MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Erica Stanford	**Portfolio**	Immigration
Title of Cabinet paper	Enabling Build-to-Rent investment under the Active Investor Plus visa	**Date to be published**	22 September 2026

List of documents that have been proactively released		
Date	**Title**	**Author**
June 2026	Enabling Build-to-Rent investment under the Active Investor Plus visa	Office of the Minister of Immigration
17 June 2026	Enabling Build-to-Rent investment under the Active Investor Plus visa ECO-26-MIN-0099 Minute	Cabinet Office
10 December 2025	Active Investor Plus visa – Proposed changes to introduce property development as an acceptable investment class under the Growth category	MBIE
5 February 2026	Further advice on options to expand the Active Investor Plus Growth category	MBIE
30 March 2026	Further advice to inform decisions on residential property under Active Investor Plus	MBIE

Information redacted **YES** / **NO** *(please select)*

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[IN CONFIDENCE]

Office of the Minister of Immigration

Cabinet Economic Policy Committee

Enabling Build-to-Rent investment under the Active Investor Plus visa

1 This paper seeks agreement to expand acceptable investment options under the Growth category of the Active Investor Plus (AIP) visa to include Build-to-Rent (BTR) housing developments (via managed funds).

Relation to Government priorities

2 This proposal supports the Government's Going for Growth strategy under the Trade and Investment pillar, building on the strong momentum of the AIP visa by attracting high-quality foreign investment that delivers long-term benefits for New Zealanders. It also supports the Government's priority of increasing affordable housing supply, specifically for those seeking the stability and certainty of long-term rental housing.

Executive Summary

3 The refreshed Active Investor Plus (AIP) visa is delivering strong results and sending a clear signal that New Zealand is open, competitive, and attractive to global investors. Since the revised settings came into force on 1 April 2025, demand has significantly exceeded expectations. There have been over 600 applications in the first year (1 April 2025 – 31 March 2026) totalling over $3.9 billion, compared to 116 totalling approximately $800 million in two and a half years under the previous Government's settings.[1] This reflects the appeal of our new settings and growing international confidence in New Zealand as a stable, high-potential economy with genuine opportunities for long-term growth, and as an attractive place to live.

4 The policy intent of last year's changes was deliberate and clear: to simplify the visa, increase its attraction when compared to other countries' offerings, and incentivise investors to invest in the most economically productive investments (Growth category) through a lower investment threshold ($5 million) and by requiring less time to be spent in-country. To advance New Zealand's interests, I also made changes to require investments to be made sooner (within six months of investors' applications being approved in principle)[2] and for the full investment amount to be invested for the entire investment period.

5 We also aspired to attract globally connected investors who may be willing, either now or in the future, to become actively involved in either the businesses they invest

[1] 637 applications were received by Immigration New Zealand between 1 April 2025 and 31 March 2026, of which 82.6 per cent were made under the Growth category.

[2] This is only extendable to 12 months where the investor can provide evidence to INZ's satisfaction that they have made reasonable attempts to either liquidate assets and transfer funds to New Zealand, or find a managed fund or direct investment under the Growth category to invest in.

in or other New Zealand businesses, non-governmental organisations or charitable organisations, sharing their skills, expertise, and international networks.

6 The strong demand for the visa in its first year and feedback from the investment ecosystem about the quality of investors investing in New Zealand demonstrates that these objectives are being met, with demand strongly concentrated in the Growth category. More than $1.8 billion has been invested, with a further pipeline still to be realised ($2.41 billion). There is an opportunity to further leverage the success of the Growth category by expanding the range of acceptable investments in a targeted way that supports the Government's broader objectives. Doing so will help ensure the AIP visa remains attractive, responds to investor demand for high-quality opportunities, and continues to direct capital towards areas that deliver long-term benefits for New Zealanders.

7 Cabinet recently agreed to enable AIP Growth category applicants to make philanthropic gifts as part of their acceptable investment, capped at 20 per cent of the total amount invested [ECO-26-MIN-0077 refers]. This reflected an initial step in a targeted broadening of AIP Growth investment options.

8 This paper proposes a further modest expansion to the Growth category to include Build-to-Rent (BTR) housing developments as an acceptable investment (invested in via approved managed funds). This represents a further incremental expansion of acceptable investments, building on the existing range of Growth category investments, which includes managed funds and direct investments into New Zealand businesses. Under current settings, managed funds can already invest in sectors such as infrastructure, aged care, education (e.g. student accommodation) and tourism developments.

