



Residential Infill Development Guide



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Nelson City Council
Te Kaunihera o **Whakatū**



Introduction

This information guide has been prepared to support landowners in existing residential areas navigate the planning and development process to successfully undertake infill development.

What is Residential Infill Development?

"Residential Infill Development" refers to increasing the number of dwellings on a property, either by building a secondary or accessory dwelling (for example, a granny flat) or by creating a new site through subdivision of the site.

It does not include the construction of a new dwelling on a vacant lot or increasing the size of an existing dwelling (this type of project is not covered by this guide).

What are the benefits?

Some of the benefits of undertaking this type of development include:

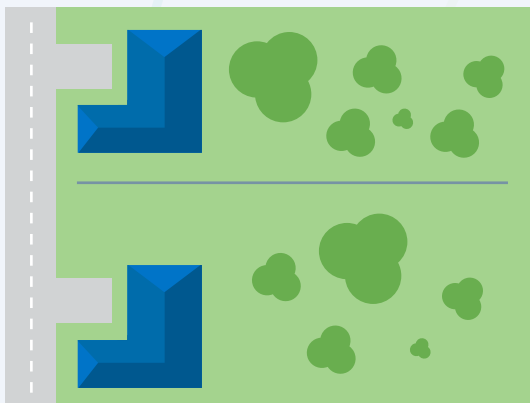
- **Increasing your income potential:** Developing a secondary dwelling on your property or undertaking a subdivision to create a new property provides you with an opportunity to generate income through selling or leasing this new dwelling.
- **Meeting growing demand:** There is growing demand for affordable residential housing across Nelson, both for sale and rental. Increasing residential densities in the right locations will contribute to supplying much needed housing.

- **Opportunity to create a new home:** Building an additional dwelling on your property provides an opportunity to create a unique home suited to your family's needs.

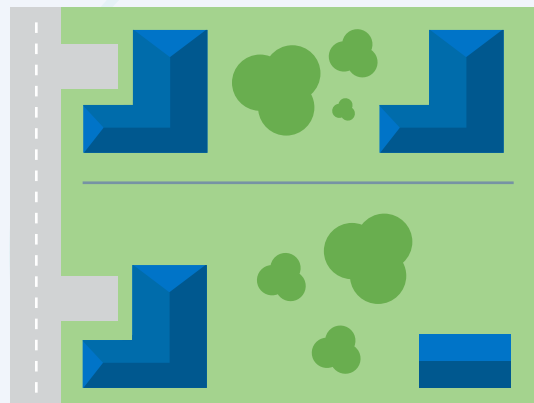
What is the purpose of this guide?

If you are interested in undertaking a residential infill development project, this guide will help you:

- undertake due diligence before you start;
- understand the key steps in the development process and the different approvals you will need;
- find and engage the right consultants and contractors;
- understand and plan for the risks and complexities in the process; and
- access all relevant industry information sources.



Before: One house on an existing site.



After: Intensification of an existing site by addition of another dwelling or more.



Step-by-step process:





Step 1. How do I get started? Is my project feasible?

Before embarking on a development, it is important to first understand whether it is a feasible project and sound investment. Determining the feasibility of your project includes the following steps:

1. Gather relevant information

Before you start, it is important to gather the relevant information you will use through the design and development process.

- Get a Land Information Memorandum (LIM). This report details relevant information held by Nelson City Council about the property, including any specific restrictions for the site. You can request this report from Council for a fee. For more information or to complete an application form, visit: nelson.govt.nz/land-information-memorandum-lim-reports.
- Get a Record of Title. The record of title should be checked for any legal restrictions on development of the site such as consent notices, covenants and easements. The record of title can be obtained from LINZ irs.linz.govt.nz/search.
- Know the infrastructure servicing the building/site. This should include power and Three Waters (water, stormwater and sewer). This information should be included in the LIM report.
- Check your site for contamination. Council keeps a database of all the areas of Nelson where contamination activities have likely occurred. These areas are known as Hazardous Activities Industry List (HAIL) sites. You can search for your site here: nelson.govt.nz/building-and-property/hail-sites.
- Know the natural hazard risks to the site. This should include information on flood risk, fault hazard, liquefaction and slope instability. You can access this information here: nelson.govt.nz/environment/nelson-plan/natural-hazards. If Council is aware of natural hazards affecting a property, a notation about that information will be included on the LIM or within the Nelson Resource Management Plan.
- Know the effects of coastal inundation on your site. You can access this information here: shape.nelson.govt.nz/coastal-hazards/about-coastal-inundation-online-maps.

