



YOUR GUIDE TO **INVESTING** IN New Zealand



An indepth look at New Zealand to help Investors understand more about this beautiful country



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Kia Ora Welcome

We work with investors from around the world who purchase offshore property not only in New Zealand, but also in Australia and the UK. One of the most common challenges these investors face is navigating the different terminologies, fees and legal requirements. This guide is intended as an impartial and informative document to help those from outside of New Zealand navigate the property market and understand more about this beautiful country.

Our guide is not a travel guide or a property guide, it is a guide designed to provide potential investors a brief overview of the combined fundamentals that underpin life in New Zealand as we know it today.

If you are already familiar with the country and thinking about investing in property in New Zealand, you may want to jump straight to our 'Buyers Guide' which will give you an informative guide as to the forms or property tenure, the buying process, tax implications, letting and management and much, much more.

Alternatively, please contact one of our professional portfolio advisors who can help you with any queries or questions you may have. We hope you enjoy this guide, and please let us know if you would like to see any additional information included in future editions.

Visit Our NZ Buyer's Guide
www.duvalproptech/investorlibrary



1.0 “The Best Country In The World”

New Zealand’s Geography

New Zealand has been voted ‘The best country in the world’ for the past six years in a row, by readers of The Telegraph, one of the United Kingdom’s most popular newspapers – and it is easy to understand why. New Zealand has a rich and diverse history and offers a lifestyle enviable by many around the world. and we hope this comes across in our Country Guide.

The landmass is about the same size as Britain or Japan, but New Zealand has a population just of 4.8 million, compared to 66 million of the United Kingdom and 126.5 million of Japan. With low population density, a lack of pollution, diverse, easily accessible landscape and a high quality of life, New Zealand welcomes nearly 4 million tourists a year to its shores. Auckland has ranked in the Top 10 of Mercer’s Quality of Living Survey for eight consecutive years.

Key Facts

Capital City	Wellington
Major Cities	Auckland, Wellington, Christchurch, Hamilton
Official Languages	English, Te Reo Māori, NZ Sign Language
National Day	Waitangi Day 6 February
Currency	New Zealand Dollar (NZ\$) *

* All currency quoted in this guide is New Zealand Dollar, unless otherwise stated.

.....With low population density, a lack of pollution, diverse, easily accessible landscape and a high quality of life.....