9 These changes are designed to complement, rather than dilute, the Growth category's focus on higher-risk, higher-impact investment, while providing additional diversity, flexibility, and choice for investors. Enabling investment in BTR developments will support the delivery of new, high-density rental housing at scale, contributing to increased housing supply and improved housing stability.

10 Importantly, investment in BTR through managed funds will not provide investors with direct ownership or equity in any residential property. Instead, investors will hold a financial interest in a pooled fund which helps finance large-scale developments. Limiting eligibility to approved managed funds provides assurance around capability, governance, and delivery, and reflects a cautious and targeted approach that manages risk. BTR investments are also typically long-term in nature and often continue well beyond the minimum AIP investment period, with returns linked to the performance of the underlying developments.

Background

11 On 1 April 2025, the AIP visa's settings were recalibrated to minimise complexity and amplify the volume of high-quality foreign investment in the economy [ECO-24-MIN-0290]. Investor migrants can now choose from two investment categories:

11.1 The **Growth category** is focused on higher-risk, higher-impact investments, including managed funds and direct investments in New Zealand businesses. It requires a minimum investment of $5 million retained for three years.

11.2 The **Balanced category** provides investors with a broader mix of investment options, including direct and managed fund investments, bonds, residential and commercial property, listed equities and philanthropy. It requires a minimum investment of $10 million retained for five years.

12 The impact of the changes made to AIP settings in April 2025 has exceeded expectations, driving a substantial increase in application volumes and investment. Between 1 April 2025 and 31 March 2026, Immigration New Zealand (INZ) received over 600 applications under the new settings, significantly higher than the 116 applications received over two-and-a-half years under previous settings.

13 Demand has been strongly concentrated in the Growth category, with 526 applications (82.6 per cent), compared to 111 applications (17.4 per cent) in the Balanced category. This reflects a clear investor preference for settings that prioritise higher-impact investments and offer more flexible requirements. More than $1.8 billion has been invested, with a further $2.41 billion in potential investment in the pipeline.

14 So far, Growth category investors have shown a strong preference for approved managed funds. INZ data indicates that $741.2 million had been committed to a wide range of fund types, as shown in Table 1 below. An additional $251.5 million was invested through Discretionary Investment Management Services (DIMS)[3], prior to their removal as an acceptable investment on 5 December 2025. Direct investments, in line with their risk profile, have received significantly less investment ($20.4 million, rounded).

Table 1: Spread of AIP capital committed to approved managed funds as of March 2026

Fund type	Capital committed ($million)
Private credit	$539.3
Venture capital	$96.1
Private equity	$60.3
Fund of funds	$35
Multi-strategy	$7.5
Infrastructure	$3

15 In line with Cabinet decisions [ECO-24-MIN-0290 refers], two reviews of the AIP visa are scheduled. I directed officials at the Ministry of Business, Innovation and Employment (MBIE) to review the performance of the revised settings after 12 months of operation, to ensure they remain fit for purpose and aligned with broader government objectives and reforms. A separate and more detailed impact evaluation will be undertaken in late 2027, assessing the AIP visa's overall performance since settings were adjusted in April 2025 [CAB-22-MIN-0162.01].

[3] Table 1 shows where the funds have been committed

The success of the refreshed AIP visa presents an opportunity to consider further targeted acceptable investments

16 Given the success of the April 2025 changes, there is now an opportunity to harness the attractiveness of the Growth category to further contribute to the Government's objectives, by expanding acceptable investment options in a targeted way, while maintaining the focus on high-impact investments.

17 A range of factors were assessed when determining what additional investment options should be offered to investors, including:

17.1 alignment with the Growth category's objective, i.e. to reward those who make higher risk and active investments (associated with generating greater economic benefit) with a streamlined pathway to permanent residence

17.2 the extent to which the investment is likely to drive economic growth

17.3 whether there is a clear case for government intervention

17.4 how feasible the investment class would be to implement, and

17.5 the risk of capital being diverted away from existing Growth category investment options and/or dilute the role of the Balanced category.

