



Proactive Release

The following document has been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Rt Hon Christopher Luxon, Prime Minister:

Allowing Investors with a New Zealand Residency Visa to Buy or Build a Home

The following documents have been included in this release:

Title of paper: Allowing investors with a New Zealand residency visa to buy or build a home (CAB-25-SUB-0297 refers)

Title of minute: Allowing Investors with a New Zealand Residency Visa to Buy or Build a Home (CAB-25-MIN-0297 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- section 9(2)(d), to protect the substantial economic interests of New Zealand
- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion.

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Office of the Prime Minister

Cabinet

Allowing investors with a New Zealand residency visa to buy or build a home

Proposal

- 1 This paper proposes changes to allow high net worth investors that hold an investor residence visa such as the Active Investor Plus visa to buy or build one residential home subject to a minimum value of \$5 million.
- 2 I propose inviting the Associate Minister of Finance Hon David Seymour and Immigration Minister Erica Stanford to report back on options that could be included in the Associate Minister of Finance's bill currently being considered by the Finance and Expenditure Select Committee.

Relation to government priorities

- 3 Last year, Cabinet agreed changes to the Active Investor Plus residence visa to attract investment-ready migrants and facilitate increased foreign investment in New Zealand. The proposal supports the Government's priority to rebuild the economy by increasing foreign direct investment (FDI) and attracting top talent to New Zealand (ECO-24-SUB-0290 refers).

Executive Summary

- 4 There is currently a ban on foreigners buying housing in New Zealand.¹ This will remain.
- 5 Under current settings, holders of a residence class visa are able to purchase a home if they are ordinarily resident in New Zealand – that is, they have been residing in New Zealand for the preceding 12 months and are physically present in New Zealand for around six months of that year.
- 6 However, investor residence visa holders (such as holders of the Active Investor Plus residence visa) do not have the same requirements to be physically present in New Zealand, and therefore are often currently unable to buy a home.
- 7 The changes this Government has made to the Active Investor Plus residence visa mean it is attracting a high level of interest and generating investment into our economy. As of this week, new applications made since 1 April total over \$1.5 billion in proposed investment.² However, its ongoing attraction is also hampered by the current overseas investment settings which prevent Active Investor Plus residence

¹ This excludes those from Australia or Singapore.

² Since the visa's updated settings earlier this year, 301 applications have been received from investors and their families. Of these, 238 are in the Growth category and 63 are in the Balanced category.

visa holders from buying or building a home. Some investors, who received their visas under the previous investor visas (Investor 1 and Investor 2) are also affected.

- 8 It makes sense to address this issue so that all investor visa holders (that is, Active Investor Plus, Investor 1 and Investor 2 visa) can own or build a home, not just those who are ordinarily resident in New Zealand. This paper proposes allowing investor visa holders to purchase one residential home, or build one new home on residential land.
- 9 It also proposes that the value of that home, or home and land, exceeds a minimum threshold proposed at \$5 million. The cost of acquiring a home under this policy will not count towards the minimum investment requirement that visa holders must make to secure their visa. The \$5 million minimum threshold will exclude over 99 per cent of existing New Zealand homes and will therefore not affect the wider housing market for New Zealanders.
- 10 This policy will apply to residential land. Investments in rural, farm and other types of sensitive land will continue to need to meet the benefit to New Zealand or farmland benefit tests.
- 11 I propose that Cabinet invite the Associate Minister of Finance and Minister of Immigration to report back to the Cabinet Legislation Committee with options on how to align the Overseas Investment Act with investor residence visas, in time to ensure changes that could be made before the bill currently before Select Committee is passed later this year.

Allowing foreign investors with a residence visa to buy or build a home

- 12 The Overseas Investment Act imposes a ban on the purchase of residentially zoned land by foreign buyers (the “foreign buyers ban”). In general, overseas persons cannot buy residential land unless they can either demonstrate a benefit to New Zealand and meet specified conditions, or meet one of the residential tests in Schedule Two of the Act. Exclusions already apply to Australians, Singaporeans, and permanent residents to comply with our international obligations.
- 13 The Overseas Investment Act has a streamlined pathway that allows prospective residents with a valid residence class visa to purchase a single home to live in if the person can demonstrate a commitment to reside in New Zealand – specifically that they will be physically present for 183 days per year and that they become a tax resident.
- 14 The Government implemented changes to the Active Investor Plus visa settings in April 2025 [ECO-24-MIN-0290 refers]. The Active Investor Plus residence visa was redesigned to incentivise investment to help grow the New Zealand economy. It seeks to attract high net worth investors by offering residence to investors who invest a minimum of \$5 million, under the growth category, or \$10 million under the balanced category. To date, the changes to the visa have exceeded expectations with over 300 new applications totalling over \$1.5 billion since 1 April 2025.
- 15 The Active Investor Plus residence visa includes requirements that the investor must be physically present in New Zealand. Under the Growth category an investor must

spend 21 days per year in New Zealand over the 3-year investment period. Under the Balanced category, the investor must spend at least 105 days in New Zealand over the five-year investment period.

