

# New Zealand Investment Pulse Q1 2026: Key market and commercial developments

## March 2026

Last week marked a watershed moment for international investment in New Zealand, as comprehensive reforms to the [Overseas Investment Act](#) came into force. These changes explicitly acknowledge the role of overseas investment in increasing economic opportunity, whilst continuing to recognise that it remains a privilege for overseas entities to own or control sensitive New Zealand assets.

The reforms represent the most significant modernisation of New Zealand's foreign investment regime in decades, with decisions on most overseas investment applications now required to be made within 15 working days. This is a dramatic improvement from the previous 35-day minimum statutory timeframe. The new three-stage National Interest Test consolidates previous screening pathways into a streamlined, risk-focused regime, with the regulator determining at the outset whether applications can proceed on an expedited basis.

Holders of Active Investor Plus, Investor 1 or Investor 2 visas can now purchase or build residential property in New Zealand valued at over NZ\$5 million, subject only to Overseas Investment Office scrutiny of national security implications, which is a welcome reversal of restrictions that previously hindered high-net-worth migrants.

For international investors, the implications are clear: New Zealand is actively removing regulatory barriers whilst maintaining appropriate safeguards around genuinely sensitive assets such as farmland and fishing quota.



# 89%

of international investors say the OIA reforms will strengthen their intention to invest in New Zealand.

- 2025 Expanding Horizons M&A Report

## Accommodative monetary policy supports recovery

New Zealand's Official Cash Rate currently sits at 2.25%, following the Reserve Bank's decision to hold rates steady at its February meeting. This accommodative stance reflects the central bank's commitment to supporting economic recovery whilst managing inflation, which reached 3.1% annually in the December quarter – just above the top of the target band.

Economic activity, which was weak over mid-2025, is now picking up, with lower interest rates encouraging household spending and the labour market stabilising. Growth rebounded to 1.4% late in 2025 and GDP projections indicate it will accelerate to 2.7% in 2026. The exchange rate's recent depreciation is supporting exporters' incomes, particularly in the dairy sector where global prices remain strong.



# 78%

of survey respondents say current global conditions have strengthened their intention to invest in New Zealand.

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## Geopolitical turbulence reinforces New Zealand's appeal

The outbreak of conflict in the Middle East has sent ripples through global markets, with oil prices rising and investors seeking shelter from elevated volatility. For New Zealand, the immediate economic read-through is limited: the country does not import crude oil directly from the region, although a sustained surge in global oil prices would filter through to fuel costs and broader inflation.

Meanwhile, a weaker NZ dollar helps exporters because it makes NZ products more competitive, which is helpful to hedge against imports – like fuel – becoming more expensive. New Zealand's geographical remoteness, transparent legal system, and stable political environment offer genuine insulation from many global flashpoints, and history shows that periods of international uncertainty tend to sharpen investor focus on markets that offer exactly those qualities.

## Infrastructure: NZ\$200 billion opportunity

The National Infrastructure Pipeline now shows over NZ\$200 billion in projects underway or in planning, with NZ\$6 billion of government-funded construction projects set to begin by year end. A National Infrastructure Plan was published in February 2026, providing international investors with unprecedented visibility over New Zealand's long-term infrastructure requirements.

The newly developed National Infrastructure Agency serves as a "one-stop shop" for investors to partner with government on infrastructure projects. Over NZ\$550 million has been allocated from the Regional Infrastructure Fund to projects across 14 regions covering flood resilience, energy, water storage, and Māori driven developments.

The Government is actively courting private capital. There are imminent changes to thin capitalisation rules which will allow interest on all third-party, limited recourse debt for eligible infrastructure projects to be fully deductible. This will significantly improve the commercial viability of highly leveraged private infrastructure investment for non-resident investors.

## Energy sector primed for consolidation

On 1 October 2025, the Government published its response to an independent electricity market performance review, acknowledging that the lack of reliable firming capacity was leading to significant price volatility and stymieing growth.

The Government has committed to advancing construction of an LNG import terminal designed to fill the country's energy deficit, and encouraging the majority state-owned generators Meridian, Genesis and Mercury to seek capital support for new projects.

Combined with the reversal of the 2018 ban on oil and gas exploration permits, there is significant incentive for offshore capital. Given the fragmented nature of New Zealand's renewable generation sector and electricity distribution networks, the market appears ready for consolidation. This presents strategic opportunities for international investors with expertise in energy infrastructure and renewables. Read our latest Energy Update report [here](#).



## Deal activity accelerating

Recent months have demonstrated momentum in New Zealand's M&A market, with Simpson Grierson advising on major transactions. This is a strong indicator of the renewed appetite for New Zealand assets among both domestic and international investors.

Cross-border transactions have been particularly prominent. In forestry, we acted for Rayonier Inc. (alongside Wachtell, Lipton, Rosen & Katz) on the NZ\$1.2 billion sale of its 77% shareholding in Matariki Forests to The Rohatyn Group, a global emerging markets asset manager. This is one of the largest foreign divestments of a New Zealand primary sector asset in recent years.

In electronics, we advised US-based Bourns, Inc. on its NZ\$356 million takeover offer for Rakon Limited. And in tourism and leisure, we acted for an Australian purchaser on the acquisition of Christchurch Casino and a 33% interest in Dunedin Casino. This is a transaction that reflects sustained international confidence in New Zealand's regenerating regional centres.

We advised on Alliance Group's proposed strategic partnership with Dawn Meats, with the European red meat processor investing NZ\$250 million for a 65% stake (a deal that took in aspects of both public and private markets M&A); The a2 Milk Company on strategic transactions including the NZ\$282 million acquisition of Yashili's Pokeno processing plant and the divestment of its 75% stake in Matura Valley Milk; Adamantem Capital on the merger of PF Olsen and Forest360, creating Australasia's largest independent forestry manager; Teneo on its acquisition of PwC New Zealand's Business Restructuring Services unit; and Comvita on its proposed \$56.4 million Scheme of Arrangement with Florenz.

Healthcare has also emerged as a sector of significant international interest, illustrated by our role advising on the acquisition of leading primary care provider Tāmaki Health, a transaction that underscores the attractiveness of New Zealand's healthcare services market to offshore investors seeking scaled platforms in stable, well-regulated systems.

Taken together, these transactions span primary industries, technology, tourism, professional services and food manufacturing, reflecting the breadth of sectors now attracting serious capital.



## Looking ahead

The combination of accommodative monetary policy, favourable valuations, streamlined foreign investment processes, and substantial infrastructure commitments is creating a compelling environment for investment. Whilst global uncertainty persists, especially in light of the Middle East conflict, New Zealand's regulatory modernisation, economic fundamentals, and safe-haven credentials position it favourably for international capital seeking stable, transparent markets with genuine growth prospects.

For investors exploring opportunities in the Asia-Pacific region, New Zealand offers a unique combination: OECD-standard governance and legal frameworks, improving market access, and a government actively committed to facilitating foreign investment whilst maintaining appropriate safeguards.

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