2. Determine the development potential

The Nelson Resource Management Plan generally requires that each new dwelling in the Residential Zone be provided with a site area of between 300m² (in the higher density area) and 400m² (is the main zone). Site requirements are expected to reduce under the draft Whakamahere Whakatū Nelson Plan. In the meantime, Council will work constructively for developments that do not meet the current rule.

Depending on the size of the section and available space, you may be able to develop a number of new sites, for development.

There are a variety of factors you should consider when determining the development potential of your site.

- What is the potential target market (families, down-sizers, students, etc.)? This will inform the potential size of dwelling or site needed.
- How would the new dwelling or site achieve vehicle access and provide adequate open space and privacy?
- How would the new dwelling be connected to existing infrastructure?

You could consider approaching a design professional at this stage to view the property and give an early indication of the project's feasibility, or come and talk to Council's Principal Development Adviser.



3. Assess the costs and investment required

Some costs to consider

Construction costs: Based on industry standards (as at 2021), these could range from \$2,500 – \$3,500 per square metre.

Additional construction costs: Depending on the requirements of your site, there could be additional costs associated with earthworks (civil works), provision of additional drainage, or new driveways required.

Professional fees (e.g. architect/designer, fire safety advice): As a general rule, professional fees will add 25% on top of construction costs.

Consent fees and development contributions: Fees may be required when lodging certain applications (e.g. Building and Resource Consents). Relevant fees are detailed on Councils website.

Potential benefits

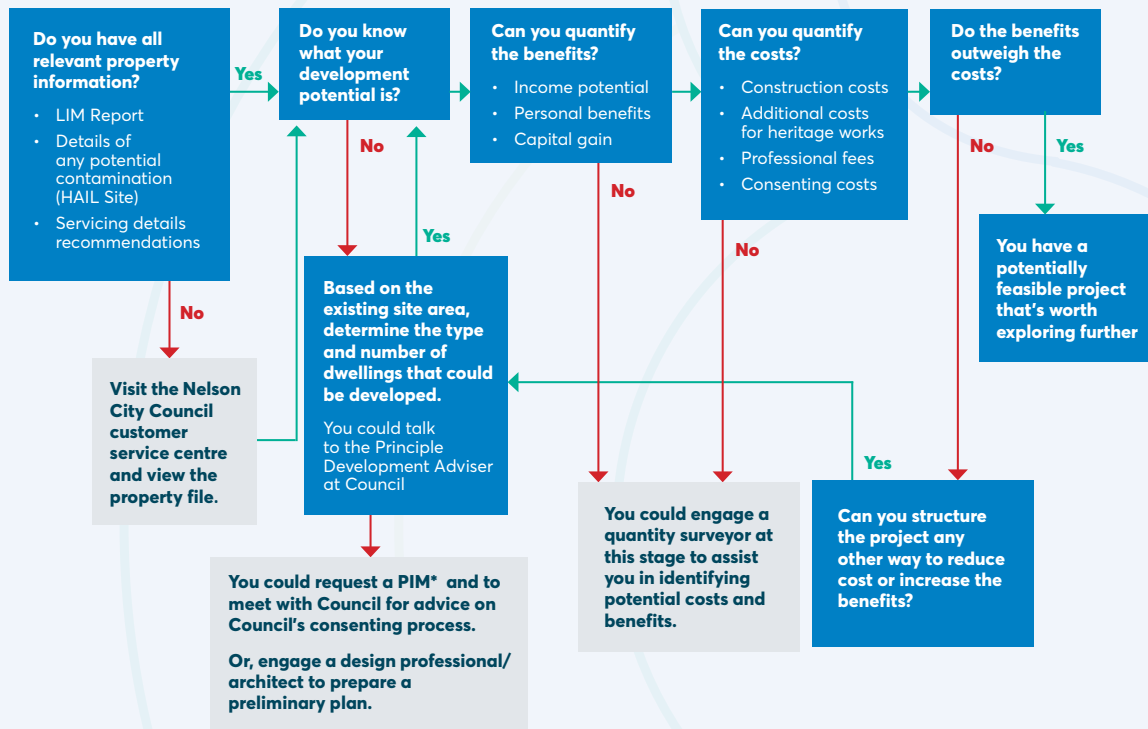
Personal benefits: What value do you place on creating another dwelling or site? Is this a personal project or simply an investment?