- 16 These requirements under the Active Investor Plus residence visa relating to physical presence in New Zealand currently differ from those under the Act, preventing AIP visa holders from buying or building a home. This serves as a disincentive for other foreign investors from securing an Active Investor Plus residence visa and making a positive contribution to the New Zealand economy.
- 17 This is also the case for foreign investors who hold visas under the previous investor visa settings (that is, Investor 1 or Investor 2). In some cases, these visa holders were able to buy residential property prior to the foreign buyers ban but can no longer sell the current home and buy another.
- 18 While there has been a significant increase in the number of applications for the Active Investor Plus residence visa since April, various immigration lawyers, advisors and those connected with high-net-worth individuals have commented that there are more people who would apply for an Active Investor Plus residence visa once they know they are able to buy a home in New Zealand.
- 19 Consistent feedback also highlights that investors who buy a home in New Zealand are more likely to spend time in New Zealand, integrate into communities, be more involved in the New Zealand investment, philanthropic and business ecosystem and spend more money in New Zealand.
- 20 As a result, this paper proposes changing the settings to allow investor residence visa holders to purchase or build a home in New Zealand, even if they do not meet the current requirements under the Overseas Investment Act regarding their physical presence in New Zealand. The cost of acquiring a residential home under this policy would not count towards any minimum investment requirement the visa holder must make to secure the visa.

Protections for average New Zealand homes

- 21 The change is limited to allowing an investor residence visa holder to purchase or build a single residential home, provided certain conditions are met. In particular, a minimum threshold of \$5 million for the value of the residential home that investor visa holders can purchase or build. This would exclude over 99 per cent of homes in New Zealand.
- 22 Officials suggest that there would not be an impact on the wider New Zealand housing market, but that we could expect a small increase in demand contributing to house price inflation at or around the \$5 million threshold.

Impact on other visa holders

- 23 People applying for the recently announced Business Investor Visas³ which require a minimum \$1 million or \$2 million investment in an existing business are required to

³ The Business Investor Visa has two components – initially an application is granted a Business Investor Work Visa and then following meeting the conditions of that visa they are granted a Business Investor Resident Visa.

be ordinarily resident in New Zealand as part of their initial visa conditions, as they are required to be active in the running of the business. As such, these people are already able to purchase a home under existing settings, and do not require an exemption.

s9(2)(g)(i), s9(2)(d)

24 s9(2)(g)(i), s9(2)(d)

25 s9(2)(g)(i), s9(2)(d)

Legislative Design

26 s9(2)(g)(i)

Cost-of-living Implications

27 The proposed value threshold of \$5 million will avoid any price pressures for the vast majority of New Zealand homes from this change.

Financial Implications

28 There are no financial implications from this policy as any costs to government agencies of implementing these changes will be met from existing baselines.

Legislative Implications

29 The Overseas Investment (National Interest and Other Matters) Amendment Bill is currently being considered by the Finance and Expenditure Select Committee and will provide a vehicle for these changes.

30 s9(2)(g)(i)

Impact Analysis

31 Cabinet's impact analysis requirements may apply to the proposed value limit in this paper. Officials have not completed an accompanying Regulatory Impact Statement and the Ministry for Regulation has not been consulted. Therefore this paper may not meet Cabinet's requirements for regulatory proposals.

- 32 The Treasury will prepare a Regulatory Impact Statement to accompany the report-back to Cabinet Legislative Committee.
- 33 A climate implications policy assessment is not required.

Population Implications

- 34 Changes to foreign investment screening requirements relating to what or how we screen may have population impacts, but these are likely to be at the margin. The decision to focus liberalisation upon a small percent of properties valued above a certain threshold will mitigate the population impacts.

Human Rights

- 35 Officials will assess whether this amendment engages human rights concerns once final policy decisions have been taken. Advice will consider whether options impact the right to freedom from discrimination (on the grounds of national origin), under the New Zealand Bill of Rights Act 1990.

Consultation

- 36 The Minister of Finance, the Minister of Immigration, the Associate Minister of Finance, the Minister of Foreign Affairs, and the Minister of Revenue were consulted on this proposal
- 37 The Treasury, Inland Revenue, Land Information New Zealand, the Department of Prime Minister and Cabinet, the Ministry of Business, Innovation, and Employment, the Ministry of Foreign Affairs and Trade, and the Parliamentary Counsel Office were consulted on this proposal.

Proactive Release

- 38 This paper will not be proactively released.

