



PROACTIVE RELEASE COVERSHEET

Minister	Minister Bishop	Portfolio	RMA Reform
Name of package	Phase 2 National Direction	Date to be published	18 December

List of documents that have been proactively released

Date	Title	Author
18 November 2025	Regulatory Impact Statement: National Environmental Standards for minor residential units (granny flats)	Ministry for the Environment

Information redacted **NO**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

N/A



Regulatory Impact Statement: National Environmental Standards for minor residential units (granny flats)

Decision sought	Cabinet approval to develop National Environmental Standards (NES) under the Resource Management Act 1991 (RMA) to enable minor residential units (granny flats) without a resource consent, subject to a set of permitted activity standards.
Agency responsible	Ministry for the Environment
Proposing Ministers	Minister Responsible for RMA Reform
Date finalised	18 November 2025

The Government has committed to ‘*amend the building and resource consent systems to make it easier to build granny flats or other small structures up to 60 square metres, requiring only an engineer’s report*¹, and directed officials to progress this commitment as a priority.

The Minister Responsible for RMA Reform proposes developing national environmental standards (NES) under the Resource Management Act 1991 (RMA) to allow granny flats (also known as minor residential units) up to 70 square metres to be built without resource consent, provided they meet specified standards.

The NES is a form of secondary legislation and complements changes to the Building Act 2004, which will exempt certain small dwellings from building consent under *the Building and Construction (Small Stand-alone Dwellings) Amendment Bill* (the Stand-alone Dwellings Bill). The Stand-alone Dwellings Bill was passed on 23 October 2025 and will take full effect in early 2026.

Together, these changes aim to reduce regulatory burdens, making it faster and more affordable to build small homes.

Summary: Problem definition and options

What is the policy problem?

Demographic change is leading to an increasing demand for smaller dwellings, however housing stock is not adjusting to reflect this. The time and costs involved in seeking a resource consent for these smaller dwellings is likely contributing to lower uptake of this type

¹ Coalition Agreement New Zealand National Party & New Zealand First (2023): https://assets.nationbuilder.com/nzfirst/pages/4462/attachments/original/1700784896/National_NZF_Coalition_Agreement_signed_-_24_Nov_2023.pdf

of development. However this is inconsistent across the country with different rules applying in different districts/cities and across different zones within districts/cities.

What is the policy objective?

The objective is to reduce regulatory requirements for minor residential units (MRU) in order to increase the supply of small houses for all New Zealanders, creating more affordable housing options and choice.

What policy options have been considered, including any alternatives to regulation?

The type of intervention in the resource management system

Options considered are:

- Option 1: status quo – councils have discretion to set rules and standards for MRU
- Option 2: National Policy Statement for MRU
- Option 3: National Planning Standard for MRU
- Option 4: National Environmental Standards (NES) for MRU (Minister’s and officials’ preferred option).

What the policy applies to

Options considered are:

- Option 1: status quo – councils have discretion to define the scope of MRU
- Option 2: NES only applies to MRU as defined in the national planning standards, and not other small structures (Minister’s and officials’ preferred option)
- Option 3: NES applies to MRU and other small structures such as sheds and sleepouts
- Option 4: NES only applies to detached MRU and not other small structures (Minister’s and officials’ preferred option).

Where the policy applies (zones)

Options considered include:

- Option 1: status quo – councils decide which zones to permit MRU in their district plans
- Option 2: package of zones consulted on in 2024
- Option 3: package of zones consulted on in 2025 (officials’ and Minister’s preferred option).

Matters in regional and district plans that continue to apply

Options considered include:

- Option 1: status quo – councils have discretion to regulate all matters that relate to MRU in their district and regional plans
- Option 2: package of matters consulted on in 2024 that would continue to be managed by district and regional plans in relation to MRU
- Option 3: package of matters consulted on in 2025 that would continue to be managed by district and regional plans in relation to MRU
- Option 4: final package of matters that would continue to be managed by district and regional plans in relation to MRU (Minister’s and officials’ preferred option).

Matters councils cannot apply to MRU

Options considered include:

- Option 1: status quo – councils are not restricted in the matters they can regulate in relation to MRU

- Option 2: restrict councils from regulating certain matters that could have a disproportionate impact on the delivery of MRU (Minister's and officials' preferred option).

Permitted activity rule

Options considered include:

- Option 1: status quo – councils have discretion to set the maximum number of MRU per site in RMA plans
- Option 2: Enable one MRU per site as a permitted activity (Minister's and officials' preferred option).

Permitted activity standards

Options considered include:

- Option 1: status quo – councils have discretion to set permitted activity standards for MRU in their district plans
- Option 2: package of permitted activity standards consulted on in 2024
- Option 3: package of permitted activity standards consulted on in 2025
- Option 4: final proposed package of permitted activity standards (officials' and Minister's preferred option).

When district plan rules apply

- Option 1: status quo – councils have discretion to set rules and standards in plans for MRU
- Option 2: any proposed MRU that does not meet one or more of the permitted activity standards in the NES is no longer able to be considered under the NES and must be considered under the relevant district or unitary plan.

What consultation has been undertaken?

The proposed NES has been consulted on two occasions, in 2024 and again in 2025.

2024 consultation

The proposed NES was publicly consulted on alongside proposed changes to the Building Act 2004 for eight weeks from June-August 2024 through a discussion document called [Making it easier to build granny flats](#). The full [summary of submissions](#) can be found on the Ministry for the Environment's (MfE) website. A total of 1,970 submissions were received from a range of submitters on the discussion document.

2025 consultation

The Government then decided to proceed with developing the proposed National Environmental Standards (NES) for Granny Flats (Minor Residential Units) under the RMA. The proposal was then updated based on feedback received through the 2024 discussion document, and to align with changes to the proposals under the Building Act 2004. The updated proposal was publicly consulted on for nearly 9 weeks from 29 May 2025 to 27 July 2025 through a discussion document called [Package 1: Infrastructure and development – Discussion document](#). A total of 179 submissions were received on the proposal to introduce the proposed NES, and a summary of submissions and recommendations report was prepared.

Submissions from both 2024 and 2025 have informed the development of this RIS.

Are the preferred options in the Cabinet paper the same as preferred options in the RIS?

Yes.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Monetised costs

No additional costs for landowners developing MRU and for prospective tenants for those MRU.

There would be one-off direct cost to councils to amend district plans if a rule duplicates or conflicts with a provision in the NES, as this will be a legal requirement. Most councils would need to amend plans to reflect standards that are more enabling in the NES; some councils do not currently have any rules around MRU and would be required to insert all the standards into district plans as soon as practicable without using a schedule 1 plan change process. Therefore, the NES will not result in significant change in costs from the status quo.

Non-monetised costs

Some councils will need to spend time amending their district plans, but the NES will not result in significant change in non-monetised costs from the status quo.

Benefits (Core information)

Uptake analysis

MfE commissioned a modelling report² on potential uptake of MRU under the proposed policy in Auckland, Dunedin, Masterton and Timaru. The report shows significant increase in uptake in Auckland (224%-417%), low-moderate increase in uptake in Dunedin (53-99%), low increase in uptake in Timaru (18-34%) and minimal to no impact in Masterton. The report suggests the proposed policy will increase MRU uptake overall across New Zealand with variation across different towns and cities.

Monetised benefits

This policy is expected to save landowners an average of approximately \$1,500 in resource consent costs. The time and effort saved for landowners is potentially more significant as it currently takes an average of 10 weeks to process a resource consent, which is a barrier to building in the current resource management system.

Councils will save time and money from not having to process resource consents for MRU that meet the standards in the NES.

Tenants will likely experience potential direct and ongoing savings on rental costs once the supply of MRU increases.

Non-monetised benefits

Landowners may be more likely to build MRU knowing regulatory barriers are reduced, providing indirect and ongoing benefits to prospective tenants.

Balance of benefits and costs (Core information)

The benefits of developing an NES outweigh the costs.

This policy is expected to save landowners an average of approximately \$1,500 in resource consent costs. While this is a marginal cost saving for landowners developing MRU, the overall time and effort saved for landowners is potentially more significant as it currently

² [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact. Auckland: Crow Advisory.](#)

takes an average of 10 weeks to process a resource consent, which is a barrier to building in the current resource management system. The average time taken to process land use consents has been steadily increasing and was more than double the regulated 20 days to process in 2022/23.³

The announcement of a policy like this may itself raise awareness in the population that they could build an MRU, which could influence their decisions and lead to a greater uptake.⁴

Removing the time/cost barriers to consents would likely incentivise a greater uptake of this typology, supporting the delivery of housing to meet the current unmet demand.

Implementation

Councils will be responsible for implementing the NES and will have to amend district plans if a rule duplicates or conflicts with a provision in the NES. Such a plan change will have immediate effect and will not have to go through a standard schedule 1 process (ie, will not undergo a public notification and hearing process and cannot be appealed). Councils can retain more lenient standards.

Homeowners wishing to build an MRU on their property will need to check the NES or the relevant district plan (once it has been amended) to see whether their proposed MRU will meet the standards in the NES, or more enabling standards in the district plan, or whether they need to apply for a resource consent.

There is a risk that people will develop MRU that do not meet the permitted activity standards⁵ in the NES without applying for a resource consent. With many councils currently permitting MRU, this is already a risk, and the NES should not increase it significantly.

The NES is planned to come into effect at the end of 2025/early 2026. Specific transitional arrangements are already provided for within the NES provisions in the RMA.

Limitations and Constraints on Analysis

Scope of policy options

The Government committed, in the National – New Zealand First coalition agreement, to ‘*amend the Building Act and the resource consent system to make it easier to build minor residential units or other small structures up to 60 square metres, requiring only an engineer’s report*’.⁶ The Government’s Q1 Action Plan included progressing this commitment as a priority. Therefore, initial advice and options were developed at pace on how to best deliver this commitment. Ministers signalled early on that non-legislative options were not preferred so development of options focused on planned regulatory programmes for options only.

³ Ministry for the Environment (2024): [Patterns in Resource Management Act Implementation – National Monitoring System data from 2014/15 to 2022/23](#).

⁴ Crow, C. Liu, J. and Warren, W. (2024). [Minor residential unit uptake analysis: Report on estimated policy impact](#). Auckland: Crow Advisory.

⁵ A permitted activity can be carried out without the need for a resource consent so long as it complies with any requirements, conditions and permissions specified in the Resource Management Act 1991, in any regulations, and in any applicable plans or proposed plans.

⁶ Coalition Agreement New Zealand National Party & New Zealand First (2023): https://assets.nationbuilder.com/nzfirst/pages/4462/attachments/original/1700784896/National_NZF_Coalition_Agreement_signed_-_24_Nov_2023.pdf

The proposals in this RIS were publicly consulted on in June-August 2024 and in May-July 2025. The 2024 discussion document included Regulatory Impact Statement (RIS) elements, and the 2025 discussion document included an Interim RIS.⁷

To meet the Government's timeframe to Gazette the NES by the end of 2025, the period for submissions analysis to inform final policy decisions was condensed. While final policy decisions on the proposed NES were taken ahead of the Transport and Infrastructure Select Committee's report back on the Stand-alone Dwellings Bill, best efforts were made to ensure the NES recommendations remained complementary to the Stand-alone Dwellings Bill.

Impact analysis

MfE commissioned analysis⁸ of the likely effect of the proposed policy on the supply of these dwellings over time. The analysis covered four councils, chosen because they currently permit MRU in part, but not all of their district plans and their supplied data had relatively complete text descriptions for most consents, which were used to identify whether a consent involved an MRU. This report has been used to support analysis about the impacts of the policy more broadly, although we note it is limited as it is narrow rather than comprehensive.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:



Stephanie Gard'ner
Manager, Urban Policy
18 November 2025

Quality Assurance Statement

Reviewing Agency:

QA rating: Meets

Panel Comment:

A Quality Assurance Panel from the Ministry for the Environment and the Department of Conservation has reviewed the Regulatory Impact Statement (RIS) prepared by the Ministry for the Environment titled National Environmental Standards for minor residential units. The Panel considers that the information and impact analysis summarised in the RIS meets the Quality Assurance criteria. The RIS is clear and concise and the case for change and preferred options are supported by evidence and consultation.

