



# Residential housing

## Overseas investments in residential housing development

New Zealand welcomes the development of increased housing for New Zealanders. A streamlined consent process is available for overseas investments that will increase New Zealand's supply of residential housing and meet certain criteria.

Overseas investors can apply for consent under the increased housing test to develop new residential housing on sensitive land categorised as 'residential' or 'lifestyle'.

There are three types of development that may qualify.

Investors will need to provide details of their track record of completing quality developments and details of their plans and future consent requirements, as well as the project's budget and funding.

### Increasing residential dwellings

Consent can be sought if an investor is buying sensitive land to increase the number of residential dwellings on it.

- One or more residential dwellings must be added to the land.
- The residential dwellings developed can include stand-alone houses, town houses or units, apartments or a mix of types.
- The overseas investor cannot live in any of the dwellings on the land.
- The dwellings must be on sold once completed, however there are exemptions to this requirement in certain circumstances.

### Increasing long-term accommodation facilities

Consent can be sought if an investor is buying residential land to build or expand a long-term accommodation facility (or facilities) such as retirement villages, aged care and supported living, or student hostels.

- The investor cannot live in the long-term accommodation facility.
- The completed facility must be on sold after completion unless the investor will then operate the facility or have it operated by another service provider.

### Consent categories



#### Increase dwellings

Increase the number of residential dwellings on the land.



#### Long-term accommodation

Build or expand a long-term accommodation facility.



#### Development works

Development works for constructing residential dwellings or long-term accommodation facilities.

## Development works

Consent can be sought if an investor is buying residential land to carry out development works for the construction of residential dwellings or long-term accommodation facilities.

- Works must be of substance. Minor works such as fencing does not qualify for this consent.
- The works may include altering or removing existing buildings, earth works such as levelling or countouring, construction of roading and installing drainage infrastructure.
- Simply sub-dividing and on selling land does not qualify for this consent.

## Other relevant consents available

### Standing consents



Standing consents are a form of pre-approval for investors to buy land for residential development and are available in certain circumstances.

### Requirements for standing consent

- Investors must have a proven track record and detailed business plans.
- This gives investors approval for a set number of investments, will have an expiry date and have other limitations imposed.
- Investors must notify the OIO of every transaction made under the standing consent, which will be subject to strict conditions of compliance.
- There is a high threshold for granting standing consents. An application will need to justify the need for a standing consent over applying for one-off consents.

### Apartment developments



Whether consent for an apartment development is required depends on the underlying land being classed as sensitive under the Overseas Investment Act.

The sale of certain apartments to overseas buyers is possible where an 'exemption certificate' applies.

Consent to build or develop apartment buildings can be applied for under the increased housing pathway if the underlying land is zoned residential or lifestyle but is not otherwise sensitive.

Overseas Investment Act consent may not be required for developments that are not on sensitive land.

Developers can apply for an exemption certificate allowing the sale of apartments off the plans to overseas buyers without the need for consent.

- A maximum of 60% of the apartments can be sold to overseas buyers.
- Overseas buyers must purchase off the plans before completion and cannot live in the apartment.
- Strict criteria must be met for a development to qualify for an exemption certificate.
- Developments that have been granted a certificate are published on the OIO website.

## About the Overseas Investment Office

The Overseas Investment Office regulates access to New Zealand's land, residential properties and significant business assets by overseas investors, and makes decisions on overseas investment applications. It administers and applies the Overseas Investment Act. Its work contributes to more homes and jobs for New Zealanders, thriving companies and industries, protection of the places Kiwis treasure, and greater access to them.

