the regulator to ensure they have the necessary skills to move up the AOP ladder.

More detail is required for the Notification requirements – this should be an extension of the Record of Work requirements (RoW) with added requirements for Insurance. This will be important if there are issues with the build or if a subsequent owner wishes to make alterations. This needs to cover:

- Waterproofing
- Structural stability
- Fire safety
- Accessibility
- Siteworks (ground to floor levels) verified
- Energy efficiency
- Heating, ventilation, cooling
- Plumbing and drainage.
- Completion set of drawings/documents showing how these are addressed as well as other building consent requirements.

5. What other options should the government consider to achieve the same outcomes (see Appendix 1)?

Please explain your views.

NZRAB believes that it is fundamental that it is essential that correctly qualified people do the work, and that they are accountable for what they do (this is likely to need a review of Insurances).

Regulation needs to be extended to provide:

1. A single tiered independent registration entity for architects, LBPs (Design), architectural designers and architectural technicians that sets professional standards, makes registration assessments and decisions, protects titles, administers public registers and investigates complaints.
2. A single building sector disciplinary tribunal to conduct hearings into serious complaints.
3. Restricted Building Work (RBW) being extended to cover all buildings, with this being delineated into permissible levels based on complexity, difficulty and risk.

4. LBPs need to be tested by the regulator to ensure they have the necessary skills to move up the AOP ladder.

6. Do you agree with MBIE's assessment of the benefits, costs and risks associated with the proposed option in the short and long term?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

The regulatory regime around appropriately qualified people need to be extended (as noted in Q5) in order for Owners to be responsible for ensuring qualified professionals undertake their work. There needs to be strong notification requirements (as noted in Q4) to be able to deal with subsequent issues – or when further work to the building is desired further down the track.

7. Are there any other benefits, costs or risks of this policy that we haven't identified?

Please explain your views.

Refer to our earlier comments.

8. Are there additional conditions or criteria you consider should be required for a small standalone house to be exempted from a building consent?

Please explain your views.

Refer to our earlier comments:

At the very least it should be a Category 1 building with a low-risk score.

NZRAB believes that it is fundamental that it is essential that correctly qualified people do the work, and that they are accountable for what they do (this is likely to need a review of Insurances).

Regulation needs to be extended to provide:

1. A single tiered independent registration entity for architects, LBPs (Design), architectural designers and architectural technicians that sets professional standards, makes registration assessments and decisions, protects titles, administers public registers and investigates complaints.
2. A single building sector disciplinary tribunal to conduct hearings into serious complaints.
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LBPs need to be tested by the regulator to ensure they have the necessary skills to move up the AOP ladder.

9. Do you agree that current occupational licensing regimes for Licensed Building Practitioners and Authorised Plumbers will be sufficient to ensure work meets the building code, and regulators can respond to any breaches?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

Refer to earlier comments. There needs to be a requirement regarding insurances and LBPs need to be tested by the regulator to ensure they have the necessary skills to move up the AOP ladder. All aspects need to be covered by LBPs – there are areas which currently are not covered.

10. What barriers do you see to people making use of this exemption, including those related to contracting, liability, finance, insurance, and site availability?

Please explain your views.

Refer to earlier responses (Q8 in particular).

11. What time and money savings could a person expect when building a small, standalone dwelling without a building consent compared to the status quo?

Please explain your views.

With a fully compliant application to Council with no requests for further information, the building consent is able to be issued in 20 working days, which included a planning check.

However, very few applications are compliant and required amendments.

The peer review process would still be highly recommended and would be a condition possibly of the of the insurance required due to the increased risk of in fact issuing a Certificate of Compliance and a Certificate of Code Compliance.

12. Is there anything else you would like to comment on regarding the Building Act aspects of this proposal?

Please explain your views.

Refer to earlier responses – Q8 in particular.

Resource management system proposal

The focus of the proposed policy is to enable small, detached, self-contained, single storey houses for residential use. Under the Resource Management Act (RMA), the term 'minor residential unit' (MRU) is defined in the National Planning Standards as "a self-contained residential unit that is ancillary to the principal residential unit and is held in common ownership with the principal residential unit on the same site". The proposal is to focus the policy in the RMA on enabling MRUs.