⁷ Interim Regulatory Impact Statement: National Environmental Standards for minor residential units (granny flats), 7 April 2025: <https://environment.govt.nz/assets/Interim-Regulatory-Impact-Statement-National-Environmental-Standards-for-minor-residential-units-granny-flats.pdf>

⁸ [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact.](#)

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

Status quo

1. Housing in New Zealand is largely regulated by two pieces of legislation:
 - a. the Building Act 2004 (Building Act) – sets the rules for the construction, alteration, and demolition of new and existing buildings; and
 - b. the Resource Management Act 1991 (RMA) – sets requirements for the management of land use and effects on the environment.
2. Granny flats are typically small, self-contained houses on the same site as an existing residential unit. Under the RMA, granny flats are usually referred to as minor residential units (MRU). The first set of national planning standards 2019 includes a definition for MRU: *“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”*.⁹ Not all councils have implemented the national planning standards.
3. MRU may require both a building consent and resource consent, depending on the context. Although they manage different risks and effects, the Building Act and the RMA collectively determine which rules a development is subject to.
4. A resource consent process for an MRU typically involves an application to the Council and paying an initial fee, the Council may request further information (section 92 of the RMA), then the Council makes a decision and issues any further invoices for their time. Where district plan rules for MRU require a resource consent, these are typically ‘non-notified’ (ie, no input is required from neighbours or the public).
5. Most district plans already have rules and standards that apply to some form of MRU. A few councils enable ‘secondary dwellings’ on a site, which unlike MRU, are not required to be held in common ownership with the principal dwelling but are otherwise similar to MRU. There are a few councils that do not appear to have any provisions that permit MRU.¹⁰
6. While most plans have rules and standards for MRU, these can differ depending on which zone they are in. The standards that apply can vary both between zones, as well as across different councils and might include building position, building height and building size (see **Appendix 1**). If an MRU does not meet the permitted activity standards in the district plan it will need a resource consent.
7. Regional plans do not have specific requirements for MRU but may require a resource consent for activity associated with building an MRU, such as for on-site wastewater systems.

⁹ The first set of national planning standards 2019 provide national consistency for the structure, form, definitions and electronic accessibility of RMA plans and policy statements to make them more efficient and easier to prepare and use.

¹⁰ Based on a preliminary desktop analysis, the following councils do not appear to have provisions for granny flats in their current district plans: South Waikato District Council, Ōpōtiki District Council, Wairoa District Council, Stratford District Council, Ruapehu District Council, Nelson City Council, Ashburton District Council and Gore District Council.

Current data on MRU

8. Regulatory compliance costs for consenting and building are part of what drives housing costs. Where a resource consent is required for a small house, it is estimated to cost around \$1,500.¹¹
9. While this cost is a small proportion of the overall cost of building an MRU, the average time taken to process land use consents has been steadily increasing and was more than double the regulated 20 days to process in 2022/23.¹² As noted in the modelling report undertaken by Crow Advisory,¹³ there are some assumptions and limitations with the data on how many MRU are built per year and where they are located given some MRU are constructed as a permitted activity whereas others require a resource consent.

Smaller single storey homes present a more affordable housing option

10. Smaller, single storey homes generally present a more affordable housing option. Where there is land available on a property, these can be straightforward, cost-effective and timely to deliver.
11. There are options for smaller one or two-bedroom dwellings coming to the market at an affordable price. For example, A1 homes offer a kitset home for a 60 square metre 1 bedroom dwelling for \$99,210.¹⁴

How the status quo is expected to develop over time

12. Demographic changes such as an increase in single parent families, people having fewer children and an ageing population are likely to increase the demand for smaller houses in the future.

Proposed changes under the RMA form part of a number of changes across the system to better enable housing supply*Changes to the Building Act 2004*

13. The proposed changes under the RMA complement a wider set of changes being made to the Building Act 2004 (Building Act), which have been progressed through the Building and Construction (Small Stand-alone Dwellings) Amendment Bill (the Stand-alone Dwellings Bill) [as at 23 October 2025, the Building and Construction (Small Stand-alone Dwellings) Amendment Act 2025]. The Stand-alone Dwellings Bill intends to reduce the time and cost of building a granny flat by permitting small stand-alone dwellings up to 70 square metres to be built without a building consent if certain conditions are met. The changes to the Building Act will have full legal effect in early 2026 once associated regulations (eg, to record building work) are in place to fully implement these changes.
14. Where applicable, requirements are intended to be consistent between the two systems to ensure a smoother process for those wanting to build a granny flat. The changes to the Building Act have been referred to as the 'Stand-alone Dwellings Bill' throughout this RIS as this analysis was undertaken prior to enactment of the changes to the Building Act.

¹¹ National Monitoring System 2021/22 consent data for minor residential units.

¹² Ministry for the Environment (2024): [Patterns in Resource Management Act Implementation – National Monitoring System data from 2014/15 to 2022/23](#).

¹³ [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact](#) (pages 7-8).

¹⁴ [KH 60b Flexi | A1 Homes | NZ](#).

Going for Housing Growth

15. The proposed NES and the Stand-alone Dwellings Bill support the Government's broader housing work programme, referred to as Going for Housing Growth (GfHG).
16. GfHG consists of three pillars:
 - a. Pillar 1: Freeing up land for development and removing unnecessary planning barriers.
 - b. Pillar 2: Improving infrastructure funding and financing.
 - c. Pillar 3: Providing incentives for communities and councils to support growth.
17. Together, these pillars aim to improve housing affordability by significantly increasing the supply of developable land for housing, both inside and at the edge of urban areas.
18. Pillar 1 changes will be delivered through the new resource management system. The Government released a discussion document for public consultation between 18 June 2025 to 17 August 2025 to propose how these Pillar 1 initiatives could be implemented in the reformed system.

Resource management reforms

19. The Government has previously announced an interim work programme, which includes developing and amending a suite of new and existing national direction instruments. The scope of this interim work programme includes developing and amending national direction instruments under the RMA where the policy has immediate effect and does not require a schedule 1 plan change, is well-developed policy, and would be transferable to the new resource management system.
20. Alongside these changes under the RMA, the Government has committed to replace the RMA with new legislation. The Planning Bill and Natural Environment Bill are planned to be introduced by the end of 2025, passed in 2026, and come into force in 2027.

What is the policy problem or opportunity?

21. Demographic change is leading to an increasing demand for smaller dwellings, however housing stock is not adjusting to reflect this. The time and costs involved in seeking a resource consent for these smaller dwellings is likely contributing to lower uptake of this type of development. However this is inconsistent across the country with different rules applying in different districts/cities and across different zones within districts/cities.

Housing affordability is a key issue in New Zealand

22. New Zealand has some of the least affordable housing in the world¹⁵ and home ownership dropped from 74% in the 1990s to 65% in 2018.¹⁶ For Māori, the decline of home ownership rates is twice that of New Zealand Europeans.¹⁷ Over the 12 months to June 2023, average housing costs per week increased 14.5%. Data from 2023 illustrates that over a quarter of households that do not own their home now spend more than 40% of their income on housing.¹⁸ High housing costs have a greater impact on retirees on fixed incomes, Māori, Pacific people, and people with disabilities.

¹⁵ OECD (2020): [How's Life? 2020: Measuring Well-being](#). OECD Publishing, Paris. Table 1.1, p 23.

¹⁶ Statistics New Zealand (2020): Census data from [Housing in Aotearoa](#). Wellington: Stats NZ.

¹⁷ Stats NZ (2021) Te Pā Harakeke: Māori housing and wellbeing.

¹⁸ Statistics New Zealand (2023): [Household income and housing-cost statistics: Year ended June 2023](#).

There is increasing demand and a lack of supply of small houses

23. There is poor alignment between household size and number of bedrooms in existing dwellings, suggesting an undersupply of one- to two-bedroom homes for smaller households.
24. In 2018, just under 20% of houses in Aotearoa New Zealand had two bedrooms with 6 per cent having one bedroom. In contrast, more than half of households had one or two people.¹⁹
25. Recent data collected by the Ministry of Social Development from December 2024 shows 49% of applications in the public housing register require one bedroom.²⁰

Regulatory barriers increase the time and cost to build new houses

26. Housing has become more difficult and expensive to build in New Zealand. The cost of building a house increased by 41 per cent since 2019.²¹
27. Regulatory barriers and the costs and timeframes associated with attaining a resource consent for an MRU are likely contributing to the lack of supply of small houses.

There is inconsistency in councils' approach to regulating MRU

28. While a number of district plans currently enable MRU, there is inconsistency in what permitted activity standards are included in plans, how enabling these provisions are, and where MRU are enabled. Not all councils enable MRU, some only enable these in either residential or rural zones, and the relevant standards vary. For example, different councils allow MRU of different sizes, have different rules about how high it can be, whether it needs to have private open space, and how far away from the primary dwelling or boundary it must be.
29. There is an opportunity to provide a baseline set of permitted activity standards for MRU for matters that do not need to differ across the country, such as maximum internal floor area, building coverage and minimum setbacks from boundaries. This could provide a simple and consistent approach for building MRU in a consistent set of zones across the country. This approach could provide certainty for those wishing to build an MRU and will complement changes to the Building Act, which may increase the likelihood of people wanting to build an MRU thereby contributing to increasing housing supply.
30. However, there will be circumstances where district plans will need to also manage site specific matters alongside the standardisation – for example to manage site specific natural hazard risks.

Māori housing outcomes

31. An issue for Māori wanting to develop housing is the cost and time to consent small, simple houses and other buildings.
32. There are broader challenges to building and development on Māori land beyond the building and resource management systems. Barriers include a requirement to obtain a Māori Land Court order to use or occupy Māori freehold land, access to finance and the lack of infrastructure, which are not in scope of this proposal.

¹⁹ Statistics New Zealand (2018): Census data.

²⁰ Emergency housing SNGs, December 2024. Ministry of Social Development (page 2): <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/housing/monthly-housing-update/2024/monthly-housing-report-december-2024.pdf>

²¹ The 41.3% represents the cumulative increase since the fourth quarter of 2019. This mostly occurred in 2021 and 2022.

What objectives are sought in relation to the policy problem?

33. The policy outcomes across both the proposals under the RMA and the Building Act are to:
 - a. Enable MRU/stand-alone small dwellings in the resource management and building systems, with appropriate safeguards for key risks and effects.
 - b. Coordinate requirements in resource management and building systems, where appropriate.
 - c. Support local government funding and infrastructure by ensuring growth pays for growth eg, where costs associated with new development is covered by the growth itself.
 - d. Support intergenerational living and ageing in place by enabling individuals to remain in their homes and communities as they grow older.
 - e. Support positive housing outcomes for Māori.
34. Specifically for the proposal under the RMA, the objective is to reduce regulatory requirements for MRU, in order to increase the supply of small houses for all New Zealanders, creating more affordable housing options and choice.

What consultation has been undertaken?

35. The proposed NES has been consulted on two occasions in 2024 and again in 2025.

2024 consultation

36. The proposed changes to the RMA was publicly consulted on, alongside proposed changes to the Building Act, for eight weeks from June-August 2024 through a discussion document called [Making it easier to build granny flats](#). The full [summary of submissions](#) can be found on MfE's website. A total of 1,970 submissions were received from a range of submitters on the discussion document.

2025 consultation

37. The Government decided to proceed with developing the proposed National Environmental Standards (NES) for Granny Flats (Minor Residential Units) under the RMA. The proposal was then updated based on feedback received through the 2024 discussion document, and to align with changes to the proposals under the Building Act 2004. The updated proposal was publicly consulted on for nearly 9 weeks from 29 May 2025 to 27 July 2025 through a discussion document called [Package 1: Infrastructure and development – Discussion document](#). A total of 179 submissions were received on the proposal to introduce the proposed NES, and a summary of submissions and recommendations report was prepared.
38. Relevant feedback from consultation is included in the relevant sections below.

Relevant decisions relating to the proposed changes under the RMA

39. The Minister Responsible for RMA Reform agreed to progress the proposed NES through the national direction programme [BRF-4705 refers].
40. In March 2025, Cabinet agreed to consider national direction proposals across four packages, including the proposed NES [CAB-25-MIN-0080.01 refers].
41. Since the 2024 consultation, Ministers directed officials at the Ministry of Business, Innovation and Employment (MBIE) to update the floor area of a granny flat to 70 square metres (from 60 square metres) for the proposed changes to the Building Act 2004. The Minister Responsible for RMA Reform agreed to update the NES proposal to align with this

direction, and to update several other requirements in the NES to reflect feedback from the 2024 consultation [CAB-25-MIN-0080.01 refers].

42. In May 2025, Cabinet agreed that the Minister Responsible for RMA Reform (Hon Chris Bishop), has power to act for final policy and drafting decisions in consultation with relevant portfolio Ministers. For the proposed NES, this includes the Minister of Housing (Hon Chris Bishop), and the Minister for Building and Construction (Hon Chris Penk). This power to act extended to issuing drafting instructions to the Parliamentary Counsel Office [CAB-25-MIN-0151 and ECO-25-MIN-0059 refers].
43. On 9 September 2025, the Minister Responsible for RMA Reform agreed to final policy decisions for the NES [BRF-6762 refers].

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

44. The following criteria will be used to compare options:
 - a. Effectiveness – Is the option the most effective way to achieve the objective to increase the supply of small homes? Is it the most effective way to provide a solution to regulatory barriers to small housing?
 - b. Efficiency – Is the regulatory burden (cost) proportionate to the anticipated benefits?
 - c. Alignment – Does the option integrate well with other proposals and the wider statutory framework?
 - d. Ease of implementation –
 - i. Is the option clear about what is required for implementation by local government/others and easily implemented?
 - ii. Is it providing enough flexibility to allow local circumstances to be adequately taken into account/addressed at the local level?
 - iii. Are legislative requirements clear and able to be applied consistently and fairly by regulators?
 - e. Treaty of Waitangi impacts – What are the Treaty impacts of this policy? Does this policy improve housing outcomes for Māori?
45. Options have been analysed using the following key:

Key for qualitative judgements:

- ++ much better than doing nothing/the status quo/counterfactual
- + better than doing nothing/the status quo/counterfactual
- 0 about the same as doing nothing/the status quo/counterfactual
- worse than doing nothing/the status quo/counterfactual
- much worse than doing nothing/the status quo/counterfactual

What scope will options be considered within?