Income potential: You could rent the new dwelling out and receive rental income. A review of current market rents will help determine your potential income from rent.

Capital gain: Over time, you could receive capital gains on the sale of the property by adding an additional unit.

Note: this is intended as a general guide of the range of costs that could be incurred to assist in the early decision-making process. A qualified quantity surveyor could be engaged to confirm the likely cost of development.

Decision-making process



*refer to glossary on page 14.



Step 2. Find the right consultants

Some residential infill developments are simpler than others and may not require advice from consultants (e.g. tiny home, granny flat). For those that are more complex, you will need to consider whether to engage a range of consultants through the design and consenting process. Some development management companies will arrange this for you. In other situations, independent consultants may work together as a team led by an architect.

Below is a list of the types of consultants you will need to contact before entering the construction phase of the project.

- **Architect or builder:** runs the design process and provides all plans required to support relevant consent applications. Some builders offer a 'design & build' all-inclusive service where they manage the entire design, consenting and build process on your behalf. Alternatively, a full design team may be required.
 - If you don't have a local architect, you could find one via: nzia.co.nz
 - If you don't have a local builder, you could find one via: nzcb.nz/find-your-builder
- **Surveyor:** provides a plan for the site and location of services. This is particularly important if you are undertaking a subdivision.
- **Planner:** prepares a resource consent application, if required,
 - If you don't have a local planner, you could find one via: planningconsultants.org.nz
- **Civil engineer:** provides drawings and specifications for any new proposed drainage, driveways (if required), and any other associated infrastructure.
 - If you don't have a local engineer, you could find one via: engineeringnz.org/public-tools/find-engineer
- **Quantity surveyor (QS):** provides a detailed estimate of construction costs, if required.
 - If you don't have a local QS, you could find one via: nzqs.co.nz

If you are unsure which consultants to use and when, you can refer to nzcic.co.nz for further information.

Tips:

- Have a clear brief and contract. Your consultants should have a standard consultancy contract form they use.
- If you're not using a development management company, find an architect with contacts for other consultants, builders or contractors that they recommend and work well with.
- Compare quotes and receive recommendations. You may choose to run a tender process and have 2 – 3 contractors provide pricing for the work. This process delivers the most competitive value from the marketplace.
- Engage a building contractor early on in the process before progressing too far with the design. This ensures you receive good advice on the build-ability and cost of the project, and that any potential issues with access and construction can be resolved.



Step 3: Understand what consents and approvals will be required

Resource Consent

You may require a resource consent where your proposal does not meet one of the controls in the Nelson Resource Management Plan (NRMP).

Non-compliance with a control is not a showstopper for your development, it just means Council will need to assess the impacts of the parts of the proposal that do not comply through a resource consent process. In some cases involving a minor non-compliance, it can be easier and more cost effective to obtain a resource consent than employ a costly design or engineering solution.

At this stage, you could arrange a meeting with the Duty Planner at Council to confirm whether a resource consent is likely to be required or not, what the process involves if one is required, and to check that you have identified any planning or servicing constraints. An appointment with the Duty Planner can be made by calling Council on **03 546 0200**. For more complex development projects Council also has a Principal Development Adviser service for more complex development projects.

Common triggers for requiring a resource consent:

As the Government is changing the regulations for density, please come and talk to us.

Minimum lot size

The minimum site area per proposed dwelling will require resource consent if it is less than:

- 400m² for a standard-density zone
- 300m² for a high-density zone
- 600m² for a low-density zone

Rule REr.23 of the NRMP (bit.ly/NRMP-PDF)

Site Coverage

The area of building covering the site will require resource consent if it exceeds:

- 30% in a low-density zone
- 40% in remainder of zone

Rule REr.24 of the NRMP (bit.ly/NRMP-PDF)

Front, side/rear yards

Resource consent will be required if buildings are not set back at least 1.5m from the road, plus an additional setback for garages and accessory buildings. Resource consent will be required if buildings located within 1.5m of a side and rear yard boundary exceed 12m in length.

