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)*

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidential advice to government, commercial information, privacy of natural persons, free and frank opinions, and maintenance of the law.

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Active Investor Plus visa – Proposed changes to introduce property development as an acceptable investment class under the Growth category

Date:	10 December 2025	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	0024009

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister for Economic Growth**	**Note** the feedback received during targeted consultation **Agree** to introduce property development as an investment option under the Growth category **Agree** to receive a draft Cabinet paper in January 2026 **Forward** a copy of this briefing to the Minister of Housing	17 December 2025
Hon Erica Stanford **Minister of Immigration**		
Hon Todd McClay **Minister for Trade and Investment**		

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) Policy	Privacy of	✓
Michael Contaldo	Manager, Investment Policy	Privacy of	
Hayley MacKenzie	Policy Advisor, Immigration (Border and Funding) Policy	Privacy of	

The following departments/agencies have been consulted

Government entities/autonomous Crown entities: Invest New Zealand, Infrastructure Commission, Land Information New Zealand, Ministry of Housing and Urban Development, the Treasury

External (property development sector): Cedar Pacific, Mackersy Property, McConnell Property, Murray & Co, Property Council, Quattro, Willis Bond

External (other): Members of the Minister of Immigration's Immigration Adviser Reference Group

Minister's office to complete:

- ☐ Approved
- ☐ Declined
- ☐ Noted
- ☐ Needs change
- ☐ Seen
- ☐ Overtaken by Events
- ☐ See Minister's Notes
- ☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Active Investor Plus visa – Proposed changes to introduce property development as an acceptable investment class under the Growth category

Date:	10 December 2025	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	0024009

Purpose

To provide a report back from targeted consultation and advice on options to introduce property development as an acceptable investment option under the Growth category of the Active Investor Plus (AIP) visa.

Executive summary

Between 10-20 November 2025, the Ministry of Business, Innovation and Employment (MBIE) undertook targeted consultation on proposals to introduce property development as a Growth category investment option under the AIP visa. The proposed changes aim to diversify the investment options under the Growth category, support economic growth, and increase New Zealand's housing stock.

All stakeholders were broadly supportive of diversifying the Growth category to introduce property development as an investment option, noting strong investor interest and alignment with living sector projects such as Build to Rent. Feedback emphasised the need for robust eligibility criteria, particularly requiring property development companies and managed funds to demonstrate a proven track record in property development to be eligible for investment.

MBIE seeks your agreement to key policy design choices to progress these changes to Cabinet, including:

- ***The scope of property development investment*** - whether you wish to permit residential property development only, or broaden it to include residential, commercial and industrial property development – this decision reflects the level of government intervention you consider necessary in these sectors:
    - the scope of residential property development – we recommend **new** residential developments only, and seek your decision on either a minimum of 20 dwellings (aligns with the Overseas Investment (Build-to-rent and Similar Rental Developments) Amendment Act 2025)) or 50 dwellings (aligns with Australia's Build to Rent policy) and supports developments of greater scale
    - the scope of commercial/industrial property development – we recommend permitting either **new** developments and/or requiring significant improvements to be made to **existing** commercial/industrial developments.
- ***The type of investment vehicle***:
    - **Direct investment** – we recommend investors be permitted to invest in a legal entity sponsored by an existing eligible company (e.g. a limited liability company) and seek your decision on whether the eligible company has been trading in New Zealand for at least five or 10 years

- **Managed funds** – we recommend investor migrants be permitted to invest in a managed fund that is sponsored by an eligible company that has a minimum five-year history of raising funds for both the development and ownership of new residential, commercial, or industrial property projects, as well as significant redevelopment projects.

These settings are designed to manage investment risks and prioritise companies and funds with proven capability and stability, supporting strong economic growth outcomes. Implementation of these changes are subject to ICT dependencies, and the implementation timeline will be influenced by the date decisions are finalised, and the complexity of any additional changes to broader AIP settings.

In terms of implementation, once policy settings are confirmed, MBIE would engage with Invest New Zealand and its Board on implementation options.

Following confirmation of your preferred settings, MBIE will provide you with a Cabinet paper in January 2026, for consideration by Cabinet Committee in March 2026.