46. The options considered in this RIS only relate to changes to the resource management system. Changes to the Building Act 2004 are being progressed separately through the Stand-alone Dwellings Bill.²² The Stand-alone Dwellings Bill was passed in October 2025.

²² The Stand-alone Dwellings Bill amends the Building Act, and includes associated changes to the Plumbers, Gasfitters, and Drainlayers Act 2006, the Local Government Act 2002, and the Local Government Official Information and Meetings Act 1987.

What options are being considered?

47. This RIS includes options analysis for the:
 - a. the type of intervention in the resource management system
 - b. what the policy applies to
 - c. where the policy applies (zones)
 - d. matters in regional and district plans that continue to apply
 - e. matters councils cannot apply to MRU
 - f. the permitted activity rule and standards
 - g. when district plan rules apply.
48. An assessment of the option(s) likely to best address the problem, meet the policy objectives, and deliver the highest net benefits is provided in the 'Overall assessment' sections for each set of options.

Type of intervention in the resource management system

49. There is a range of options under the RMA that can be used to develop a nationally consistent approach to resource management issues.
50. The following four options have been considered to enable MRU under the RMA:
 - a. Option 1: status quo – councils have discretion to set rules and standards for MRU
 - b. Option 2: National Policy Statement (NPS) for MRU
 - c. Option 3: National Planning Standard for MRU
 - d. Option 4: National Environmental Standards (NES) for MRU (officials' and Minister's preferred option).
51. Options 1-4 were consulted on through the June-August 2024 consultation, and Option 4 was further consulted on in the May-July 2025 consultation.

Option 1: Status Quo

52. Councils would continue to have their own district plan rules relating to MRU and many of these would continue to permit these in certain zones, however permitted activity standards vary across the country. Some councils would continue to not provide for MRU in either some or all zones.

Option 2: National Policy Statement

53. An NPS would prescribe objectives and policies²³ for MRU that councils must implement in their district plans (eg, councils must enable/permit an MRU up to 70 square metres in their district plans). This option would allow councils to take local variation into account, as it would not set specific permitted activity standards (eg, maximum internal floor area).²⁴ However, this would not provide a consistent approach to enabling MRU as councils have discretion to set the particular standards for MRU, and there would be less certainty about when a resource consent is not required.

²³ An objective is a statement of what is to be achieved through the resolution of a particular issue. Policies are the course of action to achieve or implement the objective (ie, the path to be followed to achieve a certain, specified, environmental outcome).

²⁴ A permitted activity can be carried out without the need for a resource consent so long as it complies with any requirements, conditions and permissions specified in the Resource Management Act 1991, in any regulations, and in any applicable plans or proposed plans.

- 54. Councils would either need to update or introduce new policies, objectives and standards for MRU into their district plans through an RMA schedule 1 plan change.
- 55. This option would introduce objectives and policies for MRU into some district plans which do not currently have these. However, overall it would likely be a very similar result to the status quo.

Option 3: National Planning Standard

- 56. A national planning standard would set objectives, policies, rules and permitted activity standards for MRU. It would allow an MRU to be built without a resource consent. This would achieve nationwide consistency of MRU provisions.
- 57. A national planning standard would set nationwide standards such as internal floor area, building coverage, and setbacks, and these could vary in residential and rural zones. There is legal ambiguity about whether councils would have discretion to still have more lenient/enabling standards.
- 58. Councils would be required to amend their district plans to ensure they are consistent with the national planning standard. Councils would not be required to undertake a schedule 1 plan change and any changes to the district plan would take effect on commencement, which reduces the implementation requirements for councils.

Option 4: National Environmental Standards

- 59. An NES would set out consistent permitted activity standards for MRU (eg, no resource consent required if standards are met). This would achieve nationwide consistency of MRU provisions.
- 60. An NES would set nationwide standards such as internal floor area, building coverage, and setbacks, and these could vary in residential and rural zones.
- 61. Councils would be required to amend or remove any standards that duplicate or are inconsistent with those set in the NES. Councils would not be required to undertake a schedule 1 plan change and any changes to the district plan would take effect on commencement, which reduces the implementation requirements for councils.
- 62. Section 43A(3) of the RMA requires that if an activity has significant adverse effects on the environment, an NES must not:
 - a. allow the activity, unless it states that a resource consent is required for the activity; or
 - b. state the activity is a permitted activity.
- 63. Councils could retain more lenient standards than those provided in the NES.

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How do the options compare to the status quo/counterfactual?

	Option 1: Status Quo	Option 2: NPS for MRU	Option 3: National Planning Standards for MRU	Option 4: NES for MRU
Effectiveness	0	<p>+</p> <p>MRU are already enabled in many council areas. As an NPS allows councils to set their own standards, this would have a minimal impact from the status quo. It would ensure that MRU are permitted nationwide and therefore make it easier for landowners to build MRU, especially for councils that do not currently enable MRU. This may also increase the amount of renting opportunities for tenants. While this option would allow councils to set or retain standards that take into account local context for all relevant site-specific matters, it would likely result in variation across the country and would not provide a baseline set of permitted activity standards for matters that do not need to vary.</p>	<p>+</p> <p>This option would ensure MRU are permitted nationwide. This will make it easier for landowners nationwide to build MRU and may increase the amount of renting opportunities for tenants. However, there is uncertainty whether the RMA provides for councils to have more lenient/enabling standards in district plans which may reduce the development already enabled in some district plans.</p>	<p>++</p> <p>This option would ensure MRU are permitted nationwide. This will make it easier for landowners nationwide to build MRU and may increase the amount of renting opportunities for tenants.</p> <p>This option would allow councils to manage site-specific risks and issues while providing a consistent set of baseline permitted activity standards for matters that do not need to vary across the country.</p>
Efficiency	0	<p>--</p> <p>Most councils already enable MRU. This is inefficient as the outcome will be largely the same as the status quo. This would require councils that do not provide for MRU to do so.</p>	<p>+</p> <p>Councils will need to ensure their plans do not have rules that duplicate or are in conflict with the national planning standards. This can be done without an RMA plan change process but would require further work by councils.</p> <p>It may be more complicated to address issues where councils already have more enabling provisions.</p>	<p>++</p> <p>Councils will need to ensure their plans do not have rules that duplicate or are in conflict with the NES standards. This can be done without an RMA plan change process but would require further work by councils.</p> <p>Where councils have more enabling provisions, these can be retained.</p>
Alignment	0	<p>0</p> <p>Would align with existing standards for MRU.</p>	<p>0</p> <p>This option aligns with the Stand-alone Dwellings Bill. There may be issues with aligning this option to councils' more enabling provisions.</p>	<p>+</p> <p>This allows for alignment with the Stand-alone Dwellings Bill. Through enabling councils to have more lenient standards, this also helps align the policy to existing MRU provisions. An NES would also align with the approach to RMA Reform to ensure any changes to national direction under the RMA do not require</p>

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	Option 1: Status Quo	Option 2: NPS for MRU	Option 3: National Planning Standards for MRU	Option 4: NES for MRU
				councils to undertake schedule 1 plan changes prior to the replacement RMA coming into effect.
Implementation	0	<p>--</p> <p>Requires significant effort (eg, schedule 1 plan change) from councils to implement.</p>	<p>--</p> <p>Councils will need to update their plans; however, this will have immediate effect and will not need to go through schedule 1 process.</p> <p>It may be more complicated to address issues where councils already have more enabling provisions as there is no precedent for how the national planning standards interact with more enabling provisions in plans.</p>	<p>-</p> <p>Councils will need to update their plans; however, this will have immediate effect and will not need to go through schedule 1 process.</p> <p>Would not require councils to undertake a schedule 1 plan changes prior to the replacement RMA coming into effect.</p>
Treaty of Waitangi	0	<p>0</p> <p>Likely to enable a similar level of development for Māori as the status quo.</p>	<p>+</p> <p>This option will likely provide more housing choice for Māori in circumstances where the relevant policy requirements are met.</p>	<p>+</p> <p>This option will likely provide more housing choice for Māori in circumstances where the relevant policy requirements are met.</p>
Overall assessment	0	<p>-</p> <p>Most councils already provide for MRU in their district plans. It would not provide a consistent set of baseline permitted activity standards for matters that do not need to vary across the country.</p> <p>This would require many councils to go through a schedule 1 plan change which is costly and time consuming.</p> <p>This adds another layer of planning to an already complex system without having significant impact compared to the status quo.</p>	<p>+</p> <p>This would result in a consistent approach to MRU nationwide. However, it will not enable councils to have MRU standards that take into account local contexts and issues.</p> <p>In some cases, this may be more restrictive than the status quo if it does not allow councils to have more enabling standards. Further work is required to determine how this would work in practice.</p> <p>This adds another layer of planning to an already complex system without having significant impact compared to the status quo.</p>	<p>++</p> <p>This would result in a consistent approach to MRU nationwide.</p> <p>It would enable councils to retain MRU standards that take into account matters that provide for site-specific risks and issues while providing a consistent set of baseline permitted activity standards for matters that do not need to vary across the country. It would also enable councils to have more lenient standards.</p> <p>It provides the least complex approach to enabling MRU across the country.</p>

Overall assessment

64. While many submitters (48% from the 2024 consultation) agreed with the NES approach, councils considered the status quo, or an NPS, would be more appropriate and less complex.
65. In relation to Option 2, an NPS would be inefficient because many councils already provide for MRU, and some may be required to update these provisions through an RMA plan change under schedule 1 of the RMA which would be time consuming and costly and would achieve a similar outcome to the status quo.
66. Many councils have more enabling provisions for MRU than the coalition agreement (eg, many provide for MRU greater than 70 square metres). Therefore, it is important that councils can have more enabling standards, so this policy does not make MRU provisions less enabling than they are currently. Option 3 would involve developing content for the national planning standards. These currently provide a standardised structure and form of RMA plans, and while developing content is provided for in the RMA, it would be novel. As such, it is not certain that this option could allow councils to have more lenient standards as there is no precedent for doing this.
67. If this option continues to be developed, officials will need to work with our legal team to ensure councils can retain existing more enabling standards.
68. We consider that Option 4: -NES for MRU is the most appropriate option. This is because it will achieve nationwide consistency of MRU provisions without introducing significant implementation requirements for councils. This would provide certainty for plan users including iwi, hapū and Māori, and developers to understand the minimum permitted activity standards that councils must enable. It is anticipated to encourage more people to build MRU as these will be enabled nationwide without needing resource consent. The policy for the NES would enable MRU in all residential and rural zones across New Zealand which is more consistent than the status quo. The NES will enable councils to have more lenient standards, ensuring that development is not more restrictive than the status quo.
69. We acknowledge that the NES may not necessarily resolve the housing shortage for all households needing one or two bedrooms, especially those on the public housing register. However, the NES can help increase overall supply which in time will free-up smaller houses for those looking to rent in the private market.
70. In accordance with section 43A(3) of the RMA, in the proposed NES, adverse effects would be avoided, remedied or mitigated by including permitted activity standards that would ensure that if met, would result in a development that has no more than minor effects on the environment. Eg, the permitted activity standards would ensure effects would be similar to that which could occur from a permitted single dwelling on a site.
71. This option supports the Government's goals for providing more housing options and choice, reducing regulatory barriers to building MRU, and delivering on its coalition agreement. It also aligns with the associated changes to the Building Act in the Stand-alone Dwellings Bill.

What the policy applies to

72. Both the 2024 and 2025 discussion documents proposed using the national planning standards definition of minor residential unit: *“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”*. This definition provides for both attached and detached MRU.

73. Options considered include:

- a. Option 1: status quo – councils have discretion to define the scope of MRU
- b. Option 2: NES only applies to MRU as defined in the national planning standards, and not other small structures (consulted on through both the 2024 and 2025 consultation)
- c. Option 3: NES applies to MRU as defined in the national planning standards, and other small structures such as sheds and sleepouts (consulted on in the 2024 consultation)
- d. Option 4: NES only applies to detached MRU and not other small structures (officials' and Minister's preferred option).