18 During the policy process MBIE, in consultation with other relevant agencies, considered a range of possible investment options, including property development (BTR, new residential, commercial and industrial), philanthropy, small cap equities, and a government-supported tech fund or fund of funds.

19 On 13 May 2026 Cabinet agreed to enable AIP Growth category applicants to make philanthropic gifts as part of their acceptable investment in New Zealand, capped at 20 percent of the total sum invested, [ECO-26-MIN-0077 refers]. This represented an initial step in an incremental expansion of AIP investment options, which this proposal builds on.

20 At present, property development is an acceptable investment option under the Balanced category exclusively, but uptake has been limited, with two property development investments made (worth $22 million). This highlights an opportunity to introduce a more targeted form of property development investment within the Growth category.

21 Increasing housing supply is critical to New Zealand's economic and social prosperity. Around 32 per cent of New Zealanders live in rental housing,[4] and increasing the supply of long-term rental accommodation can improve housing affordability, support higher living standards, and reduce ongoing pressure on government housing assistance. It also provides people renting with much sought after stability and certainty.

22 While I considered a broader expansion to all residential property, I discounted this due to the variety of development models involved, which differ materially in risk profile, and would introduce undue complexity for implementation and

[4] Statistics New Zealand – Housing in Aotearoa New Zealand: 2025. https://www.stats.govt.nz/assets/Reports/Housing-in-Aotearoa-New-Zealand-2025/Housing-in-aotearoa-new-zealand-2025.pdf

administration. Confidential advice to Government [redacted]

23 However, BTR developments are purpose-built, professionally managed residential housing, designed to provide long-term rental accommodation at scale. They are generally owned and operated as single long-term assets (rather than individual dwellings), generating stable and ongoing rental returns.

24 As BTR developments do not rely on pre-sales to proceed, they can support counter-cyclical construction activity, helping to smooth development pipelines during market downturns. Their large scale also enables them to absorb significant capital while delivering wider economic and social benefits, including greater housing stability for those who want it.

25 BTR is a well-defined and internationally recognised investment asset class, commonly used by institutional investors seeking long-term returns. Investors participate through pooled investment funds, with investors holding a financial interest in the form of shares, rather than holding direct ownership of individual residential properties.

26 While BTR is a preferred asset class internationally, it remains relatively under-developed in New Zealand, with around 1,146 units currently under construction, primarily in Auckland,[5] but there have also been BTR developments in Canterbury, Waikato, Otago and Wellington. Adjusting the Growth category to include BTR would be a targeted and incremental change, with the potential to also catalyse and crowd-in more foreign investment from overseas institutional investors, while supporting delivery of high-density housing.

27 There is good potential that exists for BTR under AIP. Commercial [redacted]

I propose expanding the Growth category to include BTR investment

28 I seek agreement to expand investment options under the Growth category to enable applicants to invest in BTR housing developments (via managed funds). **Appendix One** sets out further detail on the design settings for BTR.

[5] Property Council BTR tracker, as of 31 December 2025 https://www.buildtorentnz.co.nz/where-is-btr

[6] Commercial Information [redacted]

BTR: Objectives and proposed settings

29 The objective of introducing BTR investment under the Growth category is to: increase New Zealand's housing stock by permitting investment in new, high-density residential property developments at scale, and support economic growth.

30 I propose that the key features of BTR housing as an acceptable investment under the Growth category are:

30.1 Investment is made only via pre-approved managed fund(s) on the acceptable managed fund list, maintained by Invest NZ.

30.2 Managed funds must provide project-specific funding for a BTR development in New Zealand, or provide private capital to a BTR development company in New Zealand.

30.3 Managed funds must be sponsored by a company with a demonstrable history of at least five years investing in residential property development.

30.4 At the point of pre-approval, a managed fund investing in BTR must demonstrate that it intends to invest in one or more BTR developments that are each capable of delivering at least 20 new dwellings.

30.5 The managed fund must not be solely reliant on AIP funding.

30.6 Neither the principal applicant, nor the family or relatives of any person included in the application, may reside in the development.

31 These settings reflect a cautious and targeted approach by limiting BTR investment to pre-approved managed funds. They have been informed by Invest NZ's operational experience and are designed to provide assurance around fund capability, commercial viability, and overall compliance. They also reinforce that investment occurs through pooled funds rather than direct ownership of residential property, and support long-term, investment aligned with Growth category objectives.