Recommended action

MBIE recommends that you:

a **Note** that you tasked officials with exploring options to introduce property development as an acceptable investment option under the Growth category of the AIP visa [0020884 refers]

Noted

b **Note** that we have undertaken targeted consultation with external stakeholders (refer to paragraph 3) on the above, and that a summary of the key themes of feedback is attached at **Annex One**

Noted

c **Note** that you have choices about how property development settings should sit, and a summary of the proposed settings (and MBIE's recommendations) is set out in **Annex Two** (these are also outlined from recommendation d)

Noted

d **Agree** to the scope of property development investment, either:

i. residential property development only **OR**

Agree / Disagree

ii. residential, commercial and industrial property development

Agree / Disagree

e **Agree** to the type of investment vehicle:

i. direct investment into a property development company **OR**

Agree / Disagree

ii. managed funds **OR**

Agree / Disagree

i. direct investment into a property development company and managed funds

Agree / Disagree

f **Note** that following direction from Ministers on policy settings, MBIE will work with Invest New Zealand and its Board on implementation options

Noted

Objectives for introducing property development as an acceptable investment class

g **Agree** to the following objectives for these changes:

i. to diversify the investment classes available under the Growth category,

Agree / Disagree

i. to support economic growth through the development of new residential, commercial and industrial property developments at scale and in permitting significant improvement to be made to existing commercial/industrial property developments, and

Agree / Disagree

ii. increase New Zealand's housing stock (by permitting investment in new, high-density residential property developments at scale)

Agree / Disagree

Residential property development

h **Agree** that any investments made in new residential property development must result in the creation of a minimum of **EITHER**:

i. 20 dwellings

OR

ii. 50 dwellings [**Recommended**]

Agree / Disagree

i **Agree** that repurposing existing commercial developments into residential property be permitted, provided it creates a minimum number of dwellings as per your preference in recommendation h

Agree / Disagree

j **Agree** that new mixed-use developments (with both a residential and commercial use) are permitted, provided they meet requirements for both residential and commercial property development investments

Agree / Disagree

k **Note** that there is a risk of enabling residential property development such as high-end apartment projects, and this could be mitigated by restricting residential property development to investments that better target New Zealand's housing needs

Noted

Commercial/industrial property development

l **Agree** that investments made in commercial/industrial property development either create new property or make significant improvements to existing property of those types (as defined in recommendation m below)

Agree/Disagree

m **Agree** that to mitigate the risk of enabling minor upgrades, the Ministry of Housing and Urban Development recommended a threshold of 'significant improvement', which is that the cost of consented works must equal at least 30 per cent of the capital value of the development (excluding land value)

Agree/Disagree

Direct investment into a property development company

n **Agree** that to manage risk and ensure quality investment, investors who wish to invest directly in a property development company must do so in an existing legal entity (e.g. limited liability company or a limited partnership), which has been sponsored by an existing eligible company in New Zealand with a demonstrable history of investing and operating residential, commercial or industrial property development projects of similar scale

Agree / Disagree

o **Agree** that to manage risk, the eligible company must be required to have been trading in New Zealand for a minimum of **EITHER**:

i. five years

Agree / Disagree

OR

ii. 10 years [**Recommended**]

Agree / Disagree

<u>*Investment in a managed fund*</u>

p **Agree** that investors can invest in a managed fund which raises capital for both the development and ownership of new residential, commercial, and/or industrial property projects (including significant redevelopments)

Agree / Disagree

q **Agree** that to manage risk and ensure quality investment, managed funds must be sponsored by an eligible company that has a demonstrable history of investing and operating for at least five years in residential, commercial and/or industrial property development

Agree / Disagree

r **Agree** that to manage risk the fund manager must have a demonstrable history of at least five years in residential, commercial and/or industrial property development

Agree / Disagree

Minor and technical settings

s **Agree** to the following minor and technical decisions, which align with the requirements for investment in property development under the Balanced category:

The purpose of property investments must be to make a commercial return on the open market, including rental returns	*Agree / Disagree*
If the property development is located on sensitive land, it will only be considered an acceptable investment if it is compliant with the Overseas Investment Act 2005	*Agree / Disagree*
Investors cannot invest in vacant land unless plans for development purposes have been submitted to regulatory authorities and work has commenced	*Agree / Disagree*
Neither the principal applicant, nor the family or relatives of any person included in the application, may reside in the development	*Agree / Disagree*

Implementation

t **Note** that these changes have ICT dependencies, and that the implementation timeline will be influenced by the date decisions are finalised and the complexity of any additional changes made to wider AIP settings