How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: NES only applies to MRU, and not other small structures	Option 3: NES applies to MRU and other small structures	Option 4: NES only applies to detached MRU and not other small structures
Effectiveness	0	+ Provides a targeted intervention to address the key focus of this policy and achieves its objectives.	- Does not directly address the policy problem and may increase ambiguity regarding what the proposed NES applies to.	+ Provides a targeted intervention to address the key focus of this policy and achieves its objectives.
Efficiency	0	+ Provides a targeted scope of intervention to ensure the regulatory burden of the proposal is proportionate to the anticipated benefits.	- May create ambiguity regarding what the proposed NES applies to, and result in more work for councils to implement and monitor.	+ Provides a targeted scope of intervention to ensure the regulatory burden of the proposal is proportionate to the anticipated benefits.
Alignment	0	+ Aligns with the Stand-alone Dwellings Bill and supports policy alignment across the building and resource management systems.	- Does not align with the building consent exemption changes and would introduce ambiguity across the building and resource management systems.	+ Aligns with the Stand-alone Dwellings Bill and supports policy alignment across the building and resource management systems.
Implementation	0	+ Provides a clear scope of legislative requirements for councils, partners and stakeholders.	- May introduce ambiguity regarding regulatory requirements for MRU versus other small structures including accessory buildings, detached dwellings and extensions.	+ Provides a clear scope of legislative requirements for councils, partners and stakeholders.
Treaty of Waitangi	0	0 Provides a clear scope of legislative requirements.	0 Provides a clear scope of legislative requirements.	0 Provides a clear scope of legislative requirements.
Overall assessment	0	+ Would clearly meet the policy intent to provide more affordable housing and choice.	- Could create regulatory ambiguity and result in more work for councils to implement and monitor.	+ Would clearly meet the policy intent to provide more affordable housing and choice.

Overall assessment

74. Submissions generally supported the proposed NES and the use of the term 'minor residential unit' in the national planning standards but sought clarity on whether this

included both detached and attached MRU (ie, physically attached to the principal residential unit).

75. Officials' and the Minister's preferred options are Options 2 and 4. Option 2 provides the definition and scope, and Option 4 clarifies that it only applies to detached dwellings.
76. Many individual submitters from the public consultation process supported including accessory buildings, and extensions and attached MRU. However, one third (especially architects and designers) did not support including these due to overcomplication and increased risks relating to building quality. Councils have previously suggested that garages (an accessory building) should not be in scope due to existing compliance issues.
77. Accessory buildings, extensions and attached MRU are generally permitted under district plans but may have to comply with different standards than detached MRU. The objective of the policy is to increase the supply of small homes and enable a more diverse range of affordable housing. Including accessory buildings would not contribute to this objective.
78. Officials agree with submitters that the definition of an MRU is not clear as to whether it also provides for attached MRU. Adding an additional bedroom or an attached MRU is generally considered differently in most district plans compared to detached MRU, and the proposed permitted activity standards have not been developed to consider the effects associated with extension to the principal residential unit or attached MRU. We also note extensions and attached MRU have significant risks in relation to fire safety and are not permitted under the Stand-alone Dwellings Bill.
79. We consider Options 2 and 4 support effective implementation, are consistent with the policy intent to provide more affordable housing and choice, and are consistent with the Stand-alone Dwellings Bill. While the Coalition Agreement referenced enabling other small structures, we consider the key focus of this policy is to enable detached MRU without resource consent as this will best provide for the policy objectives.

Where the policy applies (zones)

80. The proposed focus of the policy is on enabling MRU in zones where principal residential units are already provided for.
81. The policy could therefore apply in the following zones as defined in 8. *Zone Framework Standard* of the national planning standards²⁵ (or equivalent for councils that have not yet implemented the national planning standards):
 - a. Option 1: status quo – councils decide which zones to permit MRU in their district plans
 - b. Option 2: package of zones consulted on in 2024:
 - i. residential zones – large lot residential zone, low density residential zone, general residential zone, medium density residential zone, high density residential zone
 - ii. rural zones – general rural zone, rural production zone, rural lifestyle zone, settlement zone
 - c. Option 3: package of zones consulted on in 2025 (officials' and Minister's preferred option):
 - i. residential zones (as described in Option 2)
 - ii. rural zones (as described in Option 2)

²⁵ [National Planning Standards \(2019\) Zone Framework Standard](#).

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- iii. mixed-use zones as defined in the national planning standards²⁶
- iv. Māori purpose zones.²⁷

How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: package of zones consulted on in 2024	Option 3: package of zones consulted on in 2025
Effectiveness	0	<p>+</p> <p>This is where most residential properties are and where there is most opportunity to build MRU.</p>	<p>++</p> <p>These areas contain residential properties and opportunities for MRU.</p> <p>Provides choice to develop MRU where the circumstances of the NES apply (ie, collective ownership with the principal residential unit).</p>
Efficiency	0	<p>-</p> <p>Some initial work for councils to make plans consistent with NES.</p>	<p>-</p> <p>Some initial work for councils to make plans consistent with NES.</p>
Alignment	0	<p>+</p> <p>Allowing MRU aligns with the purpose of these zones. Some submitters said it may not align with other government policies if it applies in medium- and high-density zones and some rural zones.</p>	<p>+</p> <p>Allowing MRU aligns with the purpose of these zones. Submitters had some concerns about reverse sensitivity effects, particularly in mixed use and some rural zones.</p>
Implementation	0	<p>+</p> <p>Clear which zones the NES applies to.</p>	<p>+</p> <p>Clear which zones the NES applies to.</p>
Treaty of Waitangi	0	<p>+</p> <p>This would open up more areas where councils may not have rules permitting MRU eg, certain rural zones where Māori land is typically located.</p> <p>The NES is not designed to address the broader challenges related to building papakāinga and other Māori housing (including on Māori land). This means the application of the NES to these matters has some limitations. For example, the proposals may not always fit with the characteristics of collectively owned Māori land (eg, where the MRU may not necessarily be held in common ownership with the principal unit).</p>	<p>+</p> <p>This would open up more areas where councils may not have rules permitting MRU eg, certain rural zones and Māori purpose zones.</p> <p>The NES is not designed to address the broader challenges related to building papakāinga and other Māori housing (including on Māori land). This means the application of the NES to these matters has some limitations. For example, the proposals may not always fit with the characteristics of collectively owned Māori land (eg, where the MRU may not necessarily be held in common ownership with the principal unit).</p>
Overall assessment	0	<p>+</p> <p>This option would be an improvement on the status quo. While an MRU may not be the most efficient use of land in zones where higher density is enabled, applying the NES to these zones is consistent with the policy intent to provide an enabling framework to build MRU, and provide housing choice.</p>	<p>+</p> <p>This option would be an improvement on the status quo as it would enable MRU across a range of zones that already provide for residential activities. Reverse sensitivity effects are proposed to be managed through the proposals in the 'provisions in regional and district plans that continue to apply' section of this RIS.</p>

²⁶ Areas used predominantly for a compatible mixture of residential, commercial, light industrial, recreational and/or community activities.

²⁷ Areas used predominantly for a range of activities that specifically meet Māori cultural needs including but not limited to residential and commercial activities.

	Option 1: Status quo	Option 2: package of zones consulted on in 2024	Option 3: package of zones consulted on in 2025
			While NES is not designed to address the broader challenges related to building papakāinga and other Māori housing (including on Māori land), this option would be an improvement on the status quo to enable MRU where the circumstances of the NES apply.

Overall assessment

82. Officials' and the Minister's preferred option is Option 3 as it aligns with the policy intent to provide greater housing options and choice. These zones already provide for residential activities, and MRU development would be consistent with the zones' purposes. Therefore, enabling MRU across a broader spatial extent aligns with the policy objectives and principles of the policy.
83. While an MRU may not be the most efficient use of land in zones where higher density residential development is enabled, applying the NES to these zones is consistent with the policy intent to provide an enabling framework to build MRU, and provide housing choice. Uptake of MRU in these zones is not expected to materially impact on higher density development.
84. Māori purpose and mixed-use zones both generally allow for a mix of residential and other activities. Including them could enable a greater number and greater choice of small housing than if only residential and rural zones were included.
85. The majority of submitters supported the policy applying in residential, rural, Māori purpose and mixed-use zones.
86. Māori are statistically more likely to be living in crowded households. 84% of Māori live in urban centres and this variation in rules and permitted activity standards in residential zones could impact Māori housing outcomes. Currently in district plans, there are more restrictive provisions in rural zones for MRU. A lot of Māori land is located in rural areas or on the outskirts of towns and therefore often zoned as rural. Therefore, providing for the proposed NES to apply across all zones in Option 3 would provide further opportunities to build MRU, including for Māori.
87. Some submitters had concerns about reverse sensitivity²⁸ effects from neighbouring established activities (eg, established industrial and commercial activities in mixed use zones, and from horticulture activities in rural zones receiving increased complaints about the effects of their activities from new residential developments). Some submitters were also concerned about the impact of the NES on rural character and fragmentation of rural land uses. Analysis on managing reverse sensitivity effects is provided in the 'provisions in regional and district plans that continue to apply' section of this RIS. Officials consider there is a low risk that building MRU would have a significantly negative impact on highly productive land or result in fragmentation of rural land. Particularly since the NES only allows one MRU per site and requires a principal residential unit on the same site, and subdivision will continue to be regulated by district plan rules.

²⁸ Reverse sensitivity refers to the effects of sensitive activities on nearby existing activities. It arises when an established use is causing adverse environmental impact to nearby land, and a new, benign activity is proposed for the land. The "sensitivity" is if the new use is permitted, the established use may be required to restrict its operations or mitigate its effects so as not to adversely affect the new activity (*Ngatarawa Development Trust Limited v The Hastings District Council* W017/2008 [2008] NZEnvC 100 (14 April 2008)). For example, reverse sensitivity effects can impact on the operation of existing uses which have significant adverse effects such as noise, vibration and odour on sensitive uses like residential areas.

Matters in regional and district plans that continue to apply

88. Regional and district plans manage a number of matters that may become relevant when considering whether an MRU requires a resource consent. This includes whether the MRU itself would require a resource consent, and associated activities that are required to build an MRU, such as earthworks.
89. An NES would override some, but not all of these matters to create an enabling framework to develop MRU.
90. For those matters that continue to apply in district and regional plans (in addition to the NES), the MRU development will also need to comply with those rules.
91. Therefore, it is important that the NES is clear when it prevails over district plan rules, and when other matters in district and regional plans continue to apply.
92. We have considered the following options:
 - a. Option 1: status quo – councils have discretion to regulate all matters that relate to MRU in their district and regional plans.
 - b. Option 2: package of matters consulted on in 2024 that would continue to be managed by district and regional plans in relation to MRU.
 - c. Option 3: package of matters consulted on in 2025 that would continue to be managed by district and regional plans in relation to MRU.
 - d. Option 4: final package of matters that would continue to be managed by district and regional plans in relation to MRU.

Option 1: status quo

93. Councils retain discretion to regulate all matters that relate to MRU in their district and regional plans.

Option 2: package of matters consulted on in 2024 that would continue to be managed in relation to MRU

94. The intent of the proposed NES in the 2024 discussion document was to target specific rules and standards relating to MRU which typically trigger a resource consent requirement (such as building coverage or setbacks from neighbouring properties). However, there may be other rules in district or regional plans that could trigger the need for a resource consent.
95. The 2024 discussion document proposed the following matters would not be managed by the NES and would continue to be managed by regional and district plans:
 - a. subdivision
 - b. matters of national importance (section 6 of the RMA)
 - c. the specific use of the MRU
 - d. regional plan rules.
96. The intent was to identify key matters that the NES should not override to ensure site-specific risks and effects are appropriately managed.
97. Subdivision – subdivision is managed by district plans and typically requires a resource consent for legal and certificate of title purposes. If subdivision is not managed by the NES, a landowner could subdivide land after an MRU is built, provided they meet relevant requirements set out in the district plan.
98. Matters of national importance – section 6 of the RMA sets out matters of national importance that all persons exercising functions and powers under it must recognise and provide for. Councils identify and manage these matters in their district plans.

99. The specific use of the MRU – district plans manage the activities that occur in certain buildings, including visitor accommodation (eg, Airbnbs), home businesses and childcare services.
100. Regional plan rules – Regional councils are required to develop regional plans under the RMA. Regional plans include rules that manage matters such as taking water, the discharge of contaminants, earthworks and activities in the coastal marine area. MRU may require a resource consent under a regional plan. Rural areas are more likely to require consents, particularly where they are needed for an on-site wastewater system.

Option 3: package of matters consulted on in 2025 that would continue to be managed in relation to MRU

101. Officials updated the proposal to reflect submissions received through the 2024 discussion document.
102. The 2025 discussion document proposed the following matters would not be managed by the NES and would continue to be managed by regional and district plans:
 - a. subdivision
 - b. matters of national importance (section 6 of the RMA)
 - c. the specific use of the MRU (other than for residential activities)
 - d. regional plan rules
 - e. papakāinga
 - f. earthworks
 - g. setbacks from transmission lines, railway lines and the National Grid Yard.
103. The 2025 discussion document clarified councils would manage the specific use of the MRU, “other than for residential activities” to reflect the scope of MRU as defined in the national planning standards, which clarified an MRU can only be used for ‘residential activities’.²⁹
104. The following matters were added to the 2025 discussion document based on submissions from the 2024 discussion document:
 - a. Papakāinga – the proposed NES is focused on enabling MRU as defined in the national planning standards. This is proposed to apply to Māori land (if zoned residential or rural), and papakāinga and kaumātua housing where this definition, and the remaining circumstances of the NES apply. The Government is separately scoping more targeted national direction under the RMA to enable papakāinga.
 - b. Earthworks – the effects of earthworks are already managed by regional and district plans, and we consider the NES should not override these requirements.
 - c. Setbacks from transmission lines, railway lines and the National Grid Yard – submissions received in 2024 raised concerns about reverse sensitivity effects, particularly from infrastructure providers and requested these setbacks continue to be managed outside of the NES to address any potentially incompatible activities near MRU.