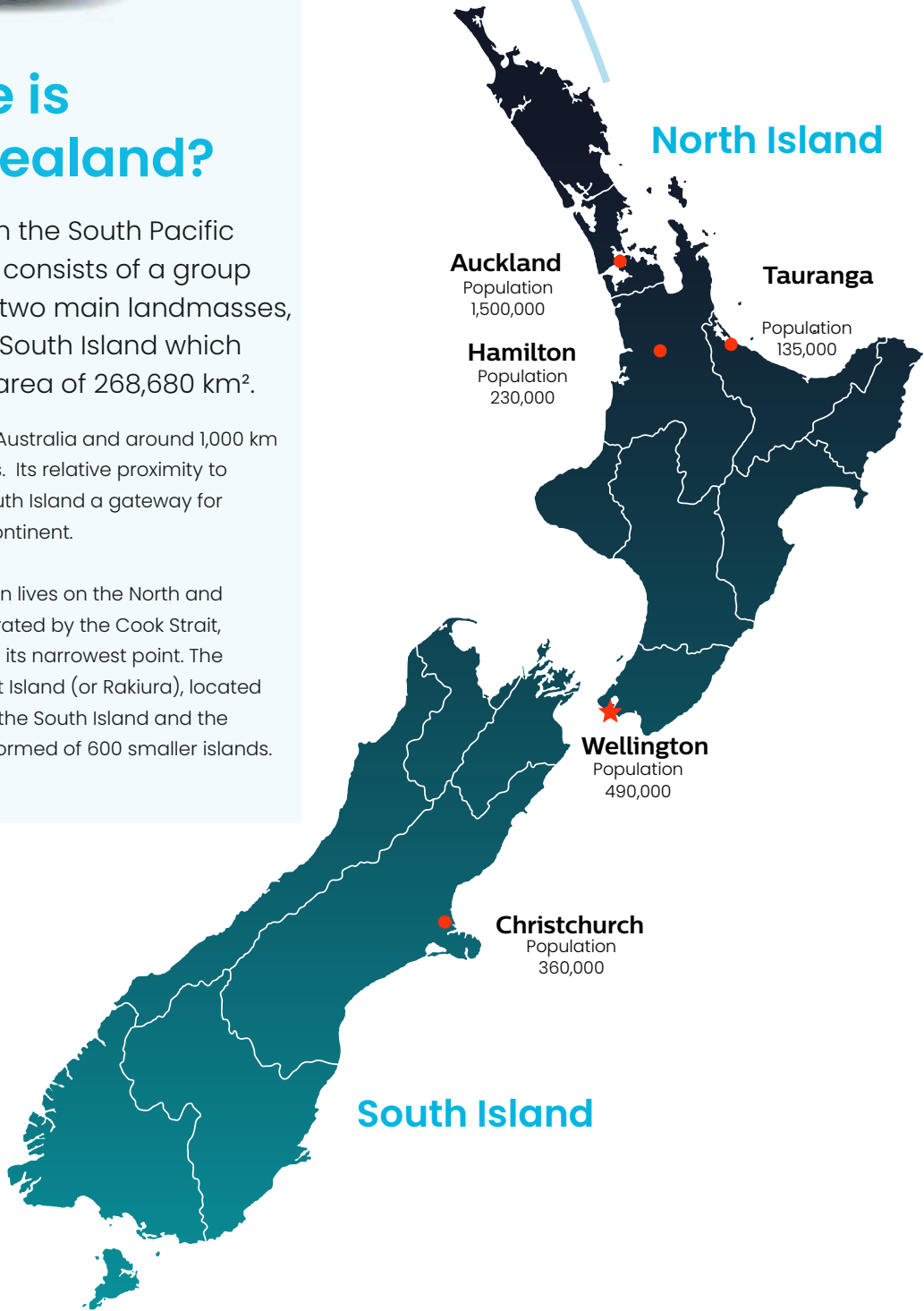


2.0 Where is New Zealand?

Located in Oceania in the South Pacific Ocean, New Zealand consists of a group of islands, formed of two main landmasses, the North Island and South Island which collectively have an area of 268,680 km².

It is located 1,500 km east of Australia and around 1,000 km south of South Pacific Islands. Its relative proximity to Antarctica has made the South Island a gateway for scientific expedition to the continent.

The majority of the population lives on the North and South Islands, which is separated by the Cook Strait, approximately 23 km wide at its narrowest point. The third-largest island is Stewart Island (or Rakiura), located 30 km off the southern tip of the South Island and the remainder of the country is formed of 600 smaller islands.



A Filmmaker's Paradise

New Zealand's diverse landscape

Despite being only 1,600 km (990 miles) along its north-north-east axis with a maximum width of 400 km (250 miles), New Zealand is world-renowned for its diverse and spectacular landscapes. Approximately one fifth of the North Island and two-thirds of the South Island are mountains. Stretching from the north of the North Island to the bottom of the South, it is estimated that around two thirds of the land is economically useful.

With glaciers, fiords, mountains, vast plains, rolling hillsides, subtropical forest, volcanic plateau and 15,000 km of sandy beaches, the country is becoming an increasingly popular location for filming movies.

International film productions based in New Zealand include The Lord Of The Rings Trilogy; The Hobbit Trilogy; The Chronicles of Narnia; Avatar; King Kong; The Last Samurai and more.



Summer river village in Shire, Hobbiton, New Zealand

3.0 Population and Demographics

Māori, the first settlers of New Zealand, arrived from Polynesia in around 1,250 – 1,300 AD.

Today, New Zealand has a population of approximately 5,000,000 people, known colloquially as 'Kiwis'. Its population has grown far quicker than expectations reaching 5,000,000 at some point in 2020, compared to expectations of the New Zealand Herald forecasting its population not to reach 5,000,000 people until 2031.

In the country's 2018 census, there were 775,836 people in New Zealand identifying as Māori, making up 16.5% of the national population.

The overall population density of New Zealand is low at 18.3 people per km². Although, the population is not evenly distributed, with 75% of the population living on the North Island and a third of the total population living in Auckland. The Auckland Region is also New Zealand's fastest growing area, accounting for 46% of its total population growth.

Here are some facts about New Zealand's ethnic diversity according to the latest Statistics NZ data (2018 Census)

- Over 27% of people living in New Zealand were born abroad. Of this group, over 50% live in Auckland.
- 16.5% of the country's population identify as Māori
- Over 15% of the population identify Asian
- Over 9% of the population identify as having Pacific Island ethnicity
- Hindi is the fourth most common language in New Zealand, after English, Māori and Samoan
- In November 2019 The Guardian newspaper reported the majority of new migrants are from China, India and The Philippines and the Asian population may grow to circa 1.4 million over the next 20 years
- Nearly 85% of New Zealand's population is living in urban areas.

Quality of Life In New Zealand

High quality of life, safety, stability, diversity and a world class education system are some of the features behind New Zealand's popularity as a destination for migrants.