Noted

u **Note** MBIE will need to undertake further work on detailed policy settings and engage with stakeholders to ensure settings reflect industry norms and are able to be implemented

Noted

Next steps

v **Agree** that MBIE will provide you with a draft Cabinet paper in January 2026 for consideration by Cabinet Committee in March 2026, and this paper will seek agreement to your preferred property development settings (it would also cover changes to philanthropy and small cap settings, depending on your preferences)

Agree / Disagree

w **Agree** to forward a copy of this briefing to the Minister of Housing for their information

Agree / Disagree

Stacey O'Dowd
Manager, Immigration (Border and Funding) Policy
Employment, Skills and Immigration Policy, MBIE

12 / 12 / 2025

Hon Nicola Willis
Minister for Economic Growth
..... / ...... / ......

Michael Contaldo
Manager, Investment Policy
Technology and Innovation, MBIE

12 / 12 / 2025

Hon Erica Stanford
Minister of Immigration

..... / ...... / ......

Hon Todd McClay
Minister for Trade and Investment
..... / ...... / ......

Background and feedback from targeted consultation

1. Currently under AIP, property developments investment is categorised as new residential, and new and existing commercial and industrial property. Property development investment is permissible under the Balanced category **only**. You have asked for advice on expanding property development under the Growth category [0020884 refers].

2. Confidential advice to Government [redacted]

3. We consulted with the following stakeholders from 10-20 November:

   - Members of the Minister of Immigration's Immigration Adviser Reference Group (IARG)

   - Property development sector: Cedar Pacific, Mackersy Property, McConnell Property, Murray & Co, Property Council, Quattro, and Willis Bond.

   - Government agencies and autonomous Crown entities: Invest New Zealand (Invest NZ), Ministry of Housing and Urban Development Infrastructure Commission, Land Information New Zealand, and the Treasury.

4. We consulted on allowing all forms of new property development (including via managed funds) as an acceptable investment option under the Growth category, with specific criteria and exclusions.

5. **Annex One** provides a summary of the key themes raised during consultation. Broadly, the feedback on proposed changes was:

   - <u>Broad support for diversifying the Growth category to include property development</u>. Stakeholders agreed property was an attractive, higher-risk investment option for potential investors and noted there would likely be sufficient supply of projects available to meet demand. Living-sector projects such as Build to Rent (BTR) and student accommodation were seen as ideal types of projects for addressing housing demand and offering scalable, long-term investment opportunities.

   - <u>Strong support for new residential, commercial, and industrial property developments, but mixed feedback on permitting improvements of existing commercial/industrial developments</u>. Some stakeholders saw limited benefit in allowing property improvements as an investment option, and commented the commercial/industrial market had less need for AIP funding. Others supported inclusion for sustainability reasons (i.e. lower carbon impact), and noted recent changes to earthquake strengthening rules may drive greater interest in redeveloping existing buildings (e.g. those with heritage status).

   - <u>Property development companies and managed funds should demonstrate a clear track record in property development to be eligible for investment</u>. Most stakeholders considered that an eligible sponsoring company should have a proven track record that ranges between five to 10 years for a direct investment (reflecting its ability to deliver projects through varying economic cycles), and at least five years for managed funds.

6. We have considered this feedback and developed a revised proposal, which was then tested again with members of the IARG, who were supportive of the proposed changes.

Objectives for expanding property development as an acceptable investment class under the Growth category

7. We recommend the primary objective of these changes is to diversify the investment options available to investors under the Growth category. This will help to ensure the AIP pipeline of potential investment – currently valued at over $2 billion – has attractive offerings to meet investor demand and support the Government's objectives of increasing the flow of foreign capital into areas that align with its economic strategy.

8. The secondary objectives are to:

   - support economic growth through increased new residential, commercial, and/or industrial property developments at scale, and via significant improvements being made to existing commercial/industrial property developments
   - increase New Zealand's housing stock (by permitting investment in new, high-density, residential property developments at scale).

9. We have applied a set of guiding principles designed to inform proposed policy settings. These principles are:

   - Attractive to investor migrants.
   - Focused on active investment.
   - Simple to administer.
   - Consistency with existing regulatory regimes.

You have choices about how to set property development settings

10. We have identified a number of key choices following feedback from stakeholders. We seek your direction on these to finalise policy proposals.

