

National Direction Package One: Granny Flats

In late May, the Government released a suite of discussion documents for public consultation outlining sweeping changes to resource management national direction including [Package 1: Infrastructure and Development](#) and an accompanying [National Environmental Standard on Granny Flats \(NES-GF\)](#).

This article is the third in a series detailing the proposed proposed changes to national direction. You can read more about the full range of proposals [here](#).

RMA Reform Minister Chris Bishop says that “addressing housing affordability and supply is a key focus for the Government.”

New Zealand has some of the most unaffordable housing in the world, with home ownership at only 65% in 2018.¹ Poor alignment has also been identified between demand and supply of small (one to two bedroom) houses. Of the country's total housing supply, less than 20% are two-bedroom and 6% one bedroom, while over half the recorded households homed one to two people.² The Government believes that the NES-GF will be a step toward combatting these issues.

During August 2024, previous consultation on the NES-GF saw widespread public engagement with approximately 2,000 submissions received, as covered [previously](#). These have informed the updated proposed NES-GF.

There are nationwide inconsistencies in the consenting of granny flats. Some districts currently enable their

construction as a permitted activity, others do in certain zones and some require resource consent. This NES will require all councils to permit a granny flat (being a small, detached, self-contained, single-storey house per site), in rural, residential, mixed use, and Māori purpose zones without the need to gain a resource consent subject to certain conditions. These dwellings are defined in the National Planning Standards as a 'minor residential unit' (MRU).

The NES-GF will sit alongside the Government's Building Consent exemption changes, which is following a separate process via the Building and Construction (Small Stand-alone Dwellings) Amendment Bill. This Bill had a successful first reading in Parliament on 22 May and public submissions are currently open until **23 June 2025**.

This NES-GF differs from the proposal outlined in the 2024 discussion document in that it proposes a maximum internal floor area of 70 square metres (increased from 60 square metres) for granny flats that are permitted activities, as well as changes to several permitted activity standards including:

Residential, mixed use and Māori purpose zones:

- Maximum building coverage of 50% for MRUs and principal residential units collectively.
- 2m setbacks from all boundaries.

Rural zones:

- No maximum building coverage.
- 10m front boundary setbacks and 5m side and rear boundary setbacks.

The instrument also proposes that District or unitary plans can have more lenient permitted activity standards for MRUs than those set out in the NES-GF. This is because in certain Districts, existing zonings are already more enabling than what the NES proposes.

¹ Stats NZ. 2020. Housing in Aotearoa. Wellington: Stats NZ.

² Stats NZ. 2018. Census data.

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This provision recognises the importance of councils being able to retain existing standards.

The following standards and assessment matters will be exempt from MRUs:

- Requiring individual outdoor space
- Privacy, sunlight and glazing
- Parking and access.

Where an MRU does not comply with the permitted standards, existing district plan development rules will apply. This is to ensure consistency and less complexity in applying the NES-GF for councils and plan users.

The proposed NES-GF makes it clear that there will be no changes to rules or standards for:

- Subdivision
- Earthworks
- Section 6 RMA matters of national importance
- Specific use of the MRU (for non-residential activities)
- Regional plan rules
- Papakāinga
- Setbacks from transmission lines, railway lines and the National Grid Yard.

This is consistent with MBIE's discussion document which proposed that other matters (particularly those of national importance regarding outstanding natural features and landscapes) would be out of scope of the proposed NES-GF framework, meaning there will likely be no change for the 96% of the Queenstown Lakes District that is ONL.

Consultation on this and other national direction proposals will remain open until **27 July 2025**. The Government intends to have 16 new or updated national direction instruments in place by the end of this year.

Want to know more?

If you have any questions about the proposed NES-GF or other National Direction changes, please contact our specialist [resource management team](#).