Option 4: final package of matters that would continue to be managed in relation to MRU

105. Based on feedback from submissions and further analysis, we consider there is a need for the NES to be clearer in relation to:

²⁹ The national planning standards defines ‘residential activity’ as “the use of land and building(s) for people’s living accommodation”.

- a. when the NES prevails over district plan rules
 - b. when other matters in district and regional plans continue to apply and what those matters are
 - c. how this relates to matters councils will not be able to manage in relation to MRU (discussed in 'Matters councils cannot apply to minor residential units' section below).
- 106. The final package of matters that would continue to be managed by district plans in relation to MRU include:
 - a. subdivision
 - b. matters of national importance (section 6 of the RMA)
 - c. the specific use of the MRU (other than for residential activities)
 - d. papakāinga
 - e. earthworks
 - f. any other rule or standard that applies to the principal residential unit that manages effects relating to health and safety, including:
 - iii. any natural hazard risk
 - iv. reverse sensitivity including setbacks from network utility operations, electricity network assets, contaminated land, existing commercial and industrial activities, primary and intensive indoor primary production as defined in the national planning standards, or equivalent (where councils have not yet implemented the national planning standards), or that are otherwise provided for in other NES
 - v. site specific infrastructure requirements (including three waters connections)
 - g. all relevant regional plan rules.
- 107. Officials agree with submissions that some additional matters should be explicitly addressed to appropriately respond to site-specific effects and risks. There is a need to strike a balance in specifying these matters that should continue to apply, while ensuring these matters do not unduly restrict the development of MRU.
- 108. Matters that submitters requested should continue to be managed by district plans appear to largely seek to manage reverse sensitivity effects (eg, setbacks from existing commercial and industrial activities), construction requirements of MRU for health and safety purposes (such as minimum floor levels), and site-specific infrastructure requirements (including three waters connection requirements).
- 109. We consider these additional matters provide for site-specific context that could not be anticipated by the NES to be managed, while providing more clarity for implementation.
- 110. In practice, it will also prevent a range of 'other rules' currently in district plans (such as those related to amenity effects, or other development controls) from applying. See section 'Matters councils cannot apply to minor residential units' for analysis on this aspect of the proposal.
- 111. Alongside the proposed list of matters in district plans that will continue to apply to MRU, officials propose to be clear about which matters cannot be managed through the district plan (ie, those that may unduly restrict MRU) (discussed in 'Matters councils cannot apply to minor residential units' section below). This combination will provide greater clarity for councils in implementing the NES.

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How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: package of matters consulted on in 2024	Option 3: package of matters consulted on in 2025	Option 4: final package of matters
Effectiveness	0	<p>+</p> <p>Provides a targeted list of key matters that the NES should not override to ensure site-specific risks and effects are appropriately managed, while providing an enabling framework for MRU.</p>	<p>+</p> <p>Reflected submitters' concerns to provide a more specific list of key matters that the NES should not override to ensure site-specific risks and effects are appropriately managed, while providing an enabling framework for MRU.</p>	<p>+</p> <p>Addresses submitters' concerns and appropriately captures the types of effects to manage key risks that we cannot anticipate at a national level, while providing an enabling framework for MRU.</p>
Efficiency	0	<p>+</p> <p>Provides a list of matters that can continue to apply in RMA plans alongside the NES.</p> <p>May result in some cost to councils to determine how to regulate site-specific matters that are not included in the NES or in the matters to continue to be managed by RMA plans. Could result in variation in how councils implement the NES and what matters are regulated.</p>	<p>+</p> <p>Provides a list of matters that can continue to apply in RMA plans alongside the NES.</p> <p>May result in some cost to councils to determine how to regulate site-specific matters that are not included in the NES or in the matters to continue to be managed by RMA plans. Could result in variation in how councils implement the NES and what matters are regulated. However, this option provides clearer requirements in relation to some nationally significant infrastructure.</p>	<p>+</p> <p>Provides a clear and comprehensive list of matters that can continue to apply in RMA plans alongside the NES.</p> <p>The proposed addition relating to health and safety addresses submitters' concerns and appropriately captures the types of effects to manage key risks that we cannot anticipate at a national level.</p> <p>We note we cannot anticipate every scenario where an MRU could be constructed, therefore councils will likely need to make some judgement calls in certain scenarios for matters that are not explicitly provided for in this list of matters. However, an exhaustive list provides clarity for the scope of the matters that councils can continue to regulate in relation to MRU.</p>
Alignment	0	<p>+</p> <p>Aligns with RMA plans to ensure key risks and effects are managed on a site-specific basis.</p>	<p>+</p> <p>Aligns with RMA plans to ensure key risks and effects are managed on a site-specific basis.</p>	<p>++</p> <p>Aligns with RMA plans to ensure key risks and effects are managed on a site-specific basis. It is appropriate that MRU are subject to the same requirements as the principal residential unit to ensure known adverse effects and risks can be managed.</p>
Implementation	0	0	0	+

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	Option 1: Status quo	Option 2: package of matters consulted on in 2024	Option 3: package of matters consulted on in 2025	Option 4: final package of matters
		Still some ambiguity regarding how councils would regulate matters that are not included in the NES or in the matters to continue to be managed by RMA plans.	Still some ambiguity regarding how councils would regulate matters that are not included in the NES or in the matters to continue to be managed by RMA plans.	Providing an exhaustive list of matters that can continue to apply alongside the NES (rather than a non-exhaustive list) provides clarity for implementation for both councils and those wanting to build an MRU.
Treaty of Waitangi	0	<p>0</p> <p>Provides clarity that RMA section 6 matters, including sections 6(e) and 6(g)³⁰ will continue to be managed by RMA plans and the NES will not override those matters.</p> <p>Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p>	<p>0</p> <p>Provides clarity that RMA section 6 matters, including sections 6(e) and 6(g) will continue to be managed by RMA plans and the NES will not override those matters.</p> <p>Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p>	<p>0</p> <p>Provides clarity that RMA section 6 matters, including sections 6(e) and 6(g) will continue to be managed by RMA plans and the NES will not override those matters.</p> <p>Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p>
Overall assessment	0	<p>0</p> <p>Ensures key site-specific risks and effects are managed, while providing an enabling framework for MRU. However, could result in some ambiguity regarding how councils would regulate matters that are not included in the NES or in the matters to continue to be managed by RMA plans.</p>	<p>0</p> <p>Ensures key site-specific risks and effects are managed, while providing an enabling framework for MRU. Provides clearer requirements in relation to some nationally significant infrastructure and earthworks. However, could result in some ambiguity regarding how councils would regulate matters that are not included in the NES or in the matters to continue to be managed by RMA plans.</p>	<p>+</p> <p>Providing a comprehensive and exhaustive list of matters that plans will continue to manage will provide clarity for councils in implementing the NES, district plan users, and those wishing to build an MRU.</p>

³⁰ Section 6(e) and 6(g) of the RMA: *In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall recognise and provide for the following matters of national importance:*

...(e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:

...(g) the protection of protected customary rights...

Overall assessment

112. Many submitters supported the proposal to exclude certain matters from regulation under the NES, particularly those relating to section 6 of the RMA. Some submitters sought clarity regarding the matters in plans that will continue to apply to MRU. Key concerns included the need to account for local context for risks such as natural hazards not covered by section 6 of the RMA, reverse sensitivity, and interactions with key infrastructure. Some submitters considered other amenity-based matters in district plans should continue to apply.
113. Infrastructure providers raised concerns about reverse sensitivity and safety issues, and the need for the NES to be clear where other national environmental standards would continue to apply.
114. Officials' and the Minister's preferred option is Option 4. Officials consider the proposed NES should not override rules and standards on these matters as they are important to manage site specific matters that cannot be anticipated appropriately in the NES. For example, the proposed NES should not override any rules and standards currently in district and regional plans relating to papakāinga since those provisions were developed with iwi/hapū/Māori.
115. Officials consider the proposed addition of 'any other rule or standard that applies to the principal residential unit that manages effects relating to health and safety' addresses submitters' concerns and appropriately captures the types of effects to manage key risks that we cannot anticipate at a national level. Officials consider it is appropriate that MRU are subject to the same requirements as the principal residential unit to ensure known adverse effects and risks can be managed.
116. Specifying the types of matters that plans will continue to manage will provide greater clarity for councils in implementing the NES, district plan users, and those wishing to build an MRU.
117. We do not anticipate these matters to have a material impact on how enabling the NES is, as MRU are often provided for as a permitted activity in district and unitary plans already. Providing an exhaustive list of matters that can continue to apply alongside the NES (rather than a non-exhaustive list) provides clarity for implementation.
118. However, we note we cannot anticipate every scenario where an MRU could be constructed, therefore councils will likely need to make some judgement calls in certain scenarios for matters that are not explicitly provided for in this list of matters in Option 4.
119. On balance, we consider providing an exhaustive list of the types of matters that plans will continue to manage will provide greater clarity for councils in implementing the NES, district plan users, and those wishing to build an MRU.
120. Matters such as amenity values, for example special character, are not intended to be captured. Matters that councils cannot manage in relation to MRU are covered in the 'Matters councils cannot apply to minor residential units' section below.

Matters councils cannot apply to minor residential units

121. Alongside the proposed list of matters in district plans that will continue to apply to MRU as discussed above, it is important to be clear about which matters cannot be managed through the district plan (ie, those that may unduly restrict MRU).
122. The intent is to ensure the uptake of MRU is not unduly limited by certain district plan standards.
123. Options considered include:
 - a. Option 1: status quo – councils are not restricted in the matters they can regulate in relation to MRU

- b. Option 2: restrict councils from regulating the following matters that could have a disproportionate impact on the delivery of MRU (Minister's and officials' preferred option):
- vi. requiring individual outdoor space
 - vii. privacy, sunlight, glazing
 - viii. parking and access.

How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: restrict councils from regulating the following standards to MRU
Effectiveness	0	<p>+</p> <p>Is consistent with the policy intent to increase the supply of MRU and ensures MRU are not unduly restricted by existing district plan rules and standards.</p>
Efficiency	0	<p>0</p> <p>Councils would need to remove standards in their plans that regulate these matters in relation to MRU. This can be done without an RMA plan change process but would require further work by councils. However, this cost is considered proportionate to the anticipated benefits of ensuring MRU are not unduly restricted by existing district plan rules and standards.</p>
Alignment	0	<p>+</p> <p>Other relevant legislation such as the Building Act 2004, the Residential Tenancies Act 1986 and the Residential Tenancies (Healthy Homes Standards) Regulations 2019 will continue to manage issues raised by submitters regarding building integrity, safety and quality (eg, requirements for double glazing, insulation, heating etc).</p> <p>While a few submitters noted some of the standards proposed to not apply to MRU – such as outdoor living space and glazing – are included in the medium density residential standards (MDRS), those MDRS standards were developed in the context of allowing up to three dwellings, up to three storeys high per site. The scale of effects associated with MRU are expected to be much lower.</p>
Implementation	0	<p>+</p> <p>Provides clarity for implementation, especially for plan/NES users and councils.</p>
Treaty of Waitangi	0	<p>0</p> <p>Would override rules and standards in district plans that directly manage the matters listed in Option 2.</p>
Overall assessment	0	<p>+</p> <p>On balance, officials consider there are sufficient checks and balances across the proposal, particularly regarding the matters councils can continue to manage in relation to MRU.</p>

Overall assessment

124. There were mixed views on the appropriateness of not allowing councils to manage these matters through an NES.
125. While a few submitters noted some of the standards proposed to not apply to MRU – such as outdoor living space and glazing – are included in the medium density residential standards (MDRS), officials note those MDRS standards were developed in the context of allowing up to three dwellings, up to three storeys high. The scale of effects associated with MRU are expected to be much lower.
126. The proposed NES has been designed to enable small homes for residential use where there is an assumed relationship between the principal and minor residential units. The proposal to limit councils' ability to set rules and standards for matters in Option 2 is considered appropriate because both the principal residential unit and the MRU are

intended to be held in common ownership. Therefore, it is assumed that the MRU will be designed to accommodate privacy, sunlight, parking and access in accordance with its intended use.

We consider these matters could be unnecessarily restrictive in the development of MRU, and therefore they do not need to be managed due to the assumed relationship between the principal and minor residential units.

127. We consider there are sufficient checks and balances across the proposal as a whole to provide an appropriate balance of enabling MRU within the site-specific contexts, while restricting matters councils cannot manage, to avoid unduly limiting MRU development.

Permitted activity rule

128. The 2025 discussion document proposed to have the requirement of one MRU per site as both a permitted activity *rule* and a permitted activity *standard*. Our final option is to include this requirement only as a permitted activity *rule* (the suite of activity standards is discussed in the section below).

