



Dreaming of a slice of paradise? What overseas buyers should keep in mind when buying residential land in NZ.

Posted on: December 1, 2025

There have long been restrictions in New Zealand for purchase by Overseas interests of “sensitive land” (e.g. large non-urban land holdings, land adjoining lakes / beaches, conservation land) and these rules continue to apply.

More recently (since October 2018), New Zealand has also introduced regulations to restrict overseas investment in the previously unrestricted category of residential property. This has been to prioritise local ownership of residential land and respond to government concerns of the impact of unchecked overseas investment in the

New Zealand housing market. While the rules on foreign buyers for New Zealand housing are strict, there are still pathways for certain eligible non-citizens to purchase residential property.

Here's what you need to know before starting your property search:

Non-NZ Citizens need to be careful

As a non-NZ citizen, you face restrictions when it comes to buying residential property in New Zealand given it is now classed as "sensitive" land under the Overseas Investment Act. However, there are exceptions and consent pathways that may still allow you to purchase residential property in New Zealand.

Who are the non-NZ Citizens who can still buy without restrictions?

There are a small number of non-NZ citizens that can still buy residential land without needing to seek consent from the Overseas Investment Office.

**** When referred below "ordinarily resident" means:**

- *Holding a residence class visa; and*
 - *Having lived in New Zealand for at least the last 12 months; and*
 - *Been physically present in New Zealand for at least 183 days of the last 12 months; and*
 - *a tax resident of New Zealand.*
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- New Zealand Residence Class Visa holders will be eligible if they are also "ordinarily resident".
 - Australian and Singaporean citizens can buy residential property without restrictions due to free trade agreements in place between the New Zealand Government and the Governments of those countries. If an Australian or Singaporean citizen is also "ordinarily resident" they can also purchase residential land that is "otherwise sensitive" under Overseas Investment Act rules (*for example residential land on an island, or adjoining beach or lake*).
 - Australian and Singaporean permanent residents provided they are also

“ordinarily resident”.

- Relationship property: If you’re a non-NZ Citizen in a relationship with someone eligible to buy property (e.g. a NZ citizen), it is likely you will be able to purchase property together—provided it forms part of your shared relationship property.

*** In 2025 the current coalition Government has announced it intends to relax foreign buying restrictions for residential land for certain Investor visa holders, such as those under the Active Investor Plus Visa. The exemption in current proposed form would allow eligible parties to buy or build a home worth NZD \$5 million or more (currently less than 1% of residential housing stock). The policy has been explained as rejuvenating activity at the higher end of what has been a subdued New Zealand Residential property market in recent years. At the time of writing the policy has not been passed into law though current indications from the Government are that it will be made operative by the end of 2025.*

If I am not an NZ Citizen and not in any of the above categories, is there any way I can still buy residential land in New Zealand?

Yes, under current policy, if you are not in one of the above Non-NZ Citizen categories allowed to purchase residential land, but only because you are not yet ‘ordinarily resident’ in New Zealand (*i.e. you have a NZ Residence Visa, or an Australian or Singaporean Citizen wanting to buy residential land that is otherwise sensitive, or an Australian or Singaporean Permanent Resident*) you can notwithstanding not yet being ‘ordinarily resident’, apply to the OIO for consent to buy or build a home to live in.

Any Overseas person not in one of the ‘exception’ categories, or not in the exception categories only because they are not yet ‘ordinarily resident’, cannot purchase residential land or apply for consent.

A last avenue available of ‘general exemption’ is available to these otherwise prohibited Overseas Person, however the OIO’s own guidance is this a very difficult option to have granted.

Does buying Through a Trust or Company get around the Rules?

Setting up a New Zealand trust or company does not bypass the rules. Broadly, if

25% or more of effective of control of the company, or 25% or more of a Trust's trustees, are overseas persons, the trust or company will also be restricted from buying residential land. Trust beneficiaries can also (independent of trustees) in some circumstances cause a trust to be an overseas person.

There are a number of anti-avoidance rules to prevent people from trying to "get-around" the rules. In early 2025 an Auckland solicitor was fined \$275,000 for devising a "complicated company structure" to assist an overseas person to avoid the rules. The overseas person for their part was ordered to pay \$1.7m in pecuniary penalties.

What If I Want to Buy Other Types of Land?

In addition to restrictions on Residential Land and the specific rules discussed in this article, other types of land are also classed as "sensitive" under the Overseas Investment Act and require consent. This includes "non-urban" land over 5ha and other types of land such as marine and coastal area. Land can also become "sensitive" by the fact it adjoins the "primary" sensitive land. In these cases, overseas buyers may be able to purchase, but you must apply for consent from the OIO and show your investment will benefit New Zealand. Seeking consent as an Overseas Person in all circumstances is complex. Professional advice should be obtained before considering any application for consent and prior to acquiring any interest in land that may be "sensitive".

Penalties for Breaking the Rules

If you attempt to buy residential land without meeting the eligibility criteria, or provide false information, the Overseas Investment Office has several remedies it can impose including disposition of property (forced sale) orders, fines and penalties, and forfeit of financial gains. Legal professionals, real estate agents and other advisors involved in non-compliant transactions may also be censured and penalised by their professional bodies as well as being pursued by the Overseas Investment Office directly.

In summary:

If you're not a New Zealand citizen, purchasing residential and other land in New Zealand is possible but it is essential to get legal advice before making any

decisions or signing an Agreement for Sale and Purchase.

Thinking about buying land in New Zealand and you are or think you might be an Overseas Person? Reach out to us for expert legal guidance to help you navigate this process.

*** This article does not constitute legal advice and is information of a general nature. If you require advice on a specific matter relating to Overseas Investment in land New Zealand, please contact us to discuss your requirements and specific situation.*