32 Direct investment is not permitted due to the complexity and delivery risks associated with BTR developments. The settings also aim to reduce the risk of speculative or low-quality developments, and help ensure that BTR investment delivers intended housing outcomes.

Feedback from stakeholders on the proposed changes

33 MBIE consulted with targeted stakeholders on the proposed settings. Stakeholders agreed that property was an attractive investment option. They noted that projects like BTR are well suited to addressing housing demand, while offering scalable, long-term investment opportunities. MBIE heard that demand will likely depend on investor migrants' risk appetite, and investment through managed funds would be a more attractive and accessible pathway for investors.

Key considerations

34 One key consideration is that adding BTR to the Growth category could displace some investment that would otherwise flow into direct and other managed fund investments, for example, private equity and venture capital funds. I consider this risk to be manageable for the reasons outlined below.

34.1 BTR developments are long-term, capital-intensive investments, that are likely to appeal to a particular subset of investor migrants seeking exposure to long-term rental assets. BTR fund structures often extend beyond the minimum AIP investment period and involve lower liquidity, with limited or staged exit opportunities, making them less substitutable for other Growth category investments with higher liquidity or shorter time horizons.

34.2 Almost $2.5 billion in further investment is expected in the next six months from AIP investors, and some managed funds have suspended accepting new investment while they deploy existing capital. This indicates more options for acceptable investments are desirable in Growth as long as they are targeted.

35 The extent to which these investment options will receive uptake is currently unknown. While stakeholder feedback has indicated there is interest from investor migrants in BTR housing investment opportunities – I expect uptake is likely to be gradual as investor and market confidence grows. I note that Infrastructure Funds have attracted AIP investors in a short period of time, indicating there is interest in long-term investments. Demand is likely to vary depending on investor migrants' risk appetite and investment preferences, and, as with other acceptable investment categories, communications will need to be clear that a fund being an acceptable investment does not guarantee investment.

Monitoring of investments

36 Consistent with existing processes, both MBIE and Invest NZ will monitor the value of capital invested in BTR developments via quarterly reports. A separate monitoring and evaluation framework has been established to assess the AIP visa's overall performance with the first report-back expected in May 2027.

Implementation

37 Subject to Cabinet's agreement, the proposed changes would go live by December 2026 — subject to detailed design with Invest NZ and implementation activities.

38 Invest NZ is responsible for assessing whether direct and managed fund investment opportunities are acceptable. They will also be responsible for assessing the acceptability of BTR investments (to be introduced as a subset of managed funds).

Cost-of-living Implications

39 There are no cost-of-living implications associated with this proposal.

Financial Implications

40 There are no financial implications associated with this proposal.

Legislative Implications

41 Some of the changes proposed require amendments to immigration instructions. I will certify new instructions in line with Cabinet decisions taken.

Impact Analysis

42 This proposal does not require a Regulatory Impact Assessment as it has no direct legislative implications. There are no direct climate implications of this proposal.

Population Implications

43 Investor migrants support industries and organisations that create jobs for New Zealanders, support investment in infrastructure, and contribute to increasing housing supply. I expect that investor migrants will have a limited impact on overall population numbers or on demand for public services. This is due to low visa volumes and investor migrants tend to hold private health insurance, have their dependents attend private schools, and frequently spend time offshore as 'global citizens'.

Human Rights

44 The proposals in this paper do not have direct implications for the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external resources

45 External resources have not been used in developing the proposals in this paper.

Consultation

46 The following government agencies / Crown entities were consulted: Department of Conservation, Department of Internal Affairs, Department of the Prime Minister and Cabinet, Inland Revenue Department, Invest New Zealand, Land Information New Zealand, Ministry of Housing and Urban Development, and the Treasury.

47 The following external stakeholders were consulted as part of the policy development: *Immigration industry professionals*: the Minister of Immigration's Advisor Reference Group; *Industry membership organisations*: Property Council; *Property development investment companies*: Cedar Pacific, Mackersy Property, McConnell Property, Murray & Co, Quattro, Simplicity, Willis Bond.

Communications and proactive release

48 I intend to announce these changes in the coming months. The aim of communications will be to ensure prospective investor migrants are aware of the changes.