Scope of property development investment

11. We seek your decision on the scope of property development investment settings. You have a choice to either focus on residential property development only, or broaden it to include residential, commercial, and industrial property development.

Scope of residential property development

12. We recommend that investment in residential property development must exclusively facilitate new developments. We recommend setting a minimum number of dwellings to exclude small-scale developments and ensure investment is directed towards those developments that can deliver a meaningful increase in housing supply.

13. You have a choice to set either a minimum of 20 or 50 dwellings. Setting a minimum of 20 dwellings would align with the Overseas Investment (Build-to-rent and Similar Rental Developments) Amendment Act 2025[1], which specifies 20 dwellings for Build to Rent developments.

14. However, to achieve scale, we recommend setting a higher minimum of 50 dwellings, consistent with Australia's requirement for Build to Rent developments[2]. This approach would

[1] Overseas Investment (Build-to-rent and Similar Rental Developments) Amendment Bill 61-2 (2024), Government Bill – New Zealand Legislation
[2] PWC Build-to-rent in Australia – An evolving landscape https://www.pwc.com.au/tax/taxtalk/assets/alerts/build-to-rent-in-australia-an-evolving-landscape.pdf

better position New Zealand to attract investors seeking large-scale projects and result in more substantive increases to housing supply. Stakeholders broadly agreed that a minimum of at least 20-50 dwellings should be a key criterion for residential property.

Permitting repurposed commercial spaces and mixed-use developments

15. We recommend permitting the repurposing of existing commercial developments into residential use, as well as new mixed-use residential/commercial developments, provided they meet requirements for both residential and commercial property development investment (e.g. a new mixed-use development with at least 50 dwellings). This promotes efficient land use and supports the objective of increasing housing supply. Stakeholders were supportive of including these options.

16. Rising office vacancy rates reinforce the need to enable investment in repurposing and mixed-used developments. For example, Auckland CBD office vacancies increased from 16.7 per cent in December 2024 to 18.8 per cent in June 2025.[3] Converting vacant offices and integrating mixed-use developments creates opportunities to address housing shortages, while supporting areas affected by a decline in commercial demand.

17. We note that under these proposed settings, there is a risk that some residential property developments may be enabled that do not contribute meaningfully to housing supply objectives (i.e. high-end/luxury apartment projects) and this could present a reputational risk to the AIP programme. This risk may be partially mitigated by a minimum requirement of 50 dwellings and could be further mitigated by restricting residential property to investments that better target New Zealand's housing needs (i.e. Build to Rent developments, social housing, and affordable housing).

Commercial/Industrial property development

18. You have a choice to allow investment in commercial/industrial property development to facilitate new developments only or allow significant improvements to existing developments. Stakeholders expressed mixed views on whether investment in commercial/industrial property should include new developments and/or significant improvements to existing developments. Consideration should also be given to managed funds which vary in focus-some target commercial or industrial property developments, others focus on residential, and some maintain mixed portfolios.

19. The main benefit of allowing new commercial/industrial developments is that it will help drive investment in business infrastructure and aligns with the objectives for introducing property under the Growth category. Most stakeholders supported this approach, though some noted the environmental impacts of new developments, such as increased carbon emissions.

20. While stakeholders were of the view that the residential market required further support, they consistently expressed there was no equivalent market gap in the commercial market requiring government intervention or AIP funding. In contrast, residential developments at scale (particularly Build to Rent) were seen as widely understood and attractive to foreign investors. Ultimately, the decision on whether to include commercial and industrial property development comes down to whether you consider government intervention is necessary in these sectors to achieve the economic growth objective.

21. Permitting significant improvements to existing commercial/industrial developments could lead to major upgrades being made that increase their market value. Such improvements should represent a substantial upgrade that increases the property's value, rather than routine maintenance (e.g. replacing carpets).

---

[3] Auckland Figures Q3 2025 | CBRE New Zealand https://www.cbre.co.nz/insights/figures/auckland-figures-q3-2025

22. If you wish to enable significant improvements to existing commercial/industrial developments, the Ministry of Housing and Urban Development recommended setting a threshold, being that the cost of consented works must equal at least 30 per cent of the capital value of the development (excluding land value). For example, if a property has a capital value of $15 million, the qualifying significant improvement must cost at least $4.5 million. This threshold ensures that qualifying projects deliver a significant increase in value to the asset.

23. We seek direction on your preferred approach. A summary of the proposed recommended settings is set out in **Annex Two**.