Recommendations

I recommend that the Committee:

- 1 **note** that under the Overseas Investment Act 2005 (the Act) most holders of a resident class visa are able to purchase a home if they are ordinarily resident in New Zealand;
- 2 **note** that holders of the Active Investor Plus, Investor 1 and Investor 2 visas (“investor visa holders”) may be prevented from purchasing or building a residential home, despite holding a resident class visa and significantly investing in the New Zealand economy;
- 3 **agree** to amend the Act to allow Active Investor Plus, Investor 1 and Investor 2 visa holders (“investor visa holders”) to purchase a maximum of one residential home, or build a maximum of one residential property, provided certain conditions are met, to encourage investment in growing the New Zealand economy;

- 4 **agree** the objective of the proposed policy in recommendation 3 is to facilitate investment into New Zealand businesses and communities, while preserving the protections that currently apply for ordinary residential homes;
- 5 **agree** that there be a minimum threshold of \$5 million on the value of the residential home purchased, or the residential land and new build, under this policy;
- 6 **note** that the cost of acquiring a residential home under this policy will not count towards any minimum investment requirements they must meet to secure their visa;
- 7 **agree** that this proposal does not include the recently announced Business Investor Visa and that holders of those visas be required to be ordinarily resident in New Zealand in order to purchase or build a residential home;
- 8 **agree** that investments in farms or otherwise sensitive land will not be impacted by this change and will continue to need to meet the benefit to New Zealand or farmland benefit tests;
- 9 s9(2)(f)(iv) [Redacted]
- 10 s9(2)(f)(iv) [Redacted]
- 11 **authorise** the Associate Minister of Finance (responsible for the Overseas Investment Act) to make any further detailed policy design decisions, in consultation with the Minister of Immigration and other relevant portfolio Ministers, to give effect to the policy proposals in this paper;
- 12 **invite** the Associate Minister of Finance (responsible for the Overseas Investment Act) to issue drafting instructions to the Parliamentary Counsel Office to draft an Amendment Paper to the Overseas Investment (National Interest Test and Other Matters) Amendment Bill to give effect to the policy proposals in this paper;
- 13 **invite** the Minister of Immigration and Associate Minister of Finance (responsible for the Overseas Investment Act) to report back to Cabinet Legislation Committee before the end of October 2025 on the final policy design (with associated Amendment Paper and Regulatory Impact Statement) to implement these changes.

Authorised for lodgement

Rt Hon Christopher Luxon

Prime Minister



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Allowing Investors with a New Zealand Residency Visa to Buy or Build a Home

Portfolio Prime Minister

On 1 September 2025, Cabinet:

- 1 **noted** that under the Overseas Investment Act 2005 (the Act), most holders of a resident class visa are able to purchase a home if they are ordinarily resident in New Zealand;
- 2 **noted** that holders of the Active Investor Plus, Investor 1 and Investor 2 visas may be prevented from purchasing or building a residential home, despite holding a resident class visa and significantly investing in the New Zealand economy;
- 3 **agreed** to amend the Act to allow holders of Active Investor Plus, Investor 1 and Investor 2 visas to purchase a maximum of one residential home, or build a maximum of one residential property, provided certain conditions are met, to encourage investment in growing the New Zealand economy;
- 4 **agreed** that the objective of the policy in paragraph 3 above is to facilitate investment into New Zealand businesses and communities, while preserving the protections that currently apply for ordinary residential homes;
- 5 **agreed** that there be a minimum threshold of \$5 million on the value of the residential home purchased, or the residential land and new build, under this policy;
- 6 **noted** that the cost of acquiring a residential home under this policy will not count towards any minimum investment requirements they must meet to secure their visa;
- 7 **agreed** that the above policy does not include the recently announced Business Investor Visa and that holders of those visas be required to be ordinarily resident in New Zealand in order to purchase or build a residential home;
- 8 **agreed** that investments in farms or otherwise sensitive land will not be impacted by the above policy and will continue to need to meet the benefit to New Zealand or farmland benefit tests;

9 s9(2)(f)(iv) [Redacted]
 [Redacted]
 [Redacted]

- 10 s9(2)(f)(iv) [Redacted]
[Redacted]
[Redacted]
- 11 **authorised** the Associate Minister of Finance (Hon David Seymour) to make any further detailed policy design decisions, in consultation with the Minister of Immigration and other relevant portfolio Ministers, to give effect to the above policy decisions;
- 12 **invited** the Associate Minister of Finance (Hon David Seymour) to issue drafting instructions to the Parliamentary Counsel Office to draft an Amendment Paper to the Overseas Investment (National Interest Test and Other Matters) Amendment Bill to give effect to the above policy decisions;
- 13 **invited** the Associate Minister of Finance (Hon David Seymour) and Minister of Immigration to report back to the Cabinet Legislation Committee before the end of October 2025 on the final policy design, with the associated Amendment Paper and Regulatory Impact Statement, to implement the agreed changes.

Rachel Hayward
Secretary of the Cabinet

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