Front yard landscaping requirements also apply.

Rule REr.25 and Rule REr.26 of the NRMP (bit.ly/NRMP-PDF)

Exclusive outdoor area

If the unit does not have exclusive net area of at least 350m², an outdoor living court needs to be provided. Resource consent will be required if a minimum dimension of 4.5m and the following minimum outdoor areas are not achieved:

- 1 bedroom: 35m²
- 2 bedroom: 50m²
- 3 or more bedrooms: 75m²

Rule REr.27 of the NRMP (bit.ly/NRMP-PDF)

Fence height

Fences are permitted, however, resource consent will be required if they are more than 1.2m high on the road boundary and not partly see through, or if the fence is more than 1.8m in height.

Rule REr.31 of the NRMP (bit.ly/NRMP-PDF)

Minimum house building height

Resource consent will be required if the building height exceeds 7.5m.

Rule REr.32 of the NRMP (bit.ly/NRMP-PDF)



Recession planes/daylight admission

Appendix 15 contains the daylight angles which are applied to new buildings to check potential may be overshadowing of neighbouring properties.

Rule REr.35 of the NRMP (bit.ly/NRMP-PDF)

Parking and access

Parking is no longer automatically required under the NRMP, but where it is proposed, it must comply with the relevant engineering standards or a resource consent obtained.

Provision of vehicle access is also required and there are engineering standards that apply in relation to minimum formation and dimensions, or a resource consent obtained.

If your site has a shared driveway (Right of Way) you will need to get approval from the other shared driveway users.

Rule REr.38 of the NRMP (bit.ly/NRMP-PDF)

Earthworks

Resource consent is required if earthworks are needed which exceed 1.2m height or depth, and if earthworks boundary setbacks are not complied with.

Rule REr.61 of the NRMP (bit.ly/NRMP-PDF)

Contaminated land

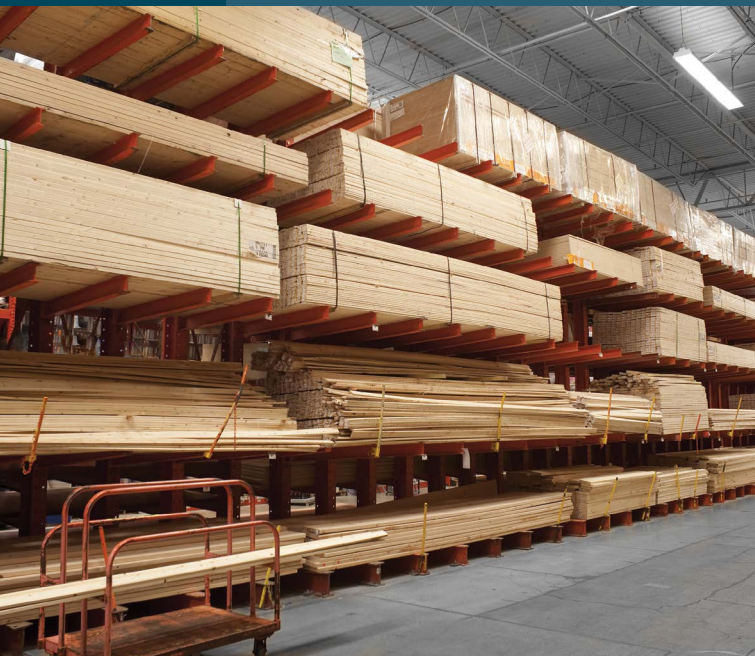
If your development is on land that is potentially contaminated, you may also require resource consent under the NES for Contaminated Soils, a contamination assessment, and potential soil remediation.

To identify if your site is potentially contaminated based on Council records, refer to the Nelson HAIL sites register link contained in the quicklinks section of this report.

Please note, there are a number of historic orchard areas in Nelson (particularly in Stoke) that commonly require these matters to be addressed.

