



Attachment 1.6

Proposed provisions – New National Environmental Standards for Granny Flats (Minor Residential Units)

National direction consultation – Package 1: Infrastructure and development

Instrument topic: Proposal for new National Environmental Standards for Granny Flats (Minor Residential Units (MRUs))

- The proposed provisions are for consultation purposes and do not represent the proposed National Environmental Standard (NES) wording, which will be drafted after the consultation phase.
- The table below provides some illustrative wording to help you understand the intent of the NES.
- The numbering convention for the proposed NES is included to assist submitters to reference proposed provisions and uses the following abbreviations: D (definition), PA (permitted activity rule), PAS (permitted activity standard) and R (rule).

Application	Proposed provisions	Reasons
Where does it apply?	This NES is proposed to apply to MRUs in residential, rural, mixed use, and Māori purpose zones across all of New Zealand.	These zones already provide for residential activities and MRU development and would be consistent with the zone purpose. Submissions on the June to August 2024 consultation on Making it easier to build granny flats: Discussion document (the 2024 consultation) generally supported the policy applying in these zones.
All other provisions in district and regional plans	Other than as provided for in the NES, all other district and regional plan provisions are proposed to apply in relation to: <ul style="list-style-type: none">• subdivision;	To ensure and clarify that the proposed NES does not limit plans from managing beyond the scope of the NES.

	<ul style="list-style-type: none"> Resource Management Act 1991 section 6 matters of national importance (eg, management of risks from natural hazards); the specific use of the MRU (other than for residential activities); regional plan rules; papakāinga; earthworks; and setbacks from transmission lines, railway lines and the National Grid Yard. 	<p>Submissions on the 2024 consultation were generally in favour of these matters being out of scope of an NES for MRU. They are already managed by district and regional plans and we do not consider the NES should override any of these provisions.</p> <p>We note papakāinga national direction is being developed separately and should remain out of scope. We are working to align the two NES where appropriate.</p>
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Definitions	Proposed provisions	Reasons
D1 Minor residential unit	<i>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.</i>	This is the definition for MRUs in the National Planning Standards.
D2 Residential unit	<i>A building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities.</i>	To achieve consistency with the National Planning Standards.
D3 Residential zones	<i>The following zone definitions from the National Planning Standards:</i> <ul style="list-style-type: none"> <i>Large lot residential zone</i> <i>Low density residential zone</i> <i>General residential zone</i> <i>Medium density residential zone</i> <i>High density residential zone.</i> 	
D4 Rural zones	<i>The following zone definitions from the National Planning Standards:</i> <ul style="list-style-type: none"> <i>General rural zone</i> <i>Rural lifestyle zone</i> <i>Rural production zone</i> <i>Settlement zone.</i> 	
D5 Mixed use zone	<i>The zone definition from the National Planning Standards for the Mixed use zone.</i>	

Definitions	Proposed provisions	Reasons
D6 Māori purpose zone	<i>The zone definition from the National Planning Standards for the Māori purpose zone.</i>	
D7 Site	<i>The definition from the National Planning Standards for 'site'.</i>	
Permitted activity rules	Proposed provisions	Reasons
PA 1 One minor residential unit per site as a permitted activity	Permit one minor residential unit per site in residential, rural, mixed use and Māori purpose zones where they meet permitted activity standards, except where more lenient rules apply in existing district plans.	This supports the policy objective to enable supply of small houses, creating affordable housing options and choice, and to reduce regulatory requirements to build MRUs.
Permitted activity standards	Proposed provisions	Reasons
PAS 1 Maximum internal floor area	<p>The maximum internal floor area is 70 square metres (m²).</p> <p>The maximum internal floor area is measured on the inside of the enclosing walls or posts and columns.</p>	<p>This supports the policy objective to enable an increased supply of small houses, creating affordable housing options and choice, and to reduce regulatory requirements to build MRUs.</p> <p>Many district plans provide for minor residential units between 60 m² and 100 m² as a permitted activity.</p> <p>This aligns with Building Act 2004 (Building Act) proposals and addresses feedback from previous submissions seeking that the proposal go further than 60 m² (as outlined in the Coalition agreement) to support comfortable and accessible living.</p>
PAS 2 Number of minor residential units per site and relationship to principal residential unit	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.	This would minimise complexity because this definition is consistent with the National Planning Standards and is similar to existing district plan rules for granny flats.
PAS 3 Maximum building coverage per site	Maximum building coverage of 50% for MRUs and principal residential units collectively in residential, mixed use and Māori purpose zones.	These standards manage density on a site and the volume of stormwater run-off. This aligns with the medium density residential standards (MDRS) provision for 50% building coverage but is more enabling than the status quo in other council areas. Fifty per cent building coverage was also preferred through previous submissions.

Permitted activity standards	Proposed provisions	Reasons
	No maximum building coverage in rural zones.	Some submitters supported no maximum building coverage in rural zones. Most rural zones in district plans do not include a building coverage standard.
PAS 4 Minimum building setbacks from boundaries	Setbacks in residential zones: 2 metres (m) from the front boundary, 2 m from side and rear boundaries.	Minimum building setbacks control development, ensure safe distances between dwellings and provide privacy. It aligns with the equivalent requirement in the Building Act proposals (less permissive than the MDRS, but councils may set more lenient standards).
	Setbacks in rural zones: 10 m from the front boundary, 5 m from side and rear boundaries.	Setbacks are larger in rural zones to reflect larger site sizes. It addresses concerns raised through submissions on incompatibility between residential and rural land uses in previous consultation processes.
PAS 5 Building setbacks from the principal residential unit	The MRU must be at least 2 m from the principal residential unit.	Aligns with the equivalent requirement in the Building Act proposals.

Leniency of rules	Proposed provision	Reasons
R1	District or unitary plans can have more lenient permitted activity standards for MRUs than those set out in the NES.	Some district plans enable granny flats greater than 70 m ² . The MDRS are also more enabling and, in certain circumstances, will overlap with the proposed NES standards. Therefore, it is important to ensure councils can retain these standards and this NES does not limit a greater scale of development of an MRU.

Matters council cannot apply to MRUs	Proposed provision	Reasons
R2	Councils cannot apply the following standards to MRUs: <ul style="list-style-type: none"> requiring individual outdoor space privacy, sunlight, glazing parking, access. 	To ensure the uptake of MRUs is not unduly limited by certain standards.

Where a development does not meet one or more of the permitted activity standards

Proposed provision

Reason

R3	Existing district plan rules for MRU development apply where a development does not meet one or more of the permitted activity standards (ie, where a MRU is no longer a permitted activity under the NES).	This ensures the policy is simple and there is less complexity in implementation, particularly for councils and plan users.
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