There are choices about the type of investment vehicle that should be permitted

24. We seek your decision on the types of investment vehicles that should be permitted. We recommend there are two types of investment vehicle permitted for property development investments: direct investment into a property development company, and managed funds.

25. Establishing clear criteria for these investment vehicles is critical to ensure investor funds are directed towards experienced entities, with the necessary capability to deliver property development projects. These settings aim to manage risk and investor confidence, safeguard the integrity of the AIP programme, and prioritise companies and funds with proven capability and stability.

Direct investment into a property development company

26. We recommend that investors who wish to invest directly in a property development company must do so via an existing legal entity (e.g. a limited liability company or a limited partnership), which has been sponsored by an existing eligible company with a demonstrable history of building residential, commercial and/or industrial property development projects of similar scale.

27. We seek your direction on how long the existing eligible company must have been trading in New Zealand. This could be set at either five years or 10 years and is intended for companies to demonstrate their capability and success in property development.

28. We recommend 10 years, as this would act as a quality filter and ensures that investment is directed towards experienced property developers with the capability to complete projects, even in varying economic conditions. A longer trading history also signals stability and a proven track record, making it a more attractive investment option for potential investors.

Investment into a managed fund

29. We recommend that investors are also able to invest in a managed fund on the acceptable managed fund list maintained by Invest NZ. The fund must raise capital for both the development and ownership of new residential, commercial, and/or industrial property projects, as well as significant redevelopment projects.

30. The Ministry of Housing and Urban Development noted that while some property-focused managed funds separate construction and asset holding, many do not. They also highlighted that some investors would want to invest in opportunities to build and hold assets to generate ongoing cashflow rather than a one-off investment. This approach will ensure investment is directed towards funds with a diverse range of property developments, creating a more attractive pathway for investors.

31. We also recommend that funds must be sponsored by an eligible company that has a demonstrable history of at least 10 years investing and operating in in residential, commercial and/or industrial property development. MBIE's view is that a five-year history is

sufficient compared to a 10-year requirement for direct investment, as managed funds diversify risk across multiple projects. Stakeholders were supportive of ensuring managed funds were sponsored by eligible companies with a clear track record of property investment.

32. Additionally, we also recommend the fund manager has a demonstrable history of at least five years in property development, as this will ensure the manager has the capability and experience necessary to manage a fund effectively. This will provide further confidence to investors and mitigate the risk of engaging an inexperienced fund manager.

Implementation – assessing acceptable property development investments

33. Under the Growth category, operationally, Invest NZ is the steward of determining what is an acceptable direct or managed fund investment. Managed funds are pre-approved which provides certainty to entities seeking investment and applicants seeking to invest that these investments are acceptable. Confidential advice to Government [redacted]

34. Confidential advice to Government [redacted]

35. As Invest NZ is an autonomous Crown entity, it must “*have regard to government policy when directed by the responsible Minister*”[4]. Confidential advice to Government, [redacted] Invest NZ’s mandate is on attracting foreign investment into New Zealand, with a focus on sectors of high growth and increased productivity potential. The scope of property development is likely to be a key factor for the Invest NZ Board.

36. Commercial Information [redacted]

37. We note that your decisions on the scope of property development investment will influence the implementation effort, and administrative complexity required. For example, limiting property investment to residential development only, and in sectors such as Built to Rent would require an amendment to Appendix 15 only (the list of investments maintained by Invest NZ). However, allowing all property development would require significantly more work to implement, for example, securing property development expertise.

38. Following direction from Ministers on the scope of the proposed policy settings, MBIE would engage with Invest NZ and its Board to determine implementation options.

Detailed settings

39. There are further technical settings on which we seek your decision on to provide clarity for implementation design. These settings align with existing policy for property investment under the Balanced category. MBIE will continue to undertake detailed work on policy settings and engage with stakeholders to ensure they reflect industry norms and are able to be implemented.

[4] Refer Schedule 1, Part 2, and Section 7(1)(a), Crown Entities Act 2004.

Purpose of investment

40. We recommend that the purpose of property investments must be to make a commercial return on the open market, including rental returns. This ensures a focus on active and economically productive investments and aligns with the purpose of property investments under the Balanced category.

Sensitive land

41. We recommend that if the property development is located on sensitive land, it will only be considered an acceptable investment if consent for the purchase has been granted under the Overseas Investment Act 2005 (the Act), or where the transaction is exempt from the requirement for consent under the Act.