Natural Hazards

In some circumstances, specialist technical advice may be required to assess the natural hazard risk in relation to the proposed development. There are rules in the NRMP relating to flooding, fault and slope instability hazards. Building consent requirements also apply for natural hazards areas, such as foundation requirements for areas of liquefaction.



NOTE: This is a summary of the common triggers for a resource consent. Consent requirements for each individual proposal should be confirmed with Council.



2. Building Consent

You may also need a building consent before undertaking a residential infill project.

A building consent is a formal approval granted by the local Council Building Consent Authority under the Building Act that allows a person to carry out building work. Council will issue a building consent only when it is satisfied the proposed building work will meet the requirements of the Building Code.

Note that since 31 August 2020, additional building consent exemptions have been added to the Building Act. For further information, refer to the guide on building work that does not require a building consent.

Visit Council's website (nelson.govt.nz) for information on how to apply for a building consent and what to include in your application.

What needs to be addressed in a building consent application (if required):

The following key things will need to be addressed in your building consent application for a residential infill development. This should be led/co-ordinated by your architect or a builder for the project.

Structural	Provide structural drawings showing all structural elements, this will include a structural engineer's calculations verifying that the structural elements comply with the relevant Building Code.
Electrical	Provide electrical drawings showing information on electrical fittings and power outlets, locations of switch/meter boards, extractor fans, and any required emergency lighting.
Services and Plumbing	Provide drawings for all new plumbing and drainage within the additional dwelling. Provide civil drawings showing any new/additional infrastructure needed to service the new dwelling (e.g. sanitary, stormwater, potable water and power).

Tips: Resource Consents

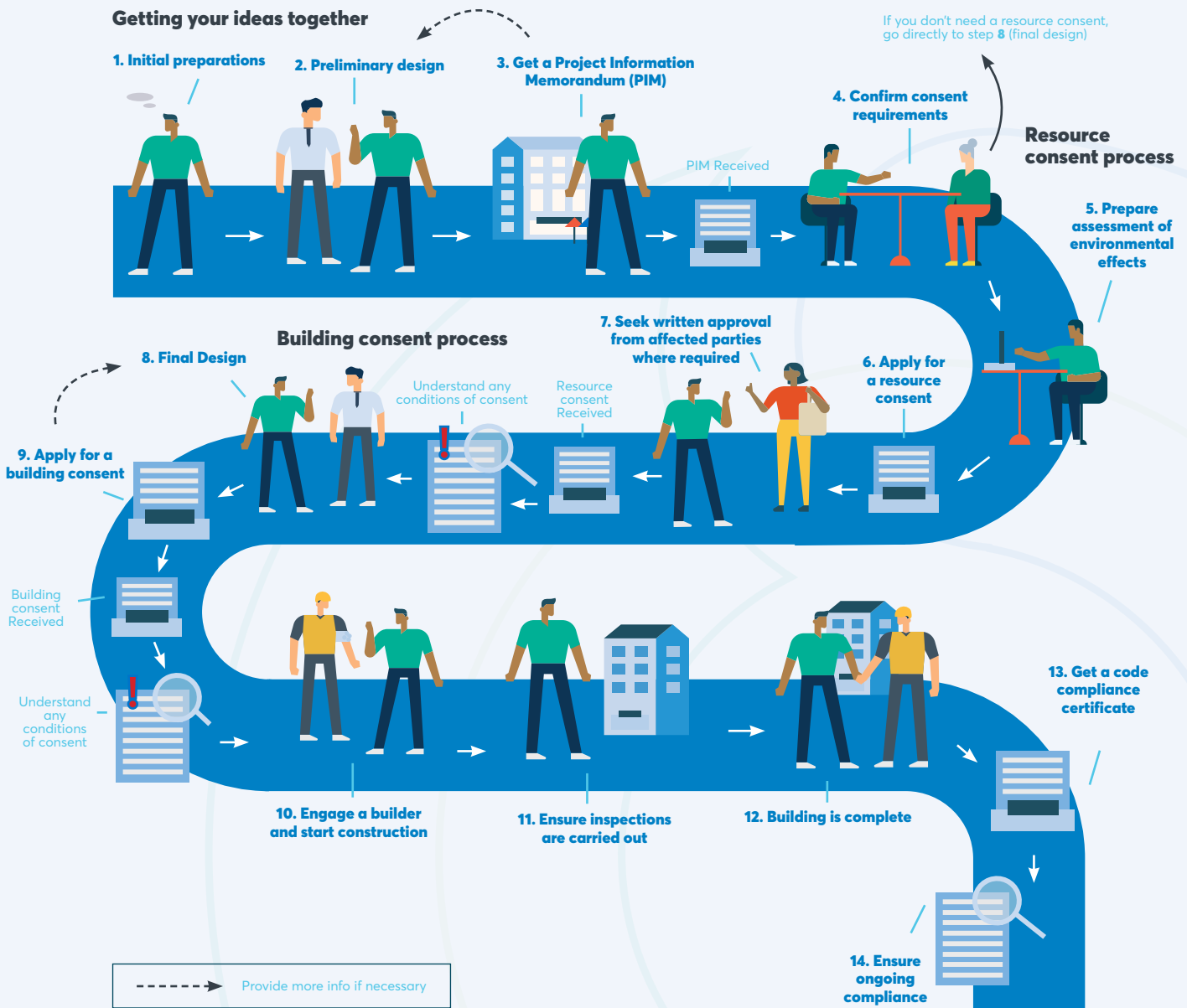
- Carry out a simple desktop assessment against the NRMP rules outlined above, and contact Council's Duty Planner with questions or for any basic advice needed in the initial planning stages.
- Apply for a Project Information Memorandum (PIM) once plans are drawn up. This will confirm your resource and building consent requirements.
- If resource consents are required, organise a pre-application meeting with the resource consents team before lodging an application to confirm the inputs needed for your application, or discuss this with your consultant team.
- You may need to commission additional technical reports (e.g. geotechnical report, landscape report, or contaminated site investigation) to support your resource consent application. You may also need to consult with your neighbours if the effects of your development impact on their properties and you wish to avoid a more expensive and time-consuming notified consent process. You should raise these matters with Council and your consultants at an early stage in the pre-application process to confirm any requirements in this regard.