Living In Auckland

Auckland is regularly ranked as one of the most liveable cities in the world, and one of the most expensive. The average cost of housing is nine times the average household income. Despite the high cost of living in the city, the majority of New Zealand's migrants live and work in Auckland. The city's population is currently 1.7 million people, but this could grow to 2.4 million within 30 years.

In 2019, nearly 140,000 people moved to New Zealand.
Statistics NZ





4.0 New Zealand's Climate

Experience all four seasons in one day

In general, New Zealand has a temperate climate with many hours of sunshine, reasonably high levels of rainfall and mild temperatures. There are some variations to this, as the far north has a subtropical climate during the summer, and the far south, an alpine climate during the winter months. Its weather is for the most part impacted by its latitude, the Pacific Ocean and to a lesser degree, the mountains, which can create significant climate differences between locations which are only tens of kilometres apart from each other.

Located in the Southern hemisphere, the seasons are the opposite to the northern hemisphere:

SUMMER	AUTUMN	WINTER	SPRING
Dec – Feb	Mar – Apr	Jun – Aug	Sept – Nov

The North of New Zealand is typically warmer than the South, but on average, during the summer months (December – February) daytime temperatures are 20-25 degrees and winter daytime temperatures range from 10 to 16 degrees. This does vary across the country, as some parts of the north do not experience colder days, whilst in the South Island, world-class skiing in heavy snowfall is common.

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Min (°C)	16	17	15	13	11	8	8	8	10	11	13	15
Max (°C)	24	24	23	20	17	15	14	15	16	18	20	22
Prec.(mm)	80	95	80	95	125	135	145	115	100	100	90	80

There is no shortage of sunlight in New Zealand, in the summer months it is light until 10 pm in the evening and some parts of the country receive over 2350 hours of sunshine a year; an average of 6.4 hours a day (compared to an average of just over 4 hours a day in the UK). Air pollution levels in New Zealand are the lowest in the world according to figures released in 2017 by the International Energy Agency/World Health Organisation (via The Eco Experts), the benefits of which go without saying! What this does mean though, is that the sun's UV rays can be very strong, with no air pollution to filter the rays, particularly so between September and April, so sunscreen hats and sunglasses are essential.

The climate in New Zealand means it is a year-round destination with something for everyone, there's skiing and hot pools in the mountains during winter; surfing, kayaking or mountain biking in the summer and hiking in the Spring. Weather in New Zealand can change unexpectedly and quickly in the course of a day and as such, it is always best to be prepared!





New Zealand Government building – Known as ‘The Beehive’

5.0 The New Zealand Government

New Zealand does not have an overarching constitutional document like the Constitution of the United States, but as is the same for many countries with a heritage of British-style of government, the effective constitution is spread across a range of formal documents, decisions, and conventions. These include:

- Acts of Parliament
- Legal documents (‘Letters Patent’)
- Decisions of the Courts
- Generally accepted practices or ‘conventions’.

Put together, these define what the major institutions of government, the powers it has and how it can be used. New Zealand is a parliamentary democracy and a constitutional monarchy. With the British Queen as its Head of State, the structure is similar to that in Australia and Canada.

House of Representatives

Day-to-day political power is the responsibility of its democratically elected parliament, the House of Representatives. The Prime Minister is the person who leads the party with the majority of seats in the House, with members of the cabinet being in charge of government departments.

Head of State

The British Queen is New Zealand’s Head of State, with the Governor-General representing the monarch locally. The Governor General is appointed by the Queen on the advice of the Prime Minister, for a term of five years.

Central and Local Government

Unlike the United Kingdom, United States, Australia, and Canada. New Zealand does not have state or provincial governments. The system of government has just two tiers of government – central and local.

Central government is tasked with decisions affecting New Zealand as a whole, whereas local governments look after the interests and needs of specific communities through regional, city or district councils.

Central government, has responsibility for:

- Housing, welfare, education, health, justice, immigration, the police, energy, the national road and rail systems, defence, foreign policy, and public finances
- Employment regulation and workplace safety
- Imports and exports
- Personal income tax, business taxes, and GST (a tax levied on most goods and services)

Local governments, have responsibility for:

- Local services such as water, rubbish collection and disposal, sewage treatment, parks, reserves, street lighting, roads, local public transport, and libraries
- Processing building and environmental consents and other regulatory tasks
- Property Taxes (‘rates’)

Elections & The Voting System

New Zealand does not have an upper house or Senate. It elects 120 Members of Parliament (MPs) to a single chamber of Parliament, the House of Representatives.