49 This paper will be proactively released subject to withholdings as appropriate under the Official Information Act 1982, at the point that announcements are made.

Recommendations

The Minister of Immigration recommends that the Committee:

1 **note** that in the first year since the refresh of the Active Investor Plus (AIP) visa settings (1 April 2025 to 31 March 2026), the AIP visa has received 637 applications, representing more than $1.8 billion invested in the economy, with a further $2.41 billion in the pipeline;

2 **note** that targeted changes to AIP visa settings will support the Government's Going for Growth strategy by providing more investment options for AIP Growth category investor migrants;

3 **note** that expanding the Growth category to include Build-to-Rent housing developments will also support the Government's priority of increasing affordable housing supply, specifically for those seeking the stability and certainty of long-term rental housing;

4 **agree** to enable AIP Growth category applicants to invest in Build-to-Rent housing developments (via managed funds only), to increase New Zealand's housing stock by permitting investment in new, high-density residential property developments at scale;

5 **agree** to the key changes to AIP visa policy settings, as set out in **Appendix One**;

6 **note** that expanding the Growth category to include Build-to-Rent housing developments is expected to be implemented by Invest NZ in December 2026; and

7 **authorise** the Minister of Immigration to make:

7.1 changes to instructions to give effect to **recommendations 4 and 5**;

7.2 other decisions, consistent with the policy proposals in this paper, that may be necessary as part of the drafting and consultation process.

Authorised for lodgement

Hon Erica Stanford

Minister of Immigration

Appendix One: Proposed design settings for Build-to-Rent housing

Build-to-Rent (BTR) design settings (to inform immigration instructions)	
Criteria	**Rationale**
Investment is made via pre-approved managed fund(s) on the acceptable managed fund list, maintained by Invest New Zealand.	Pre-approved managed funds provide certainty that investors can easily access acceptable BTR investment options, and it also enables managed funds to promote eligible investment opportunities. Direct investment is not recommended due to complexity and delivery risks associated.
Managed funds must provide project-specific funding for a BTR development in New Zealand, or provide private capital to a BTR development company in New Zealand.	This ensures alignment with the Active Investor Plus (AIP) Growth category objective and will contribute towards an increase in housing stock.
Managed funds must be sponsored by a company with a demonstrable history of at least five years investing in residential property development at scale.	As BTR is a relatively new asset class in New Zealand, a five-year track record in residential property development provides assurance that the sponsor has the capability to deliver BTR projects at scale, manage development risks, and operate residential property assets over the long-term.
The fund manager must have a demonstrable history of at least five years in property development investment management.	This ensures the fund manager has the capability and experience necessary to effectively manage a fund, and gives investors' confidence.
At the point of pre-approval, a managed fund investing in BTR must demonstrate that it intends to invest in one or more BTR developments that are each capable of delivering at least 20 new dwellings. This requirement operates as an eligibility threshold for AIP and does not replace or duplicate any consent requirements under the Overseas Investment Act 2005, which will continue to apply where relevant.	This ensures investment is directed toward developments of sufficient scale to deliver meaningful housing and economic outcomes, while recognising that BTR investment is typically made through pooled capital and assessed at the level of the underlying developments rather than individual investors. Limiting eligibility to new developments reflects the objective of supporting new, high-density residential housing at scale.
The managed fund must not be solely reliant on AIP funding.	This ensures the managed fund has access to non-immigration linked capital, reducing the risk that funds are established solely for immigration-linked capital
The managed fund cannot invest in vacant land unless plans for development purposes have been submitted to regulatory authorities.	This prevents speculative land banking and ensures investment funds are directed towards active development.
If the BTR property development is located on sensitive land, consent for the purchase has either been granted under the Overseas Investment Act 2005, is not required, or the transaction is exempt.[1]	This ensures investment is compliant with the Overseas Investment Act 2005
Neither the principal applicant, nor the family or relatives of any person included in the application, may reside in a BTR development funded through the investment.	This preserves the integrity of the investment and is consistent with Balanced Category property development settings. Where a Build-to-Rent development is subject to the Overseas Investment Act 2005, any applicable consent conditions — including occupation and use restrictions — will continue to apply independently of the AIP settings.

[1] Whether consent is required, granted, or an exemption applies is determined by Land Information New Zealand (LINZ)