129. Options considered included:

- a. Option 1: status quo – councils have discretion to set the rules for the number of MRU per site
- b. Option 2: include a permitted activity rule in the NES that permits one MRU per site in residential, rural, mixed use and Māori purpose zones where they meet the specified permitted activity standards, except where more lenient rules apply in existing district plans (eg, if a Council provided for more than 1 per site in particular circumstances).

How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: One MRU per site
Effectiveness	0	0 Similar to how councils currently provide for MRU in district plans.
Efficiency	0	0 Similar to how councils currently provide for MRU in district plans. Minor change from status quo for most councils.
Alignment	0	+ Aligns with councils' current approach to MRU in most district plans.
Implementation	0	+ Clear requirements for plan users and councils regarding the number of MRU per site as a permitted activity.
Treaty of Waitangi	0	0 Limited benefit for use of Māori land and development of Māori land, papakāinga, and kaumātua housing.
Overall assessment	0	0 Minor change from the status quo.

Overall assessment

130. Many submitters considered more than one MRU should be permitted per site, especially on rural sites, and some considered this would better support Māori housing outcomes. Iwi, hapū and Māori submitters noted their general support for the intent of the proposal and specifically for its potential benefits for intergenerational living. However, iwi, hapū and Māori submitters cited the need for more than one additional dwelling and highlighted the need for new national direction for papakāinga.

131. The proposed NES has been designed to enable one small house for residential use that is associated with a principal residential unit on the same site. It does not manage the effects which might typically be considered for multiple dwellings, or development of vacant sites because of the assumed relationship between the principal and minor residential units.
132. Officials consider Option 2 is a minor change from the status quo but provides clarity for plan users and councils in the number of MRU provided for as a permitted activity on a site, particularly in conjunction with the preferred option for using the MRU definition in the national planning standards.

Permitted activity standards

133. A permitted activity can be carried out without the need for a resource consent so long as it complies with any requirements, conditions and permissions specified in the RMA, in any regulations, and in any applicable plans or proposed plans. To enable MRU to be developed without a resource consent, it must meet a set of permitted activity rules. Under all options we note that an NES provides for councils to set more lenient standards than what is prescribed.
134. The options analysis of permitted activity standards has been undertaken at a package level. Options considered include:
 - a. Option 1: status quo – councils have discretion to set permitted activity standards for MRU in their district plans
 - b. Option 2: package of permitted activity standards consulted on in 2024
 - c. Option 3: package of permitted activity standards consulted on in 2025, with reasons for any amendments based on feedback received through the 2024 consultation
 - d. Option 4: final proposed package permitted activity standards based on feedback received through consultation and further analysis (officials' and Minister's preferred option).

Option 1: status quo

135. Councils retain discretion to set permitted activity standards for MRU in their district plans. Many councils' existing district plans include rules and standards that provide for MRU as a permitted activity.

Option 2: proposed permitted activity standards consulted on in 2024

136. The proposed NES that was publicly consulted on from June-August 2024 included the following proposed permitted activity standards:
 - a. Maximum internal floor area of 60 square metres, measured to the inside of the enclosing walls or posts/columns.
 - b. One MRU per principal residential unit on the same site.
 - c. The MRU is held in common ownership with a principal residential unit on the same site (in accordance with the definition of minor residential unit in the national planning standards³¹).
 - d. Options for maximum building coverage:

³¹ Definition of minor residential unit in the national planning standards: *"means 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"*.

- e. In residential zones: 50%, 60% or 70% of the site
- f. In rural zones: no maximum building coverage.
- g. Options for permeable surface standard³² of 20% and 30% in both residential and rural zones.
- h. Options for minimum building setbacks from boundaries:
 - i. In residential zones:
 - A. 1.5 metre front boundary, 1 metre side and rear boundaries
 - B. 2 metre front boundary, 1.5 metre side and rear boundaries
 - C. No minimum front, side or rear boundary setbacks.
 - ii. In rural zones:
 - A. 8 metre front boundary setback, 3 metre side and rear boundaries
 - B. No minimum front, side or rear boundary setbacks.

Option 3: proposed permitted activity standards consulted on in 2025

137. Officials considered submissions received through the 2024 consultation and updated the proposed permitted activity standards for the purposes of the 2025 discussion document. This included:

- a. Permitted activity standard 1 (PAS1): Maximum internal floor area of 70 square metres, measured to the inside of the enclosing walls or posts/columns. This was increased from 60 to 70 square metres to align with updated Ministerial decisions to the corresponding changes to the Building Act 2004 (prior to the drafting of the Stand-alone Dwellings Bill), and feedback received through 2024 submissions.
- b. PAS2: One MRU per site, and the MRU is held in common ownership with a principal residential unit on the same site, except where more lenient rules apply in existing district plans.
- c. PAS3: Maximum building coverage of:
 - i. 50% of the site for MRU and principal residential units collectively in residential, mixed use and Māori purpose zones. This aligns with the MDRS and is more enabling than the status quo in other council areas that have not implemented the MDRS, and this was the preferred option through submissions.
 - ii. No maximum building coverage in rural zones.
- d. PAS4: Minimum building setbacks from boundaries:
 - i. In residential zones: 2 metres from the front boundary, 2 metres from side and rear boundaries. This aligns with the corresponding requirement in the Stand-alone Dwellings Bill. It is less permissive than the MDRS but councils can retain more lenient standards.
 - ii. In rural zones: 10 metres from the front boundary, 5 metres from side and rear boundaries. Setbacks are larger in rural zones to reflect larger site sizes. It helps addresses concerns raised through submissions on incompatibility between residential and rural land uses in previous consultation processes.

³² Permeable surface standards in RMA plans typically relate to areas of grass and planting and other surfaces where water can filter naturally into the ground.

- e. PAS5: The MRU must be at least 2 metres from the principal residential unit. This was introduced as a new requirement to align with the corresponding requirements in the Stand-alone Dwellings Bill.

Option 4: final proposed permitted activity standards

138. Officials' final recommendations on the permitted activity standards include:

- a. Maximum internal floor area of 70 square metres, defined in a way that aligns with the corresponding requirements in the Stand-alone Dwellings Bill.
- b. Maximum building coverage as defined in the national planning standards:
 - iii. Residential zones: 50% of the site
 - iv. In rural, mixed use and Māori purpose zones: a requirement that
 - v. building coverage will be managed by the underlying district plan.
- c. Minimum building setbacks from boundaries:
 - vi. In residential zones: 2 metres from the front, side and rear boundaries in residential zones
 - vii. In rural zones: 10 metres from the front boundary, 5 metres from the side and rear boundaries in rural zones
 - viii. For mixed use and Māori purpose zones: requirement to be managed by the underlying district plan.
- d. The MRU must be at least 2 metres from the principal residential unit.

139. For mixed use and Māori purpose zones, the changes to the building coverage and minimum building setbacks from boundaries address submitters' concerns that it is not appropriate to apply the same standards for these zones. Mixed use zones provide for a different mix of activities and could be more or less enabling of residential activities. Māori purpose zones are intended to be developed with tangata whenua that specifically meet Māori cultural needs.³³

140. We note the requirements of the permitted activity standard of *'one MRU per site, and the MRU is held in common ownership with a principal residential unit on the same site, except where more lenient rules apply in existing district plans'* are already provided for through a combination of the permitted activity rule, the MRU definition, and leniency parts of the proposal. Therefore, these requirements do not need to be duplicated as a permitted activity standard.

³³ This approach is consistent with the zone description in the national planning standards *"Areas used predominantly for a range of activities that specifically meet Māori cultural needs including but not limited to residential and commercial activities"*.

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How do the options compare to the status quo/counterfactual?

	Option 1: status quo	Option 2: 2024 package of permitted activity standards	Option 3: 2025 package of permitted activity standards	Option 4: finalised options
Effectiveness	0	<p>+</p> <p>More enabling than status quo and would ensure MRU are permitted nationwide.</p> <p>This package of permitted activity standards included options for some standards to test which options submitters considered most effective.</p>	<p>+</p> <p>More enabling than status quo and would ensure MRU are permitted nationwide.</p> <p>This updated package of permitted activity standards reflected submitters' concerns about local context, alignment with existing plans, the MDRS where relevant (ie, building coverage), and the Stand-alone Dwellings Bill.</p>	<p>++</p> <p>More enabling than status quo and would ensure MRU are permitted nationwide.</p> <p>This finalised package of permitted activity standards confirms consistent standards across residential and rural zones, while providing flexibility for certain standards in mixed use and Māori purpose zones to reflect the intent of those zones.</p>
Efficiency	0	<p>+</p> <p>While councils would be able to retain more lenient standards, councils would incur some costs to address any duplication of more restrictive standards in plans.</p>	<p>+</p> <p>While councils would be able to retain more lenient standards, councils would incur some costs to address any duplication of more restrictive standards in plans.</p>	<p>+</p> <p>While councils would be able to retain more lenient standards, councils would incur some costs to address any duplication of more restrictive standards in plans.</p>
Alignment	0	<p>+</p> <p>Aligns with most relevant standards in plans, noting councils can retain more lenient standards. The proposed internal floor area of 70 square metres aligns with the Coalition agreement.</p>	<p>+</p> <p>Addition of setback from principal residential unit and increase of maximum internal floor area to 70 square metres to align with the Stand-alone Dwellings Bill. Alignment with the MDRS where relevant (ie, building coverage).</p>	<p>+</p> <p>More appropriate zone-specific standards for mixed use and Māori purpose zones to reflect the variability of the mix of the types of activities in existing mixed use zones, and the intent of the Māori purpose zone.</p> <p>Aligns with most relevant standards in plans, Stand-alone Dwellings Bill, MDRS where relevant (ie, building coverage).</p>
Implementation	0	<p>-</p> <p>Councils will need to update their plans; however, this will have immediate effect and will not need to go through schedule 1 process. Councils can retain more lenient standards.</p> <p>Testing options with submitters was useful but meant it was unclear to submitters which exact standards would be included in the NES. It was also unclear how councils would</p>	<p>-</p> <p>Councils will need to update their plans; however, this will have immediate effect and will not need to go through schedule 1 process. Councils can retain more lenient standards.</p> <p>Proposed permitted activity standards provided clear requirements for which standards override councils plans, but it remained unclear how councils would</p>	<p>0</p> <p>Clear requirements regarding how the permitted activity standards in the NES interact with requirements to build MRU in district plans, and where other standards in district plans apply. The scope of the NES more clearly addresses local context and risks ie, all natural hazards, health and safety matters, while providing for MRU without unduly restricting them.</p>

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	Option 1: status quo	Option 2: 2024 package of permitted activity standards	Option 3: 2025 package of permitted activity standards	Option 4: finalised options
		manage matters that relate to MRU that are not included as standards in the NES (eg, minimum floor levels, three waters connection requirements).	manage matters that relate to MRU that are not included in the NES (eg, minimum floor levels, three waters connection requirements).	<p>Clear requirements for the mixed use and Māori purpose zones to reflect the variability of the mixed of the types of activities in existing mixed use zones, and the intent of the Māori purpose zone.</p> <p>These changes will ensure the standards are applied fairly and more consistently, while providing councils flexibility to ensure necessary health and safety matters are considered.</p>
Treaty of Waitangi	0	<p>0</p> <p>Will likely provide more housing choice for Māori in circumstances where the relevant policy requirements are met. Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p> <p>This option tested with submitters whether the NES should apply to Māori purpose zones.</p>	<p>+</p> <p>Will likely provide more housing choice for Māori in circumstances where the relevant policy requirements are met.</p> <p>Proposal to apply standards to Māori purpose zones means it may help enable more housing choice for Māori in those zones.</p> <p>Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p>	<p>+</p> <p>More appropriate zone-specific standards to support the intent of the Māori purpose zone. The approach to leave some standards to be determined for each Māori purpose zones aligns with zone description and intent to develop it with tangata whenua, providing for local context.</p> <p>Will not address broader regulatory and consenting challenges related to building papakāinga and other Māori housing (including on Māori land), particularly given the focus on MRU.</p>
Overall assessment	0	<p>0</p> <p>Provides a clear set of permitted activity standards that would apply nationwide. It will not enable councils to have MRU standards that consider local contexts for certain matters. However, it will enable councils to have more lenient standards.</p> <p>Would result in some ambiguity regarding how the standards in the NES interact with other relevant MRU standards in district plans.</p>	<p>+</p> <p>Provides a clear set of permitted activity standards that would apply nationwide.</p> <p>Alignment with existing RMA plans and other legislative requirements would assist in implementation.</p> <p>Would result in some ambiguity regarding how the standards in the NES interact with other relevant MRU standards in district plans.</p>	<p>++</p> <p>Provides a clear set of permitted activity standards that would apply nationwide, alongside clear requirements where councils retain discretion to manage certain matters for MRU.</p> <p>The design of the NES is not overcomplicated by additional standards that are not necessary to achieve the policy intent.</p>

Overall assessment

141. Feedback from submissions covered a range of matters and support for certain proposed standards was relatively mixed. Councils' feedback focused on how these standards would integrate with existing district plans.
142. Officials' and the Minister's preferred option is Option 4. Overall, we consider the set of permitted activity standards in Option 4 strike a balance between providing a set of standards that help achieve national consistency, while allowing local discretion where appropriate, for example in mixed use and Māori purpose zones for certain standards.
143. While Options 2 and 3 provide some level of national consistency for permitted activity standards, they may have been overly prescriptive for standards where discretion to provide for local context may be more appropriate (eg, permeable surface standards in Option 2 and certain standards in mixed use and Māori purpose zones in Option 3).
144. In Option 2 and 3, it would also be unclear how councils would manage matters that relate to MRU that are not included as standards in the NES (eg, minimum floor levels, three waters connection requirements).
145. Option 4 provides greater alignment with relevant standards in plans, the Stand-alone Dwellings Bill, and the MDRS to support ease of implementation and alignment across the system for enabling MRU.
146. In combination with the aspects of the NES proposal around matters councils can continue to regulate in relation to MRU, we consider Option 4 provides an appropriate suite of standards with greater clarity regarding how they interact with district plans to provide for local context where appropriate.