The voting system is a Mixed Member Proportional (MMP) system which means that most governments in New Zealand are coalitions. Voters have two votes on their ballot paper. One is a party vote, used to determine the overall share of seats for each party in the parliament. The second is an electorate vote, used to determine a local representative. Of the two votes, the party vote is the more important as it determines the overall party composition of the House of Representatives.

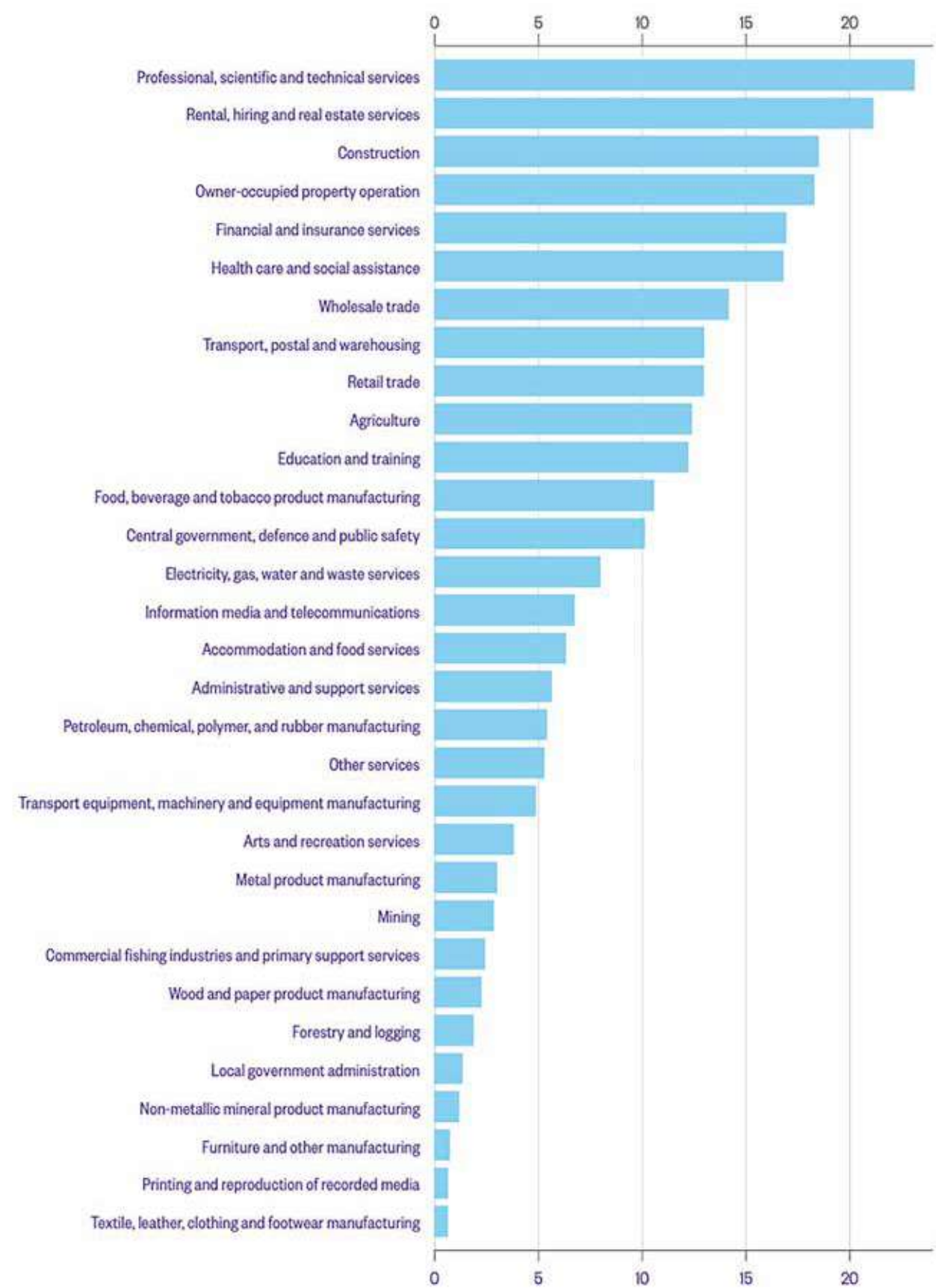
New Zealand does not use preferential voting. Electorate seats are filled by the candidate with the most votes, and the allocation of list seats is based on the proportion of party first preference votes. The 120 members are divided into:

- 71 Electorate Seats – returning a single member elected by simple majority or ‘first-past-the-post’
- 49 List Seats – where party members are elected based on national vote share. List seats are allocated to bring each party’s share of seats into line with its overall share of the party vote