Building and Resource Consent Process Guide

Details of how to apply for a building and resource consent are provided on [Council's website](#). The steps in the process are summarised below.

A beginner's guide to resource and building consent processes





Step 4: Plan for what costs you may incur and when

Working out the total estimated cost of the project and sequence of payments is very important. With most developments, the financial benefit is not realised until completion, so you must ensure you can finance the project throughout the duration.

Step 1 (3.) on page 5) gives you general guidance of construction and consultant costs, but your architect/builder/quantity surveyor should be able to give you an indication of the cost of your proposed development based on the design and specifications included in the build.

In terms of the sequence of payments, this will generally follow the development programme. For example:

Design costs

Consultants will generally expect to be paid monthly and are a significant portion of the total cost. These can include the design team (architects, engineers, etc.), quantity surveyors, lawyers, accountants and valuers. Any significant design changes requested may also incur additional costs.

Consenting costs

Council consent fees and other associated costs (for example, Building and Resource Consent deposit fees) are to be paid upfront. Note that any complication during the consenting process may incur additional costs.

Development contributions may also be required. These costs will be payable either before or at the time building consent is granted.

Any new service connections (for example, water, wastewater) may require an application or connection fee to be paid to Council.

Construction costs

Builders will generally submit a payment claim each month for the work completed. Subject to you agreeing with the amount, you will be required to pay the amount (in full) on or before the due date for payment. These claims may include any variations incurred during that month.

Risks

It's very important to include a contingency when preparing your budget. Generally, this is 15 – 20% of the total project cost. Cost overruns are very common and can be due to various factors, for example, design changes, unforeseen builders' work, or an increase in material costs.