Vacant land

42. We recommend that investors cannot invest in vacant land unless plans for development have been submitted to regulatory authorities and work has commenced (e.g. architectural work). While one stakeholder suggested allowing managed funds to allocate a portion of equity capital to acquire vacant land for developmental purposes, we do not support this approach. It would encourage speculative land banking, and likely require strict monitoring to ensure progress was occurring. Prohibiting investment in vacant land will ensure Growth category funds are directed towards active and economically productive investments.

Occupancy limitations

43. We recommend that neither the principal applicant, nor the family or relatives of any person included in the application may reside in the development. This preserves the integrity of the investment and is consistent with the Overseas Investment Act 2005.

44. Maintenance of the law, Free and frank opinions [redacted].

Implementation

45. These changes are subject to ICT dependencies, as updates to the online form are required to incorporate property development as an investment option under the Growth category and be incorporated into reporting. The implementation timeline will be contingent on the timing of decision-making and the complexity of any additional changes planned for broader AIP settings in 2026.

46. Confidential advice to Government [redacted]

47. As noted in paragraphs 32-36, a key implementation decision is how property development investments are managed.

Next steps

48. We recommend seeking Cabinet's agreement because asset classes are shifting from Balanced to Growth. Subject to your direction, MBIE will provide you with a draft Cabinet paper in January 2026, for consideration by Cabinet Economic Policy Committee in March

2026. This could also include changes to philanthropy and small cap settings if the joint ministers wish to progress these as well.

Table 1: Timeline for key milestones

Milestone	Date
Draft Cabinet paper to ministers	22 January 2026
Agency consultation	26 – 30 January 2026
Ministerial consultation	2 – 13 February 2026
Updated Cabinet paper to ministers	19 February 2026
Lodge Cabinet paper	26 February 2026
ECO	4 March 2026
Cabinet	9 March 2026
Go-live of AIP changes	31 May 2026 (TBC)

Annexes

Annex One: Thematic summary of stakeholder feedback

Annex Two: Overview of criteria for property development investment under the Growth category

Annex One: Summary of key themes from stakeholder consultation

Key theme	Summary of stakeholder feedback
	Objectives and proposal
Broad support for diversifying Growth category acceptable investments to include property	• All stakeholders broadly support diversifying the Growth category investment classes to include property development investment. • Stakeholders agreed the proposal would be attractive to potential investor migrants, noting that demand will likely depend on investors' risk appetite, as property development may carry a higher risk profile than other investment classes, particularly for direct investments. • All stakeholders considered there would likely be sufficient supply of property development projects available to meet demand.
	Residential property investment
Strong support for residential property investment at scale	• All stakeholders were supportive of including new residential properties and broadly agreed with a minimum of at least 20 dwellings to align with existing Build to Rent (BTR) policy. Living sector projects such as BTR and student accommodation were seen as ideal types of projects for this investment class. • One stakeholder suggested an increase to a minimum of 50 properties to align with Australian Build to Rent policy, while others suggested setting a monetary value requirement, i.e. investment in property projects valued at $20 million minimum rather than a minimum number of dwellings. • Additional suggestions included setting different minimums for urban and rural areas, and one questioned whether a threshold would be too restrictive for potential investments.
	Commercial/industrial property investment
Mixed feedback on whether improvements of existing commercial/industrial properties should be an acceptable property development investment sub-category	• Some stakeholders saw limited benefit in including existing buildings for improvement and cited a strong maturity of the equity funding market for commercial properties, with less need for AIP funding compared to residential. • Other stakeholders were strongly supportive of including significant improvements rather than new builds, particularly for sustainability reasons such as lower carbon impact. Some noted that the Government's recent changes to earthquake strengthening rules may result in greater interest of redeveloping existing buildings, particularly those of heritage status. One stakeholder identified that repurposing of existing commercial to residential should be included.