GDP breakdown by industry in New Zealand

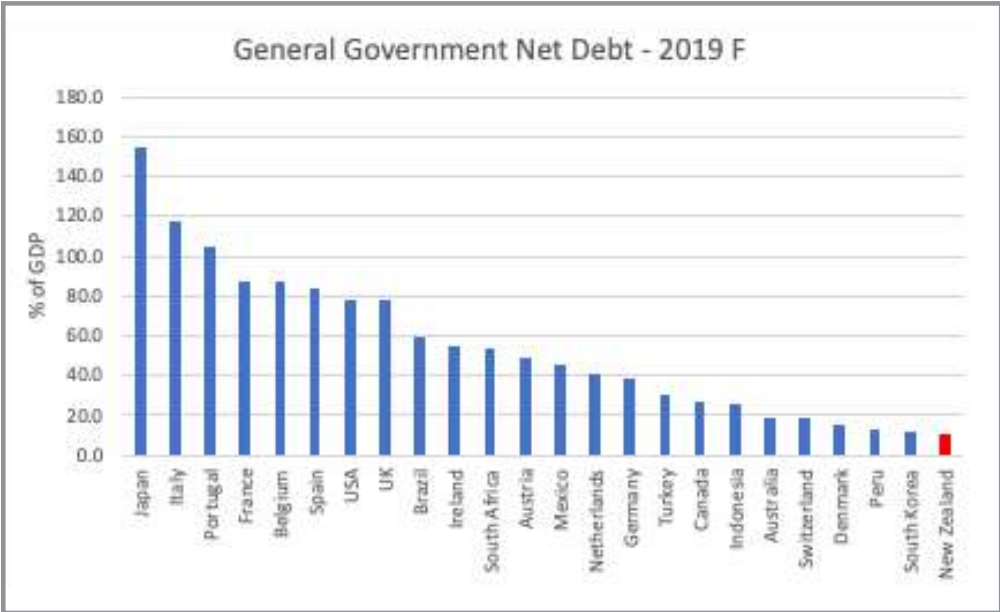
Production measure, year ended March 2018, NZD billions (nominal)

Provider: Stats NZ



The World Bank ranked New Zealand first of 190 countries for ease of doing business, with New Zealand standing out among the 10 measures used to determine the score.

New Zealand also has very low levels of government net debt as a percentage of GDP, as demonstrated in the IMF's table below:



Source: International Monetary Fund (IMF), IMF Fiscal Monitor, October 2018



8.0 Trade

New Zealand is the largest sheep meat exporter and the second largest dairy and wool exporter in the world

New Zealand is a small country with an economy highly dependent on trade, making it one of the worlds most globalised economies. New Zealand's share of world trade has held at slightly above 0.2% over the past decade.

The Ministry of Foreign Affairs and Trade leads New Zealand's free trade agreement (FTA) negotiations. New Zealand currently has 10 free trade agreements in force, with a further six having been concluded but awaiting ratification and a further seven in negotiation (which includes new free trade agreements and renegotiating existing free trade agreements).

New Zealand's prosperity depends on trade and is a strong advocate for free trade and the regional and international institutions that support it. Currently, New Zealand's exports and imports make up 60% of the country's total economic activity and around 600,000 New Zealanders are employed directly in the export sector, or in sectors that support exports.

Exports

The export of goods made up 70% of New Zealand's good and services exports, and in the year ending December 2017, this was valued at \$53.6 billion. The major primary sectors are meat, dairy, fisheries, wine, forestry and some horticulture production companies which export between 70% and 95% of their produce.

New Zealand is the 12th largest agricultural exporter by value. It is the largest sheep meat exporter and the second largest dairy and wool exporter in the world. Improving productivity, value-add and export earnings in this sector are critical to the country's sustainable economic growth, and Free Trade Agreements are crucial to supporting this.

Non-agricultural goods account for 38% of New Zealand's exports. This includes forestry products, crude and refined petroleum, fish products and clothing and electronics. Collectively the export of these goods has grown by 1% per annum over the last decade.

Services are also important, with this sector making up 30% of the goods and services exports. In December 2017, this was valued at \$22.7 billion. The sector includes tourism, transport, education, and commercial services such as IT,

telecommunications, accounting, and film production. The latest figures available on the government website report the top 10 exports in 2016 is set out in the table below.