Finance

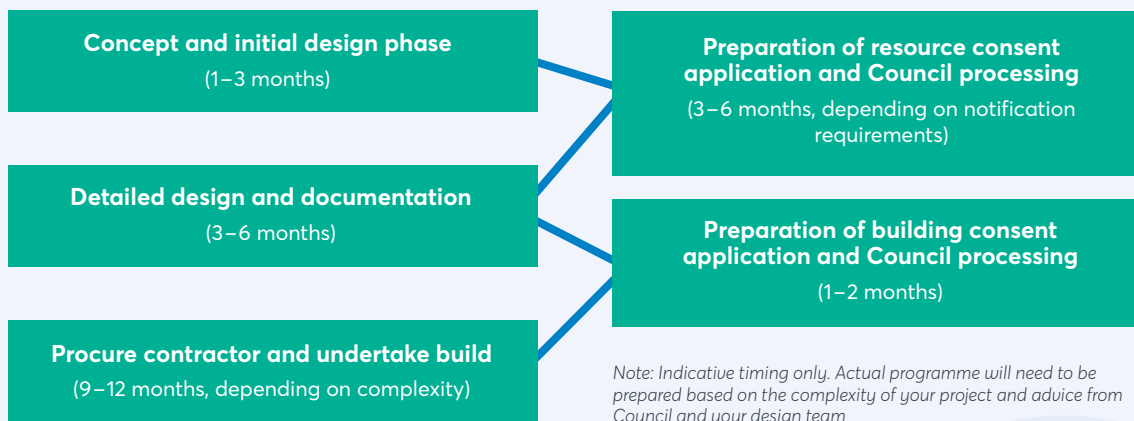
We recommend you speak to a financial advisor regarding financing the project. It would be prudent to determine how much your bank or lender is willing to lend you at the beginning of the project so you know what budget you are working with.

There are various ways to finance a new build, so it is important to speak to someone who is familiar with this process. With the new build process, draw-downs will be required throughout the project to pay progress payments to consultants and builders. Banks and lenders will require additional information along the way before agreeing to the payment.





Step 5: Prepare a programme



Tips

- Building work must begin within 12 months of the date a building consent is issued.
- A resource consent will also have a time frame to give effect to the development. If no expiry date is specified, the standard term is five years after the commencement of the consent. If work does not commence within the time frame, the consents will lapse and new consents must be applied for, unless a time extension has been applied for and approved by Council.
- Further details for extension dates can be found in Section 125 of the RMA: legislation.govt.nz/oct/public/1991/0069/latest/DLM235211.html

Step 6: The Design and Consenting phase - what to expect

Your design team (generally led by a builder or an architect) will lead you through the design and consenting process. They should check in with you regularly and seek your approval at key stages. You should also check costs throughout the design process to ensure the design team are designing to your prescribed budget.

You will need to prepare several plans to support your applications for resource and building consents (refer to Step 3 of this guide). These plans will also form the basis of the work plan for your construction team. The complexity of these plans will vary depending on the nature of your development.

Here is a list of some of the plans you should prepare. Other plans may also be required.

- **Site Plan:** shows location and elevations of the site
- **Survey Plan:** details the new lot boundaries of subdivision
- **Earthworks Plan:** details any site works required
- **Architectural drawings:** technical drawings and specifications of the building
- **Structural drawings and calculations:** generally engineering, including plans and details for how a building will be built
- **HVAC and Mechanical drawings:** specifying location and installation details of all heating, cooling and ventilation equipment
- **Hydraulic drawings:** plans showing new drainage



Step 7: The construction phase - what to expect

1. Procurement of a contractor to undertake the construction

You may choose to compare a range of quotes in order to obtain the best value for money or you may choose to directly source. Either way, carry out your due diligence on the contractor and ask for relevant experience and referees.

Ensure that whoever is pricing the work has ALL the relevant information (drawings, specifications, etc.) and can provide a fully inclusive price.

Most contractors will have a standard form of contract that you will enter into. Subject to the scale of the development, you should review this contract with your legal representative.

The contractor and project manager should have a copy of any resource consent decision to ensure conditions of consent are complied with. Any changes to your plan may also require a variation to any resource consent.

Gather all relevant and up-to-date Health and Safety information/documentation from your contractor. This information is important on any project.

Developers should ensure that all consultants and contractors have a Health and Safety plan which complies with the Health and Safety at Work Act 2015, and that it is followed by everyone. Refer to [worksafe.govt.nz/topic-and-industry/building-and-construction](https://www.worksafe.govt.nz/topic-and-industry/building-and-construction) for more information.

2. Managing the build

You could commission the services of a project manager or architect to manage the contractor and to manage any variations along the way. Whoever is managing the build should keep in regular contact with the main contractor to ensure they are on schedule and on budget.

