

GUIDE TO PURCHASE LAND BY NON-RESIDENTS

In New Zealand the Overseas Investment Act (and associated regulations) govern the purchase of land by persons who do not have New Zealand residency, that is you are not a New Zealand Citizen nor hold a permanent resident visa.

Overseas Investment rules were changed from August 2018 to prohibit offshore persons from buying homes in New Zealand. This was achieved by including residential properties in New Zealand as a subset of sensitive land. The main definition of "non-residential sensitive land" remains as land over 5 hectares, or land over 4000m² that is next to a reserve or over 2000m² that is adjoining a foreshore.

The regulations are rather complicated, however the basic rule is: If you are a New Zealand, Australian or Singaporean citizen or you are a permanent resident visa holder in either of those countries (and you have been residing in New Zealand for the immediately preceding 12 months and have been present in New Zealand for at least 183 days in those last 12 months and you are a tax resident in New Zealand) you can buy residential property without consent (but not sensitive land). You must apply for consent to buy one home to live in if you hold a permanent resident's visa in NZ, Australia or Singapore and you do not meet this criteria or do not live in New Zealand. Please note to buy you will need to live in New Zealand otherwise you will need to sell when you stop living here.

You cannot buy a home in NZ if you have a temporary visa i.e. working holiday, student, visitor work visa. In this situation you will not be eligible for consent as you are considered an off-shore person.

Relationship exemptions exist for couples where one of the spouses is either a New Zealand citizen or is "ordinarily resident" under the Act and the property being purchased is to become relationship property.

In our experience many people have made the mistake of finding a property they like before understanding the new restrictions and limits ... disappointment and frustration is the result.

What happens if I wish to purchase a home?



If you are not an offshore person you can make an application to the Overseas Investment Commission for approval to buy one home. In our experience, unless you are planning to live and invest substantially in New Zealand it will be difficult to obtain approval.

We suggest that you discuss with one of our solicitors the criteria before making a decision to purchase a property for which consent may be required.

The downside of the Overseas Investment Commission application route is the substantial non-refundable fee together with the cost of putting together the application.