COMMODITY / SERVICE	EXPORTS (MILLIONS NZ\$)	% of total
Milk powder, butter, and cheese	11,192	16.0
Business and other personal travel	10,074	14.4
Meat and edible offal	5,913	8.4
Logs, wood, and wood articles	4,124	5.9
Education-related travel	3,759	5.4
Fruit	2,731	3.9
Transportation	2,713	3.9
Mechanical machinery and equipment	1,621	2.3
Fish, crustaceans, and molluscs	1,617	2.3
Wine	1,608	2.3

During the same period, New Zealand's largest trading partners (by country) were as follows:

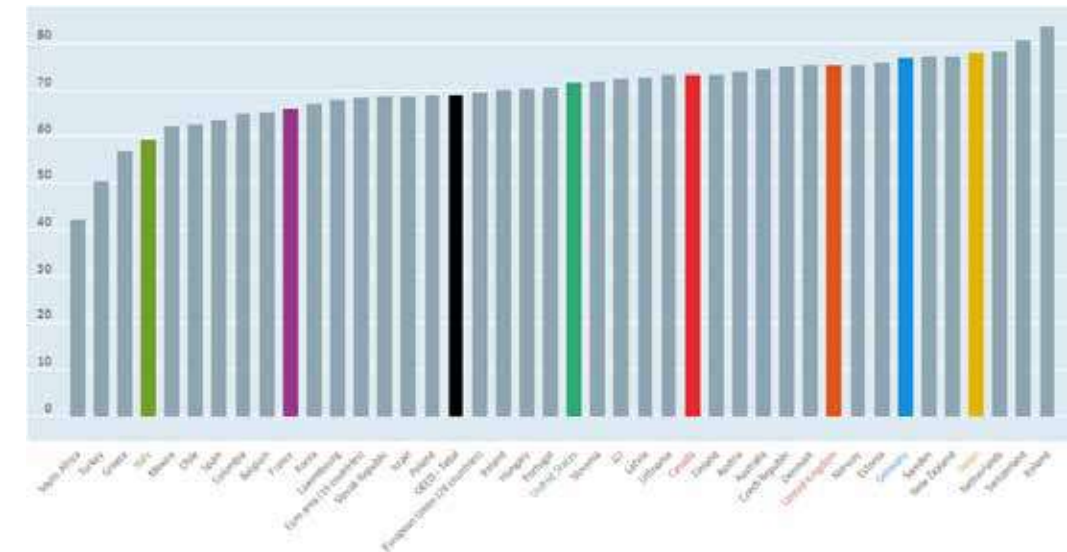
RANK	COUNTRY	EXPORTS	IMPORTS	TOTAL TRADE
		NZ\$(000) fob	NZ\$(000) cif	NZ\$(000)
1	China, People's Republic of	9,432,048	10,311,135	19,743,183
2	Australia	8,277,020	6,493,573	14,770,593
3	United States of America	5,298,580	5,826,461	11,125,041
4	Japan	2,974,983	3,659,825	6,634,808
5	Korea, Republic of	1,493,612	2,193,827	3,687,439
6	Germany	680,151	2,505,516	3,185,667
7	Thailand	825,321	2,323,409	3,148,729
8	United Kingdom	1,462,827	1,457,905	2,920,732
9	Singapore	1,125,830	1,432,559	2,558,390
10	Malaysia	796,621	1,340,895	2,137,516

This is supported by multiple trade agreements with Australia, China, South Korea and many other lucrative markets.

9.0 Employment

Employment underpins the economic productivity of a nation and according to the OECD, New Zealand is ranked 5th in the world for having the highest percentage of its working age population in employment as at Q1, 2020.

The dominant employment sectors have remained stable over the past 10 years, with the service sector accounting for in excess of 70%, industry for approximately 20% and agriculture just above 5%. The tourism industry generates NZ\$65.2 million per day in New Zealand and 1 in every 11 Kiwis works in tourism.

