



Registered Master Builders Association of New Zealand Incorporated

Submission on making it easier to build granny
flats

August 2024

The Registered Master Builders Association submission on making it easier to build granny flats

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Ministry of Business, Innovation & Employment (MBIE) on *Making it easier to build granny flats*.

About Master Builders

Master Builders represents around 3,000 commercial and residential builders and are the leading sector advocates on the built environment. Our sector is a key contributor to the New Zealand economy, with every \$1 million spent on house building supporting \$2.6 million across the wider economy. We are working hard to lead the change our sector needs. Ensuring we have the regulatory systems and processes which will enable us to build faster and better. We are supporting our members to grow their capability and business acumen to ensure a strong and healthy sector; to innovate and make the most of new technologies so we meet the climate change challenge; and to attract, train and retain skilled talent. We are proud to be New Zealand's best builders.

At Master Builders we are committed to transforming the sector and rebuilding our economy. We are focused on building better homes, communities and workplaces, and ultimately better lives for all New Zealanders. We want to ensure that the houses that we build now are accessible, affordable, and appropriate to the needs of our ever-changing society. We are building a better New Zealand.

Executive Summary

Master Builders supports making it easier to build granny flats up to 60 square metres, however there are some key principles that need to be established to ensure that consumers are protected while at the same time not introducing undue complexity.

The primary goal should be to establish an appropriate approach that is proportionate to the risk. The proposed exemption for granny flats from obtaining building consent is reasonable, provided it is based on simple buildings in accordance with Acceptable Solutions, which are designed and built by Licensed Building Practitioners (LBPs).

Simple standalone dwellings up to 60 square metres

Master Builders supports simple standalone dwellings up to 60 square metres; however, we do not think for this purpose it should be any larger, this will help to keep the scope manageable and prevent increased complexity. Projects larger than this threshold tend to become more intricate, posing greater challenges in terms of design, compliance, and execution. By maintaining the size limit at 60 square meters, work remains straightforward and easier to oversee, reducing potential complications and enhancing overall efficiency in project management.

Record of Work

There need to be a record of what is there, council or other easements, it cannot be a "free for all". To manage risks associated with construction in built-up areas, including potential utility easements, it is crucial to obtain the proper permits and ensure thorough documentation.

While the current PIM (Project Information Memorandum) might need modification, the revised version should include an indicative plan of the proposed work on the site rather than the full consent application plans. The aim is to maintain adequate oversight without unnecessary complexity.

Standard Design Solutions

Standard design solutions should prioritise simplicity and minimise risk by adhering to proven methods. These solutions should be based on Acceptable Solutions that align with the New Zealand Building Code, ensuring they meet established safety and performance standards. By relying on these predefined approaches, the designs not only streamline the building process but also mitigate potential issues, offering a reliable framework for construction.

Licensed Building Practitioners

Restricted Building Work, anything to do with structure, fire safety or weathertightness, needs to be completed by LBPs, both design and construction, or it could undermine the scheme.

It is also important that MBIE as the regulatory body, provides robust education and training for LBPs. This educational effort presents a crucial opportunity for MBIE to reinforce the core purpose of the LBP scheme. Occupation Licensing aims to ensure that people in the building industry are competent and accountable so that homes and buildings are designed and built right first time.

By emphasising the foundational goals and expectations of the scheme, MBIE can ensure that LBPs fully understand their roles and responsibilities. This reinforcement not only helps maintain high standards within the industry but also ensures that LBPs are well-informed about the regulatory framework that governs their work, ultimately enhancing both their competency and accountability.

Liability

To address liability concerns effectively, it is essential to establish a clear record of sign-off for work performed. This process involves creating a reliable mechanism to track whether the council should play a role in overseeing the work, assuming the work is carried out by a LBP. To ensure accountability and compliance, there needs to be a method to verify the LBP's credentials, such as confirming their registration number. One possible solution is to involve the local consent authority in this verification process, ensuring that each LBP involved is properly documented and their qualifications are up to date. This approach would provide a comprehensive record of who performed the work and their certification status, thus mitigating potential liabilities and enhancing overall oversight.

For those who are going to take on the work, they also need to understand their liability.

Homeowner Responsibility

To ensure clarity around liability, especially for homeowners, it is crucial to establish a transparent process regarding consent. Homeowners must fully understand their rights and obligations before proceeding with any work. If work is carried out without the necessary consent, homeowners should be required to sign a waiver explicitly acknowledging the lack of consent and accepting any associated risks. This waiver should make it abundantly clear that, without formal consent, the liability for any

issues that arise will rest with the homeowner. Establishing this clear documentation is essential to avoid misunderstandings and ensure that all parties are aware of their responsibilities and potential liabilities from the outset.

With the proposed exemption, the Building Consent Authority holds no responsibility for defective work, leaving homeowners without recourse for such issues. Accountability for construction defects lies solely with the designers and builders, who are responsible for ensuring that their work meets the required standards and specifications. This delineation of responsibility emphasises the importance of thorough oversight and quality assurance from the professionals involved in the design and building processes.

Building Guarantees

By law, builders are obligated to inform homeowners about any guarantees they offer in relation to the building work. Adhering to this requirement is crucial for ensuring that consumers are fully aware of their rights and protections. By providing this information, builders help ensure that homeowners can make informed decisions and benefit from any warranties or guarantees that may offer additional security and peace of mind regarding their construction projects.

Further feedback

We suggest that MBIE seek targeted stakeholder input with builders on key policy details before finalising proposals.

We thank you for the opportunity to make this submission.

Master Builders Policy and Advocacy Team