

FOR IMMEDIATE RELEASE

Thursday 7 March 2024

Property Council applauds the Government's move to unlock Build to Rent investment

Key points

- Property Council New Zealand has come out in strong support of the Government's proposal to remove the barriers to greater overseas investment in Build to Rent housing.
- The changes, announced today, will streamline the consenting pathway for overseas investors to purchase land with the intention of creating a new Build to Rent development or purchasing an existing one.
- Previous Property Council research shows with the right policy settings in place, our 550 member companies, which include the nation's largest residential and commercial property developers and investors, stand poised to deliver up to 25,000 Build to Rent homes in the next decade.
- Today's announcement goes hand in hand with the launch of Property Council's Build to Rent tracker, due for launch on 21 March, which will each quarter track Build to Rent projects across New Zealand that have been completed, are under construction or in the pipeline.

Today's announcement to introduce legislation to make it significantly easier for overseas investment in Build to Rent housing developments in New Zealand will fuel the fledgling sector, says Property Council chief executive Leonie Freeman.

The changes will streamline the consenting pathway for overseas investors to purchase land with the intention of creating a new Build to Rent development or purchasing an existing one.

"While we are yet to see the full scope of the amendments, we are pleased to see a ministerial directive letter will be issued under the Act to provide immediate certainty that New Zealand is open to foreign investment in Build to Rent developments and we know this announcement will be music to the ears of the nation's Build to Rent sector," says Freeman.

"Property Council has been working constructively with both the current Government and its predecessor to ease the barriers to investment in this exciting new housing model for close to five years, says Freeman.

"The previous approach to overseas investment for Build to Rent is broken. Current provisions within the Overseas Investment Act treat Build to Rent like ordinary residential property and require ministerial direction for investment. This uncertainty discourages overseas investors from entering the New Zealand market, making it challenging for operators to access development funding and damaging overall market liquidity."

"We are delighted the Government has followed its counterparts in Australia and the United Kingdom in enabling Build to Rent housing. Overseas investment is critical to unlocking the untapped potential of Build to Rent. If we want to deliver much needed new homes for Kiwis, at speed and at scale, this is an obvious lever to pull.

"Build to Rent will transform the experience of renting in New Zealand. Over time, Kiwi's will have the option to choose between thousands of new, high-quality, rental houses.

"Registered Build to Rent operators are required to offer at least 10-year leases to their customers, giving tenants certainty as well as the opportunity to live in a warm, dry, and climate-friendly Build to Rent home.

"Build to Rent homes are professionally managed, allow tenants to personalise their space and often come with great access to amenities. It is the fastest growing type of housing in places like the United Kingdom, offering tenants increased rental options and new ways of living.

"Previous Property Council research shows with the right policy settings, such as today's amendment, in place, our 550 member companies, which include the nation's largest residential and commercial property developers and investors, stand poised to deliver up to 25,000 Build to Rent homes in the next decade."

Today's announcement goes hand in hand with the launch of Property Council's Build to Rent tracker, due for launch on 21 March, which will track Build to Rent projects that have been completed, are under construction or in the pipeline on a quarterly basis via an online platform.

"We look forward to seeing Build to Rent numbers soar in the coming years as the industry and Government come together to make it easier for Kiwis to get into a warm, dry, healthy home," says Freeman.

ENDS.

For further comment please contact:

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NOTES TO THE EDITOR

About Property Council New Zealand

Property Council is the leading advocate for Aotearoa's largest industry – property.

Property Council New Zealand is the one organisation that collectively champions property, bringing together members from all corners of the property eco system to advocate for reduced red tape that enables development.

Property is New Zealand's largest industry, making up 15% of economic activity. As a sector, we employ 9% of New Zealand's workforce and contribute over \$41.2 billion to GDP.

A not-for-profit organisation, the Property Council connects over 10,000 property professionals, championing the interests of approximately 550 member companies.



Our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our local, national and online events, which offer professional development, exceptional networking and access to industry-leading research.

Our members shape the cities and spaces where New Zealanders live, work, play and shop.

www.propertynz.co.nz

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