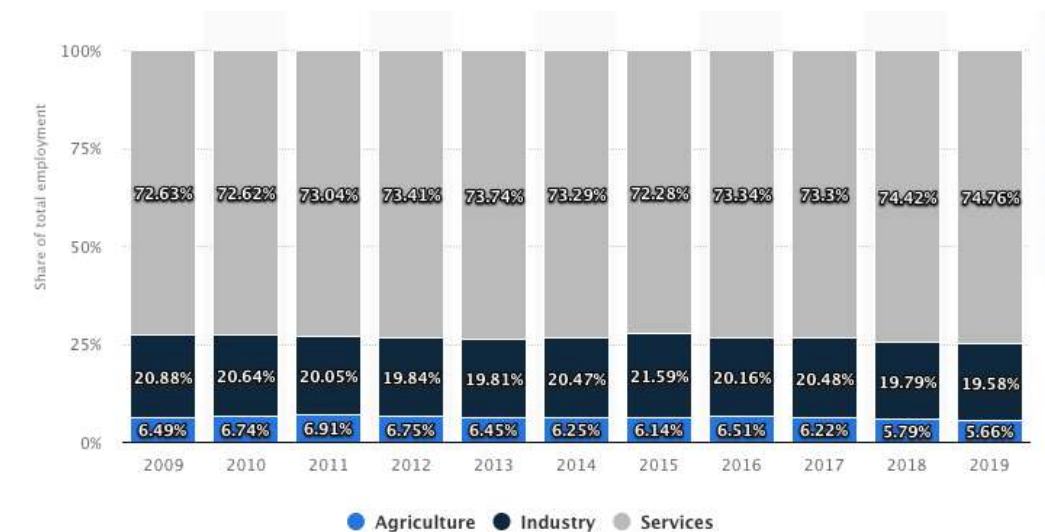


Employment rate Total, % of working age population, Q1 2020 or latest available

Looking to the future, the government reports that it expects the workforce to grow by 1.8% annually, meaning New Zealand will continue to require approximately 47,000 more workers in the future. The majority of these will be in highly skilled occupations, with most of these roles to be filled by people from overseas.

The government currently reports it has long term shortages for people with the relevant skills in the following sectors: construction, engineering, finance/business, health and social services, ICT and electronics, recreation, hospitality and tourism, science, and trade.

The table below shows the proportion of workers employed across the service, agriculture and industrial sectors has remained largely unchanged over the past 10 years.





10.0 A World Class Education System

Over recent years, universities have increased their engagement with education agents to encourage international students to study in New Zealand. The total number of international students enrolled in New Zealand rose from 20,8650 in 2014 to 30,007 in 2018.

It is reported that international students contributed NZ\$1.2 billion to the economy in 2018. These students have come from more than 100 countries, with Chinese students representing 34.6% of the total, and students from the US, India, Malaysia, and Vietnam collectively representing a further 34.5%.

The quality of New Zealand’s education is excellent and ranks in the top 20 OECD countries for quality of education. It has eight universities, all of which are in the top 500 in the world.

The education system is divided into three stages, with school being mandatory until the age of 16.

- o Early Childhood (birth to school age)
- o Primary and secondary education (from 5 to 19 years old)
- o Further education (including higher education) (from 19 years old, and vocational training from 16 years of age)

The school year starts in January, and there are four school terms in a year:

SCHOOL TERM	START	End
Term 1	Late January	Early April
Term 2	May	Early July
Term 3	Late July	Late September
Term 4	Mid-October	Mid-December

All terms are separated by a two-week break, except at the end of term 4 which is followed by a six week summer break. The National Certificate of Educational Achievement (NCEA) is the national senior secondary school qualification, which is assessed during the last 3 school years.

New Zealand uses the following grading system:

GRADE	SCALE	Grade Description
E	9.00–10.00	Excellence
M	7.00–8.99	Merit
A	5.00–6.99	Standard Achieved (the lowest passing grade)
NA	0.00–4.99	Standard Not Achieved

New Zealand has three types of school:

- State Schools - government funded, owned by the State and follow the national curriculum and are for New Zealand citizens only
- State Integrated Schools - Semi-public and follow national curriculum but often reflecting a specific religion or philosophy and may set different objectives
- Private Schools - funded through school fees and do not follow national curriculum. International Schools fall into this category. These schools do not have to follow the national curriculum and typically provide the International Baccalaureate, with boarding facilities available at some schools. International schools are subject to annual assessments and are required to meet minimum standards, those that do not are closed which ensures a high quality of education.

Fees start at around NZ\$25,000 p.a. for private schooling.

Universities

New Zealand has 8 state funded universities and 23 polytechnics. All eight of New Zealand's universities are ranked in the top 500 (2%) according to QS World University Rankings.

The University of Auckland, New Zealand's largest, ranks 85th. New Zealand is the only country in the world to have all its universities ranked in the top 2% of universities worldwide.

- New Zealand has the 2nd highest degree completion rates in the Organisation for Economic Co-operation and Development (OECD)
- New Zealand qualifications are recognized globally
- International education is New Zealand's 4th largest export earner

In most subjects, students complete a three-year bachelor's degree, with an Honours (postgraduate) degree requiring an additional year of study. It is possible to undertake honours degrees in more than one subject, or to take a combined honours degree.

Tuition

Tuition fees are applicable. These typically start from NZ\$22,000 for a bachelor's degree and \$37,000 for a post-graduate course. Medicine and dentistry can be greater at around NZ\$75,000. PhD Students typically pay between \$6,500 and \$9,000 p.a.