<table>
<tr><th>Key theme</th><th>Summary of stakeholder feedback</th></tr>
<tr><th colspan="2">Direct investment</th></tr>
<tr><td>Direct investment requirements need to reflect how new property developments are established</td><td rowspan="2">Some stakeholders identified that the proposed wording on eligible companies should reflect common business practice that a separate legal entity is established for each new development project (e.g. a limited liability company or limited partnership). This ensures the investment is derisked for the investor and the parent company by containing the liabilities within the entity.
Some stakeholders were supportive of a 5-year minimum trading requirement, noting that a 5-year-old company may have created 2–4 property development projects within that period.
Others were supportive of a 7–10-year minimum requirement, suggesting it would better reflect a company’s resilience through economic cycles and its capability to deliver successful, high-quality projects.</td></tr>
<tr><td>Strong support for requiring property development companies to demonstrate a track record</td></tr>
<tr><th colspan="2">Managed funds</th></tr>
<tr><td>Strong support for requiring managed funds to demonstrate a track record</td><td>Stakeholders were supportive of requiring managed funds to have a clear track record in property development, some suggested requiring a 5-year history. Some stakeholders also suggested that appropriate due diligence on the fund manager is undertaken.
Additional suggestions included permitting investment in significant redevelopments, and that up to 20% of a managed fund’s equity capital could be used to acquire vacant land that has the necessary zoning aligned with the fund’s development mandate.</td></tr>
</table>

Annex Two: Overview of proposed criteria for property development investment under the Growth category

Criteria	Rationale
Residential property development	
Investment in residential property development must be in new builds and create a minimum of 50 dwellings or more.	Setting a minimum of 50 dwellings will ensure investment is directed towards large scale developments that can deliver a meaningful increase in housing supply. This brings New Zealand into alignment with Australia's Build to Rent policy which requires a minimum of 50 dwellings.
New mixed-use residential/commercial developments are permitted	Allowing mixed-use developments will promote efficient land use, increase housing supply and contribute to economic growth by integrating residential and commercial spaces.
Repurposing existing commercial developments to residential property is permitted	Allowing conversion of commercial developments to residential property promotes efficient land use and supports the objective of increasing housing supply.
Neither the principal applicant, nor the family or relatives of any person included in the application may reside in the development.	This preserves the integrity of the investment and is consistent with the Overseas Investment Act 2005.
Commercial/industrial property development	
Investment in commercial/industrial property developments may be either in new builds or a significant improvement to upgrade existing properties. A significant improvement is defined as a significant structural upgrade to an existing commercial or industrial development that materially enhances its value. To qualify, the cost of consented works must equal at least 30% of the capital value of the development (excluding land value). Examples of improvements which would meet these requirements (but are not limited to) include seismic strengthening or expanding commercial floor area. Addressing general wear and tear, or routine maintenance costs are excluded.	This ensures investment in commercial/industrial property introduces new supply or delivers significant upgrades to existing properties, enhancing their functionality and market value.
Investment vehicle	
Direct investment - Applicant must invest in an existing legal entity (e.g. limited liability company or a limited partnership), which has been sponsored by an existing parent company that has been trading for a minimum of 10 years in New Zealand, with a demonstrable history of building residential and/or commercial or industrial property development projects. Demonstrable history may include (but is not limited to) property projects of a similar complexity, scale, type, and/or in the same region as the proposed property development.	This ensures investment is directed towards experienced property developers with demonstrated capability to complete high quality property development projects through varying economic conditions.
Managed fund - Applicant may alternatively invest in a managed fund on the acceptable managed fund list maintained by Invest NZ, with a demonstrable history of at least 5 years in residential and/or commercial/industrial property development. The managed fund must raise funds for both the development and ownership of new residential, commercial, or industrial property projects, as well as significant redevelopment projects. The fund manager must also have at least a demonstrable history of 5 years in property development.	This supports the policy objectives by ensuring investment is directed towards managed funds with a history of property development in New Zealand, while improving quality and diversifying investment options for investors. A five-year history for managed funds is sufficient compared to a 10-year requirement for direct investment, as managed funds diversify risk across multiple projects.
All property investment requirements	
The purpose of investments must be to make a commercial return on the open market, including rental returns.	This ensures a focus on active, economically productive investments and is consistent with the Balanced category requirements.
Investors cannot invest in vacant land unless plans for development have been submitted to regulatory authorities and work has commenced (e.g. architectural work).	This prevents speculative land banking and ensures investment funds are directed toward active development.
If the property development is located on sensitive land, it will only be considered an acceptable investment if: • consent for the purchase has been granted under the Overseas Investment Act 2005; or • the transaction is exempt from the requirement for consent under the Overseas Investment Act.	This ensures investment in property development is compliant with the Overseas Investment Act 2005.