When district plan rules apply

147. It needs to be clear what consenting requirements would apply if a proposed MRU development does not meet one or more of the permitted activity rules in the NES.
148. Options considered include:
 - a. Option 1: status quo – councils have discretion to set rules and standards in plans for MRU.
 - b. Option 2: any proposed MRU that does not meet one or more of the permitted activity standards in the NES is no longer able to be considered under the NES and must be considered under the relevant district or unitary plan (Officials' and the Minister's preferred option).

How do the options compare to the status quo/counterfactual?

	Option 1: Status quo	Option 2: NES does not apply when one or more of the permitted activity standards cannot be met
Effectiveness	0	0 Not a substantial change from the status quo.
Efficiency	0	+ Provides an efficient pathway where an MRU does not meet one or more of the permitted activity standards in the NES. This approach is considered proportionate to the anticipated benefits of the NES. Alternatively, developing a consenting pathway in the NES would be overly complex in how it integrates with existing district plans. It would also require development of matters of discretion which were not included in the notified proposal (thus out of scope).
Alignment	0	0 Aligns with the resource consent cascade provided in district plans.
Implementation	0	+

	Option 1: Status quo	Option 2: NES does not apply when one or more of the permitted activity standards cannot be met
		Provides clear requirements for homeowners wanting to build an MRU, and clearer for councils to implement.
Treaty of Waitangi	0	0 Not a substantial change from the status quo.
Overall assessment	0	+ Provides clear requirements for implementation and minimises complexity.

Overall assessment

149. Homeowners, iwi, hapū and Māori and most councils generally considered existing district plan provisions should apply if one or more of the permitted activity standards cannot be met.
150. Officials' and the Minister's preferred option is Option 2. It provides the least complexity in how it would integrate with existing district plans, and provides more simplicity in implementation, particularly for councils and plan users.

Are the Minister's preferred options in the Cabinet paper the same as the agency's preferred options in the RIS?

151. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

152. MfE commissioned Crow Advisory to undertake analysis³⁴ and present estimates of the likely impact of the proposed changes to the Resource Management Act and the Building Act (ie, no resource or building consent required, subject to certain standards/conditions) on the supply of new MRU over the medium term (eight years). The report can be found on MfE's website at: <https://environment.govt.nz/assets/publications/minor-residential-unit-uptake-analysis-report-v2.pdf>.
153. The analysis found that the policy would be likely to overall increase in the development of MRU. The analysis estimated the effect of reducing regulatory costs on the amount of MRU built. **Table 1** below summarises the low, medium and high estimates of policy impact over approximately eight years.

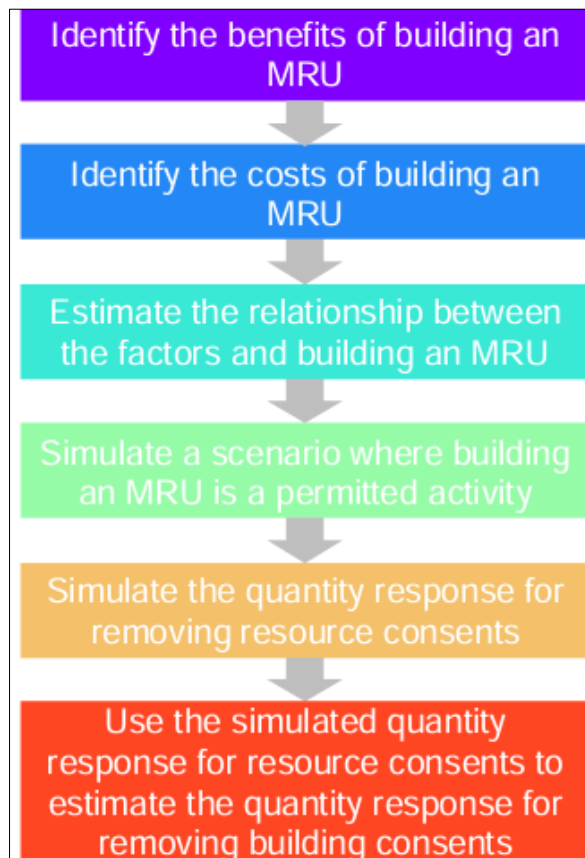
Table 1: Excerpt from Crow report on the estimated policy impact of the NES. This table shows percentage increases over the observed rate of MRU development.

	Low	Mid	High
Auckland	+224.29%	+320.42%	+416.54%
Dunedin	+53.24%	+76.06%	+98.88%
Timaru	+18.14%	+25.91%	+33.69%
Masterton	+0.00%	+0.00%	+0.00%

³⁴ [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact](#)

154. The analysis looked at data for four councils (Auckland Council, Dunedin City Council, Timaru District Council and Masterton District Council), chosen because they have MRU currently permitted in part but not all of their district plan and have relatively complete text descriptions for most consents, which were used to identify whether a consent involved an MRU.
155. The analysis used a modelling process that included both logit and random forest machine learning approaches. The goal of the model was to estimate the likely number of MRU added as a result of the proposed policy. The high level modelling process is set out in **Figure 1**.

Figure 1: High level modelling process used in Crow report (page 12).



156. Data sources included:
- a. building consent records from 2016 to 2023 in Auckland, Dunedin, Timaru and Masterton
 - b. supplementary consent history data from 2016 to 2023 provided for Auckland and Masterton by Auckland Council and Masterton District Council
 - c. the national District Valuation Roll provided by Land Information New Zealand (LINZ)
 - d. LINZ primary parcels and building outlines.
157. The report noted several limitations in relation to the data used and modelling approach.
158. Data limitations included:
- a. quality issues with the consents data eg, missing values for number of dwellings added and floor area
 - b. variation in the dataset on whether a resource consent was required due to the variability of resource consent requirements across different zones.

159. In relation to the limitations with the modelling approach, the model did not consider:
 - a. the effects of future regulations or proposed plan changes, and was based on existing zoning regulations
 - b. the effects of future demographic or demand changes
 - c. parcel slope dynamics
 - d. different types of resource consents required and the impact of their 'permissibility' ie, did not distinguish between a permitted activity vs a controlled activity or restricted discretionary activity.
160. The report noted there may be other viable alternative modelling methods, including models that rely on different assumptions, such as a probit model or other machine learning models. These other methods may have yielded different estimates for the likely impact of the policy.
161. The report noted a broad assumption implied by this approach is that the future will be similar to the past, which it may not be in practice. The report also noted it compared the total number of MRU in a hypothetical scenario to the current baseline number of MRU. It then used assumptions based on past developments to estimate the rate at which these MRU developments would take place during the years following the policy change.
162. The report suggested this policy would increase MRU uptake overall in New Zealand, with significant variation across different towns and cities. The report found that the spatial variation in uptake would likely be determined by demand for MRU relative to how restrictive existing regulatory requirements are for MRU in a particular area.
163. Given the limitations and assumptions of the data and modelling noted above, the report noted the results must therefore be understood in the context of those assumptions, therefore the range of estimates reflects uncertainties and potential incompleteness in the consent data provided. The report noted the relationship between the amount of land available and the likelihood of building an MRU may not be linear, and how this affects opportunity costs to building an MRU.
164. It is also worth noting that in practice, the uptake of this policy may depend on the demand in a particular area, the permissibility of underlying zoning, and the opportunity costs of building MRU vs a more intensive development in higher density residential zones. Therefore, the uptake results in **Table 1** may not be fully realised, particularly in Auckland where there are already a range of residential zones with varying levels of intensification enabled.
165. Further discussions with Auckland Council highlighted other specific limitations in the data set. For example, the most recent available aerial imagery data used in the modelling is likely lagging actual development notably in areas such as Hobsonville and Flatbush where there has been significant development since 2018. Auckland Council officials have noted that while there would likely be a positive uptake in MRU in the Auckland region, the figures in the report may therefore be overstated.
166. When considering the different costs involved, the report notes that while the freedom from regulatory burden costs is not the most important factor in the decision to build an MRU, it can still significantly affect the decision to build an MRU through removing monetary and non-monetary barriers associated with going through the consent process. The time it takes for a consent varies and the perception of the time costs as inconvenient ahead of time likely matters more to homeowners than the actual consent processing costs. People will view the reduced inconvenience of consent compliance differently, and it will have varying impacts on people's decisions to build an MRU.

167. The report noted the announcement of a policy like this may itself raise awareness in the population that they could build an MRU, which could influence their decisions and lead to a greater uptake, and therefore increase this typology of housing.³⁵

Treaty of Waitangi impacts

168. In the context of this policy, relevant principles of Te Tiriti o Waitangi / The Treaty of Waitangi (Te Tiriti) include the principle of equity (particularly as it relates to ensuring equitable housing outcomes) and active protection.³⁶ An issue for Māori wanting to develop housing is the cost and time to consent small, simple houses and other buildings. Iwi, hapū and Māori submissions from the 2024 consultation raised concerns about how expensive and time-consuming consents are. Māori are also statistically more likely to live in crowded households, and the rate of Māori home ownership is declining at twice the rate of non-Māori.³⁷
169. This policy may go some way to support addressing the regulatory and consenting challenges for developing on Māori land,³⁸ and for papakāinga³⁹ and kaumātua housing⁴⁰ where the circumstances of this NES applies. This includes where such development is in the zones subject to the NES, the principal residential unit and MRU are held in common ownership, and permitted activity standards are met. While this policy has the potential in these circumstances to make it easier for Māori land trusts, whānau and other Māori groups to build affordable housing and support intergenerational living, it is likely that the circumstances of the NES will not apply in many cases.
170. Increasing affordable housing options is also anticipated to benefit renters in both urban and rural environments. This could contribute to improving Māori housing outcomes as a higher proportion of Māori are renters than other ethnicities.⁴¹
171. This policy, however, is not designed to address the broader challenges related to building papakāinga and other Māori housing (including on Māori land) in itself. This is beyond the intended scope and purpose of this NES. This has resulted in limitations in the application of this policy to these matters.
172. For example, the NES provides for the addition of one MRU (unless the district plan is more enabling). This would limit how far the policy caters for papakāinga development, which typically include multiple buildings. The requirement for the MRU to be held in common ownership, with the principal residential unit may also not always fit with the ownership characteristics of collectively owned Māori land. The proposed NES has been

³⁵ [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact. Auckland: Crow Advisory.](#)

³⁶ This duty of the Crown was stated by the Court of Appeal to be “not merely passive but extends to active protection of Māori people in the use of their lands and waters to the fullest extent practicable” (New Zealand Māori Council v Attorney-General [1987] 1 NZLR 641, and affirmed by the Privy Council (PC) New Zealand Maori Council v Attorney-General [1994] 1 NZLR 513)

³⁷ The rate of Māori home ownership is declining at twice the rate of non-Māori. Māori are less likely to own a home or hold it in a family trust, than other ethnic groups. Likewise, the number of Māori aged 65 years and over is expected to more than double in the fifteen years from 2023 (66,500) to 2038 (134,700) and 2043 (151,600).

³⁸ Includes Māori customary land and Māori freehold land (as defined by Te Ture Whenua Māori Act 1993).

³⁹ Can be described as communal settlements on ancestral Māori land.

⁴⁰ Housing specifically provided for kaumātua (elders).

⁴¹ Te Pā Harakeke: Māori housing and wellbeing 2021: <https://www.stats.govt.nz/reports/te-pa-harakeke-maori-housing-and-wellbeing-2021/>

designed to enable one small house for residential use that is associated with a principal residential unit on the same site. It does not manage the effects which might typically be considered for multiple dwellings, or development of vacant sites because of the assumed relationship between the principal and MRU.

173. There are broader challenges to building and development on Māori land beyond the building and resource management systems, which are not in scope of this proposal. Barriers include a requirement to obtain a Māori Land Court order to use or occupy Māori freehold land, access to finance and the lack of infrastructure.
174. We note the Government is separately developing more targeted national direction under the RMA to enable papakāinga, including on Māori land, to provide a more targeted policy response to support Māori housing outcomes in the resource management system. The proposed NES for papakāinga will also be consulted on through the national direction consultation process (phase two of RMA reform).

