

FOR IMMEDIATE RELEASE

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Another Step Forward for Build to Rent: Government Passes Key Investment Bill

KEY POINTS:

- Property Council New Zealand strongly supports the passing of the Overseas Investment (Build to Rent and Similar Rental Developments) Amendment Bill, which facilitates increased foreign investment in the Build to Rent (BTR) housing sector.
- The Amendment Bill introduces a 'large rental development test' to attract much-needed overseas capital and signal that New Zealand is open for BTR investment.
- BTR has seen slow but steady growth since the asset class was formally recognised in 2023, and the Bill is expected to accelerate development.
- Research from Property Council New Zealand indicates that, with supportive legislation, developers could deliver 25,000 BTR homes in the next decade.
- Property Council and partners Bayleys, Colliers, Savills, CBRE, and JLL track BTR sector growth across Aotearoa, with 1,841 completed units, 736 under construction, and 2,961 in the pipeline across 56 developments as of 31 December 2024. More details: www.buildtorentnz.co.nz.

Property Council New Zealand welcomes the passing of the Overseas Investment (Build to Rent and Similar Rental Developments) Amendment Bill, a critical step toward increasing the supply of long-term, quality rental housing across New Zealand.

The Bill introduces a 'large rental development test' to attract much-needed overseas investment, ensuring Build to Rent (BTR) projects can be financed at scale. Property Council Chief Executive Leonie Freeman says the move is a game-changer for the sector, unlocking opportunities to deliver more secure, high-quality rental options for New Zealanders.

"This legislation is a strong signal that New Zealand is open for Build to Rent investment. For years, we have seen the sector struggle to gain momentum due to regulatory uncertainty and barriers to international capital. Today's decision changes that," says Freeman.

BTR, a purpose-built rental housing model offering professionally managed, long-term rental options, has been growing steadily in New Zealand since its formal recognition in 2023. However, to scale effectively, developers need access to investment that matches the long-term nature of these assets.

"With supportive policy settings, our research shows that developers could deliver 25,000 Build to Rent homes within the next decade. That's a significant contribution to increasing housing supply and providing renters with greater choice and stability," Freeman says.

Property Council also acknowledges the cross-party support for the Bill, with all but two minor parties voting in favour. Freeman says this bipartisan approach is essential for creating certainty for investors and developers.

“We thank Ministers and MPs for their collaborative approach in recognising Build to Rent as a vital part of New Zealand’s housing mix. This kind of certainty is exactly what investors need to commit to large-scale rental developments,” says Freeman.

While the passage of the Bill is a positive step, Property Council believes further refinements could enhance the sector’s growth. Freeman urges the government to consider introducing depreciation for BTR fit-outs, clarifying GST rules around service levels and amenities, and ensuring the Residential Tenancies Act is appropriately applied to BTR tenancies.

“We look forward to continuing our work with government to fine-tune the policy settings that will enable Build to Rent to reach its full potential,” Freeman says.

For more information on BTR sector growth, visit www.buildtorentnz.co.nz.

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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 New Zealand’s largest industry - property.

Property Council New Zealand is the one organisation that collectively champions property. We bring together members from all corners of the property ecosystem to advocate for reduced red tape that enables development, encourages investment, and supports our communities to thrive.

Property is New Zealand’s largest industry, making up 15% of economic activity. As a sector, we employ 10% of New Zealand’s workforce and contribute over \$50.2 billion to GDP.

A not-for-profit organisation, the Property Council connects over 10,000 property professionals, championing the interests of over 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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