It is proposed that this policy applies across New Zealand and is not limited to certain territorial authorities. The proposed focus of the policy is on enabling MRUs in rural and residential zones.

Refer to pages 12 – 15 of the discussion document AND Appendix 2 to answer the questions in this section.

13. Do you agree that enabling minor residential units (as defined in the National Planning Standards) should be the focus of this policy under the RMA?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

Q out of scope for NZRAB.

No, the existing requirements for minor residential units under the RMA should apply, as every district in New Zealand is unique and the environmental effects of the MRU's need to be proven to be minor.

14. Should this policy apply to accessory buildings, extensions and attached granny flats under the RMA?

15. Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

No comment – Q out of scope for NZRAB.

No, as MRU's have very specific requirements to be met.

16. Do you agree that the focus of this policy should be on enabling minor residential units in residential and rural zones?

- Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

No comment – Q out of scope for NZRAB refer 13 above.

17. Should this policy apply to other zones? If yes which other zones should be captured and how should minor residential units be managed in these areas?

- Yes No Not sure/No preference

Please explain your views.

No comment – Q out of scope for NZRAB.

18. Do you agree that subdivision, matters of national importance (RMA section 6), the use of minor residential units and regional plan rules are not managed through this policy?

- Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

No comment – Q out of scope for NZRAB.

19. Are there other matters that need to be specifically out of scope?

Please explain your views.

No comment – Q out of scope for NZRAB.

20. Do you agree that a national environmental standard for minor residential units with consistent permitted activity standards (option 4) is the best way to enable minor residential units in the resource management system?

- Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

Yes, I agree I agree in part No, I don't agree Not sure/no preference

No comment – Q out of scope for NZRAB.

21. Do you agree district plan provisions should be able to be more enabling than this proposed national environmental standard?

- Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

No comment – Q out of scope for NZRAB.

22. Do you agree or disagree with the recommended permitted activity standards? Please specify if there are any standards you have specific feedback on.

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

No comment – Q out of scope for NZRAB.

23. Are there any additional matters that should be managed by a permitted activity standard?

Please explain your views.

No comment – Q out of scope for NZRAB.

24. For developments that do not meet one or more of the permitted activity standards, should a restricted discretionary resource consent be required, or should the existing district plan provisions apply? Are there other ways to manage developments that do not meet the permitted standards?

Please explain your views.

No comment – Q out of scope for NZRAB.

25. Do you have any other comments on the resource management system aspects of this proposal?

Please explain your views.

No comment – Q out of scope for NZRAB.

Local Government Infrastructure Funding

The proposals in this document would enable a granny flat to be built without needing resource or building consent. Notification of a granny flat is important for local and central government to:

- Provide trusted information for buyers, financiers and insurers
- Track new home construction data and trends
- Value properties for rating purposes
- Plan for infrastructure
- Provide information to support post-occupancy compliance, where required
- Undertake council functions under the Building Act including managing dangerous or insanitary buildings.

Refer to pages 15 – 16 of the discussion document and Appendix 3 to answer the questions in this section.

26. What mechanism should trigger a new granny flat to be notified to the relevant council, if resource and building consents are not required?

Please explain your views.

No comment – Q out of scope for NZRAB.

27. Do you have a preference for either of the options in the table in Appendix 3 and if so, why?

Please explain your views.

No comment – Q out of scope for NZRAB.

28. Should new granny flats contribute to the cost of council infrastructure like other new houses do?

Yes No Not sure/No preference

Please explain your views.

No comment – Q out of scope for NZRAB.

Māori land, papakāinga and kaumātua housing

A key issue for Māori wanting to develop housing is the cost and time to consent small, simple houses and other buildings. The proposals in the building and resource management systems may go some way to addressing the regulatory and consenting challenges for developing on Māori land, and for papakāinga and kaumātua housing, where the circumstances of these proposals apply.

Refer to page 16 of the discussion document to answer the questions in this section.

29. Do you consider that these proposals support Māori housing outcomes?

Yes, I agree I agree in part No, I don't agree Not sure/no preference

Please explain your views.

.Refer to our earlier comments, particularly our response to Q8.

30. Are there additional regulatory and consenting barriers to Māori housing outcomes that should be addressed in the proposals?

Please explain your views.

Refer to our earlier comments, particularly our response to Q8.