New Zealand universities welcome international students who are typically required to demonstrate they are able to afford accommodation and living costs. Full time student Visas allow international students to work for up to 20 hours per week (provided they seek a variation from the condition of their visa).

Post Study Work Visas

Depending on the level of qualification and where a student studied, they may be eligible to apply to work in New Zealand when their degree is finished. You can find more on this in the Immigration chapter below.

**New Zealand is the only
country in the world
to have all of its universities
ranked in the top 2%**



11.0 Immigration

New Zealand's culture, climate, scenic beauty, world class education system and general quality of life mean that it remains one of the most desirable places to live in the world in 2019 140,000 immigrants moved to New Zealand permanently.

Depending on individual circumstances, various visas are available to apply for, from student visas, to work visas for a set period that may lead to residence, resident visas for skilled migrant and investment visas:

- **Student Visas:** For up to 4 years are available for fee paying students at school or university, poly technic or English Language study. After this Visa you can apply for another student visa or work visa.
- **Skilled Migrant Visa:** For those with the skills, qualifications or experience that New Zealand needs, it may be possible to live and work in New Zealand indefinitely and access most publicly funded services
- **Residence from Work Category:** For those who have been in New Zealand for two years on a Work to Residence visa they may be eligible for residence under the residence from work category, where it can then be possible to stay in New Zealand indefinitely.
- **Long Term Skill Shortage List Resident Visa:** To apply for this visa individuals must hold a Long-Term Skill Shortage List Work Visa and have worked in New Zealand for more than two years. With this Visa individuals can stay indefinitely. The Long-Term Skill Shortage List identifies occupations where this is sustained on-going shortage of skilled workers. This currently includes roles in Construction, Engineering, Business and Finance, Health and Social Service, ICT, electronics & communications, Recreation, Hospitality and Tourism, Science, and various trades.

Business and Investment Visas allow those who can contribute to New Zealand's economy to live in New Zealand:

- **Global Impact Visa:** The Global Impact Visa (GIVs) provides individual pioneering entrepreneurs and investors with a three-year visa to create, support, and incubate ventures and models that result in positive global impact, from New Zealand. After three years, migrants can qualify for permanent residency.

- **Investment Visas:** Investment Visas are available for those able to invest NZ\$3 million per 4-year period or NZ\$10 million over a 3 year period. During the visa individuals may stay indefinitely and after the Visa apply for permanent residency.



11.0 Currency

The New Zealand dollar (NZ\$) is the official currency of New Zealand and is issued by the Reserve Bank of New Zealand. Typically, it accounts for a trading volume of circa US\$52,000,000 a day but it is not a major reserve currency.

It is one of the ten most traded currencies globally. The value of the NZD is strongly dependent on New Zealand's trading relationships, partially with China and Australia, its main trading partners.

Monetary policies of the Reserve Bank of New Zealand can also affect the value of the NZD, particularly the interest rates offered and how these compare to those offered by other banks globally. The currency is likely to appreciate

when interest rates are relatively high compared to those on offer in other countries and depreciate when they are relatively low.

Whilst New Zealand itself has had very low death and infection rates of Coronavirus, concerns around the global economy have seen the NZ\$ fall to 10 years lows against the \$US.



10 Interesting Facts About New Zealand

- New Zealand is the first country in the world to see the sunrise
- New Zealand’s Blue Lake, in the Nelson Lakes National Park, currently holds the record for having the clearest waters in the world
- Kiwi fruit are from China not New Zealand!
- There are no snakes in New Zealand
- There are 9 sheep for every person in New Zealand making it the highest ratio in the world
- With more than 400 golf courses there are more golf courses per person than anywhere else in the world
- The world’s first commercial bungee jump was made in Queenstown in 1988
- No matter where you are in the New Zealand, you will never be more than 128 km from the coast
- One third of the country is designated as a protected national park
- New Zealand was the first country to give women the vote in 1893



Sunrise over Whangara, Gisborne, New Zealand

Thank you for taking the time to learn about investing in New Zealand.

Want to know more about investing in this country?

Download our Guide

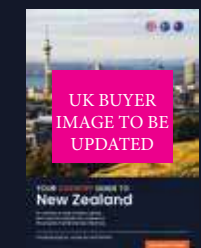
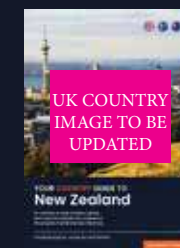
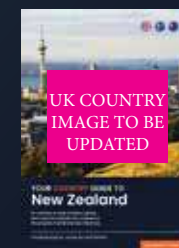


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YOUR GUIDE TO **INVESTING** IN New Zealand



An indepth look at New Zealand to help Investors understand more about this beautiful country