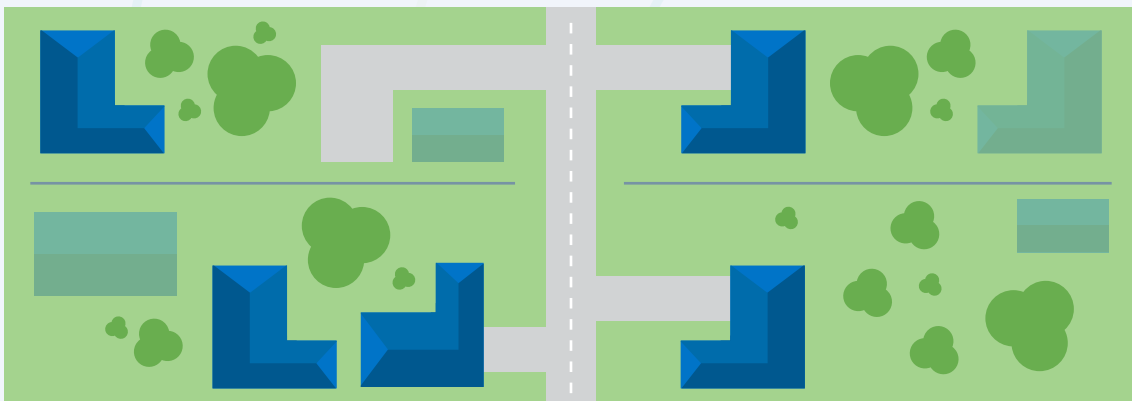
3. Building Consent amendments or minor variations

If you need to make changes to the issued building consent plans, you will either need a formal amendment or a minor variation. The Building Inspector or Duty Building Officer can provide guidance on what will be required, and approval must be given before any changes are physically made.

4. After the construction is complete

Apply for a Code of Compliance once the build is complete.

For more information on a Code compliance certificate please visit: nelson.govt.nz/building-and-property/building-consents-2/building-consent-inspections-and-certification/code-compliance-certificate



Glossary

Residential Infill Development

Refers to increasing the number of dwellings on a property, either by building a secondary dwelling or creating a new site through subdivision.

Project Information Memorandum (PIM)

A PIM is a report issued by Council under the Building Act to help you decide whether your building project is possible and practical. You can apply for a PIM here: nelson.govt.nz/building-and-property/building-consents-2/building-consent-applications/apply-for-building-consent

Resource Consent

A resource consent is the formal approval Council gives for an activity that does not meet the applicable permitted standards in the Nelson Resource Management Plan or the Nelson Air Quality Plan.

Building Consent

A building consent is a formal approval granted by Council under the Building Act that allows a person to carry out building work. Council will issue a building consent only when it is satisfied the proposed building work will meet the requirements of the Building Code.

Tender process

A process where quotes are sought from a range of suppliers, consultants and contractors and then compared against a set of criteria.

Land Information Memorandum (LIM)

A LIM is a report that details relevant information held by Council about a property, including any specific restrictions for the site. You can request this from Council for a fee using the LIM Application Form.

Information sources

Nelson Resource Management Plan (NRMP)

The NRMP is the resource management plan requiring consideration. It may be replaced in the future by the Nelson Plan, but this is still under development and does not have any legal effect at the time of writing.
nelson.govt.nz/environment/nelson-resource-management-plan/nelson-resource-management-plan-2

Nelson Natural Hazard maps

nelson.govt.nz/environment/nelson-plan/natural-hazards

New buildings and liquefaction effects

nelson.govt.nz/building-and-property/building-consents-2/new-buildings-and-liquefaction-effects

Council Advisory Documents

Nelson Tasman Land Development Manual 2020 and related guidance:

nelson.govt.nz/environment/nelson-resource-management-plan/nelson-resource-management-plan-2/view-the-nrmp/nelson-tasman-land-development-manual

Nelson HAIL sites (contaminated land) register and maps

nelson.govt.nz/building-and-property/hail-sites

General building advice

building.govt.nz



Civic House

110 Trafalgar Street, Nelson
03 546 0200 • nelson.govt.nz