


# *Mountain Landing Press*

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2008 International Investing Guide

## Southern Sanctuary

Alex Davidson 07.21.08, 12:00 AM ET

**Want to be far from terrorism threats and have Bill Gates as a neighbor? Then New Zealand may be the place for you.**

It took Peter C. Cooper one year to fall in love with America. While studying abroad in Kansas City, Kans. in 1969, the then 17-year-old New Zealander witnessed mass protests, talked nonstop politics and was bussed from one school district to another as part of the city's integration of racially divided schools. Now, at 56, Cooper splits his time between California and New Zealand. He became a successful developer by straddling the continents to lure his adopted countrymen to his homeland. His Mountain Landing development, on New Zealand's North Island, targets affluent Americans who want two things: security and a unique environment. The first stage of the development was completed last year, and 8 of the 46 available sites have been sold, mainly to U.S. buyers.

Americans' interest in New Zealand as a place to retire or to buy a second home jumped after the Sept. 11 attacks. Residency applications doubled from pre-attack levels. New Zealand is a 12-hour flight from the U.S. West Coast, and Cooper could add to his sales pitch a pristine environment: *The Lord of the Rings* meets *The Piano*.

Mountain Landing is an enclosed 1,000-acre development with a helipad that can shuttle homeowners in and out of their development at a moment's notice--to hunker down in the face of a world calamity or be transported for a day of mountain climbing. The sites, between 1 and 12 acres, will go for between \$3 million and \$5 million. They are in the Bay of Islands, near the northernmost tip of New Zealand--1,000 miles from the nearest piece of non-New Zealand land but still convenient for the bright lights of Auckland, New Zealand's biggest city.

While Cooper is a pioneer in developing homes for U.S. buyers, he is not the first American to have invested in New Zealand real estate. Billionaire Julian Robertson, the 76-year-old former hedge fund manager, went there in 1980 to write the great American novel. Since then there's been no novel, but he has built two golf courses, both with cottages that cost up to \$10,000 for a three-night stay. He has also set up two wineries. Another hedge fund billionaire, Paul Tudor Jones II, has large properties in New Zealand. Bill Gates has property in Nelson, New Zealand's sunniest region, at the northwestern tip of South Island. More recently Equity International, billionaire Sam Zell's private equity firm that focuses on real estate in emerging markets, invested \$75 million in a company that operates housing for seniors in New Zealand.

"Visitors see New Zealand as one of a handful of last spots that are undiscovered. There's a lure," says Gary R. Garrabrant, chief executive of Equity International. There are other attractions. It is an English-speaking, developed country where land is relatively cheap, at an average \$27,000 an acre for vacant parcels. (That figure, from Bayleys Real Estate Group in New Zealand, is up 92% over the past decade.) American investors don't feel a currency pinch at the moment because the the U.S. and N.Z. dollars have a fairly stable relationship (1 U.S. dollar equals 1.32 N.Z.).

Restrictions on ownership of property by Americans are light. Cooper says all he needed to make his development accessible to foreigners was to limit the individual properties to 12 acres and keep access to the beachfront public.

Unlike Australia, New Zealand does not levy transfer taxes on residential properties. New Zealand abolished death taxes in 1992. There are also no property taxes, and land sales other than by people in the real estate business are exempt from capital gains taxes.

Although the lower end of the housing market in New Zealand has recently taken a hit, demand for high-end property continues to be strong. Rachel A. Dovey, a real estate agent with Bayleys, says the rich American clients she deals with are looking for gated communities with things like access for helicopters and stables for horses. She expects demand for homes with luxury amenities to continue to be strong despite the worldwide housing crunch. One reason: The country's banks have minimal exposure to the subprime mess and so are in far better shape than their counterparts abroad to continue real estate financing.

International Living, an Irish organization that markets foreign destinations to investors and retirees, is promoting New Zealand as the Hawaii of 40 years ago. It has held two seminars on the country in the last year in Auckland. Both attracted more than 50 people. "We weren't expecting that many," says organizer Grant Perry. "People were looking for the safety factor."

### Sidebar:

[New Zealand 101](#)

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