Te Tiriti Settlements

175. The Government is committed to honouring commitments made by the Crown through past Te Tiriti settlements relevant to the proposed NES. Some settlements require specific engagement with post-settlement governance entities (PSGEs) and joint entities through RMA plan-making processes. The proposed NES would not affect the obligation on councils to inform or otherwise involve PSGEs in consenting applications that relate to, or are within or directly affect, statutory acknowledgement areas.
176. However, it is worth noting, there may be some impact as the proposed NES can override plans and mechanisms that notify PSGEs through resource consent processes (eg, Statutory Acknowledgements). In the case where no resource consent is required for an MRU, this will mean that PSGEs and joint entities will no longer be informed of these proposals through the resource consent process. However, it is anticipated that MRU are unlikely to have any significant impact eg, they are unlikely to be built on areas of cultural or historical significance since they require a primary dwelling in order to be exempt from resource consent processes. Submissions from iwi/hapū/Māori supported simplifying consenting processes but noted this must be paired with clear guidance for councils on engaging with mana whenua.
177. In addition, section 6 of the RMA is out of scope of the proposed NES, and will continue to be regulated by councils. The normal consenting processes apply for primary dwellings so the likelihood of MRU being built on sites of significance is minimal.
178. Since NES have immediate legal effect, the proposed NES can override existing relevant district plan provisions, some of which have been developed with input from PSGEs. In instances where existing plan provisions are more lenient than the NES, the provisions in the plan will be retained.

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Marginal costs and benefits of the preferred option in the Cabinet paper			
Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Landowners developing MRU	-	-	-
Councils	One-off cost to councils to amend district plans if a rule duplicates or conflicts with a provision in the NES.	Low	Medium – amending plans is a legal requirement. Most councils would need to amend plans to reflect 1 or 2 standards that are more enabling in the NES; some councils do not currently have any rules around MRU and would be required to insert all the standards into district plans.
Tenants	-	-	-
Total monetised costs		Low	Medium – many councils already enable MRU and aside from initially amending district plans, the NES will not result in significant change from the status quo.
Non-monetised costs		Low	Medium – most councils will need to spend time amending district plans but the NES will not result in significant change from the status quo.
Additional benefits of the preferred option compared to taking no action			
Landowners developing MRU	Saving resource consent costs and time. Greater certainty around ability to develop MRU due to national policy.	\$1,500 (estimated cost of a resource consent) ⁴² – note that this is a small portion of the overall costs of an MRU. Time impact – medium (average of 10 weeks to process a resource consent). ⁴³ The announcement of a policy like this may itself raise awareness in the population that they could build an MRU, which could	Medium – consent costs vary across the country so actual savings will depend on where the property is and whether an MRU would need a resource consent under the relevant district plan without this policy. Consent processing times can also vary.

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		influence their decisions and lead to a greater uptake. ⁴⁴	
Councils	Saving resource consent processing costs.	Low	Low – we do not have information on how much it costs councils to process a consent, however this cost saving is anticipated to be low as many MRU do not require resource consents under current district plans.
Tenants	Potential direct and ongoing savings on rental costs once the supply of MRU increases.	Low	Low – it is difficult to quantify potential savings to tenants, however we can assume ongoing weekly rental costs may become more competitive in areas where more MRU are built.
Total monetised benefits		\$1,500 approx. per MRU where a resource consent was required under the status quo.	Medium – consent costs vary across the country so actual savings will depend on where the property is and whether an MRU would need a resource consent under the relevant district plan without this policy.
Non-monetised benefits		Medium – landowners may be more likely to build an MRU knowing regulatory barriers are reduced, providing indirect and ongoing benefits to prospective tenants.	Medium – This is based off analysis from the MRU uptake analysis report.

⁴² National Monitoring System 2021/22 consent data for minor residential units.

⁴³ National Monitoring System 2021/22 consent data for minor residential units.

⁴⁴ [Crow, C. Liu, J. and Warren, W. \(2024\). Minor residential unit uptake analysis: Report on estimated policy impact. Auckland: Crow Advisory.](#)

Section 3: Delivering an option

How will the proposal be implemented?

179. Officials at MfE and MBIE intend to provide non-statutory guidance on how the NES and the Stand-alone Dwellings Bill work together.
180. Councils will have to amend district plans if a rule duplicates or conflicts with a provision in the NES. Such a plan change will have immediate effect and will not need to follow a standard schedule 1 plan change process (ie, will not need to undergo a public notification and hearing process and cannot be appealed). The RMA requires these changes are undertaken as soon as practicable, therefore councils are not under urgent pressure to amend their plans immediately after it takes effect. Councils can retain more lenient standards.
181. Homeowners wishing to build an MRU on their property will need to check the NES or the relevant district plan (once it has been amended) to see whether their proposed MRU will meet the standards in the NES, or more enabling standards in the district plan, or whether they need to apply for a resource consent.
182. MfE will support announcements to communicate these changes to the public, iwi, hapū and Māori, and councils through formal channels such as press releases and speeches, and informal channels such as emails from MfE to key partners and stakeholders. Councils will continue to be responsible for any changes to their plans and how this may affect plan users in their community.
183. There is a risk that people will develop MRU that do not meet the permitted activity standards in the NES without applying for a resource consent. With many councils currently permitting MRU, this is already a risk, and the NES should not increase it significantly.
184. We will continue to assess how the proposed NES could be transitioned into the new resource management system as analysis on the new system progresses.

How will the proposal be monitored, evaluated, and reviewed?

185. The NES complements the Stand-alone Dwellings Bill which amends the Building Act.
186. Similar data will be useful in monitoring the effectiveness of both changes to the resource management and building consent systems. For example, through information sharing requirements, requirements on licensed tradespeople to provide records of work to councils, and the National Monitoring System (NMS) which MfE administers.
187. The Stand-alone Dwellings Bill will require property owners to notify councils prior to and on completion of building MRU/small stand-alone dwellings. This should allow information on how many MRU/small stand-alone dwellings are being built to be collected.
188. The NMS data can be used to track the number of MRU being given resource consents over time. After the NES is in force, the number of MRU requiring resource consent should drop. However, MRU are generally permitted activities currently and the reasons some require resource consents may still exist once the NES is in place, for example, for earthworks or where an MRU does not meet one of the standards in the NES.
189. MfE will need to work with MBIE to collect relevant information from councils under both the building and resource management systems. Key questions to assess the effectiveness of the NES include:
 - a. How many MRU have been built? (before and after NES enactment)
 - b. How many MRU required a resource consent? (before and after NES enactment).

Appendix 1: Council permitted activity standards for minor residential units

This analysis was undertaken in 2024 to inform policy development and has not been formally updated. Officials have continued to refer to relevant provisions in RMA plans throughout the policy development process to ensure analysis is as up to date as possible.

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Council	Tier	Zone	Description	Activity status and relevant minor residential unit standards
Auckland Council	1	Residential (single house zone)	One 'minor dwelling' is allowed per site and must be secondary to the principal dwelling.	Permitted activity. Standards: <ul style="list-style-type: none"> - Maximum floor area: 65m² - Maximum impervious area: 60% - Minimum setbacks⁴⁵: 3m front yards, 1m side/rear yards - Outdoor living space: 5m² for studio/one bed, 8m² for two or more-bedroom dwelling. Must have at least a 1.8m depth - Maximum height: 8m - Height in relation to boundary: 2.5m and 45 degrees.
		Rural (rural conservation zone, countryside living zone, rural coastal zone, mixed rural zone, rural production zone)		Restricted discretionary activity. Standards: <ul style="list-style-type: none"> - Maximum floor area: 65m² - Minimum site area: 1 hectare - Minimum setbacks: 10m front yard, 12m side/rear yards - Maximum height: 9m.
Waikato District Council	1	Residential (general residential zone)	One 'minor residential unit' is allowed per principal unit on a site.	Permitted activity. Standards: <ul style="list-style-type: none"> - Maximum floor area: 70m² - Minimum site size: 600m² - Maximum height: 5-10m - Height in relation to boundary: 2.5m and 45 degrees - Maximum building coverage: 35-50% - Maximum impervious surfaces: 70%

⁴⁵ This means general setbacks and not specific setbacks such as setbacks from significant natural areas, transmission lines, the National Grid Yard, coastal areas and other specific matters.

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				<ul style="list-style-type: none"> - Minimum outdoor living space: 40m² with 4m minimum dimension ground floor, 15m² with 2m dimension above ground floor. Must be for the exclusive use of occupants. - Service court: 3m² and 1.5m dimension for waste storage, and 5m² and 2m dimension for washing line.
		Rural (general rural zone)		<p>Permitted activity.</p> <p>Standards</p> <ul style="list-style-type: none"> - Maximum floor area: 120m² - Maximum distance from existing residential unit: 100m - Maximum height: 15m - Height in relation to boundary: 2.5m and 45 degrees - Maximum building coverage: 2% of the site or 500m², or 5,000m² for sites larger than 10ha - Minimum setbacks: 7.5m front boundary, 12m from other boundaries - Must share a single driveway access with the existing residential unit.
Napier City Council	2	Residential (main residential zone)	One 'supplementary unit' is allowed per principal unit on a site.	<p>Permitted activity.</p> <p>Standards</p> <ul style="list-style-type: none"> - Maximum floor area: 80m² - The unit must consist of a single bedroomed dwelling unit - Maximum height: 6-10m - Height in relation to boundary: 3m and 45 degrees - Minimum setbacks: 3m front yard, 1m side/rear boundaries - Maximum building/site coverage: 50% - Minimum landscaped area: 30%.
		Rural (rural residential zone)		<p>Permitted activity.</p> <p>Standards:</p> <ul style="list-style-type: none"> - Maximum floor area: 80m² - Maximum distance from primary dwelling: 25m - Must share vehicle access with primary dwelling - Minimum setbacks: 7.5m front yard, 6m side/rear yard

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				<ul style="list-style-type: none"> - Maximum height: 9m - Maximum building/site coverage: 1000m² or 10%.
Whanganui District Council	3	Residential (general residential zone)	One 'minor residential unit' is allowed per principal unit on a site.	Permitted activity. Standards: <ul style="list-style-type: none"> - Maximum internal floor area is 60m² - Maximum height: 10m - Height in relation to boundary: 2m and 45 degrees - Must share vehicle access with principal unit - Maximum building coverage: 40% - Shall not be located in front yards.
		Rural (general rural zone)		Permitted activity. Standards: <ul style="list-style-type: none"> - Minimum site size: less than one hectare but at least 5000m² - Maximum height: 10m - Minimum setbacks: 10m from any boundary - Maximum distance from primary dwelling: 20m.
Wellington City Council	1	Residential (large lot residential zone)	One 'minor residential unit' is allowed per principal dwelling on a site.	Permitted activity. Standards: <ul style="list-style-type: none"> - Maximum floor area: 80m² - Maximum site coverage: 35% - Minimum permeable surface: 60% - Minimum setbacks: 5m road setback, 3m side/rear setback - Maximum height: 8m - Height in relation to boundary: 2.5m and 45 degrees.
		Rural		N/A only one residential building is allowed per site.
Christchurch City Council	1	Residential (residential suburban zone and residential suburban density transition zone)	One 'minor residential unit' is allowed per principal unit on a site.	Permitted activity. Standards: <ul style="list-style-type: none"> - Minimum floor area: 35m² - Maximum floor area: 80m²

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				<ul style="list-style-type: none"> - The MRU must be detached, and the existing site contains only one residential unit - Minimum outdoor living space: 90m² with a 5m dimension for both units, and 30m² for MRU only - Must share vehicle access with principal unit - Maximum height: 5.5m and single storey only - Minimum setbacks: 4.5m road boundary, 1m internal boundary - Height in relation to boundary: 2.3m from internal boundary.
		Rural (rural Banks Peninsula zone)		<p>Permitted activity.</p> <p>Standards:</p> <ul style="list-style-type: none"> - Minimum floor area: 35m² - Maximum floor area: 70m² - Must share vehicle access with principal unit - Maximum height: 7.5m - Minimum setbacks: 15m from road boundary, 25m from internal boundaries - Maximum site coverage: 10% or 2000m².
Dunedin City Council	2	Residential (general residential 1 zone)	One 'ancillary residential unit' is allowed per principal unit on a site.	<p>Permitted activity.</p> <p>Standards:</p> <ul style="list-style-type: none"> - Maximum internal floor area: 60m² - Maximum development potential: 1 habitable room per 100m² - Minimum setbacks: 4.5m road, 2m side/rear - Minimum outdoor space: 25m² - Maximum height: 3m from ground level to bottom of eaves - Height in relation to boundary: 2.5m and 45 degrees.
		Rural (rural residential zone)	One 'family flat' per principal unit on a site.	<p>Permitted activity.</p> <p>Standards:</p> <ul style="list-style-type: none"> - Maximum floor area: 60m² - Must be occupied by a person or persons related to or dependent on the household that lives in the primary residential unit or employed on-site

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				<ul style="list-style-type: none">- Must be on the same water and infrastructure connection, or the same wastewater disposal system as the primary residential unit- Must be on the same household electricity account- Must share vehicle access- Maximum distance from primary dwelling: 30m- Maximum height: 10m- Minimum setbacks: 12m road boundary, 10m side/rear boundary.
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