THE TREASURY
Kaitohutohu Kaupapa Rawa

Treasury Report: Advice on the Aggregation of Farmland by Foreign Investors

Date:	27 July 2010	Report No:	T2010/1360

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	**Indicate** whether you wish to pursue any of the options to restrict the aggregation of farmland.	30 July 2010

Contact for Telephone Discussion (if required)

Name	Position	Telephone		1st Contact
[withheld – privacy]	Analyst - International	[withheld – privacy]	[withheld – privacy]	✓
Sian Roguski	Senior Analyst - International	[withheld – privacy]	[withheld – privacy]	

Minister of Finance's Office Actions (if required)

None.

Enclosure: **No**

Treasury Report: Advice on the Aggregation of Farmland by Foreign Investors

Executive Summary

This report provides you with our initial advice on options to restrict the aggregation of farmland ownership by foreign investors in response to your request. We would recommend further analysis and consultation with agencies if you wish to take any of the options further.

Treasury's view

Our first best advice remains that we do not see a case for screening investments based on the nationality of the investor. We have been unable to identify any negative effects of farmland aggregation that would warrant restricting investment either by domestic or foreign investors. Two possible negative effects of aggregation are excessive market power and environmental concerns, and we consider these are better addressed by other regulation.

The options

We have identified eight potential options to restrict the aggregation of farmland which are summarised in the table on the following page. The options are assessed against the following criteria:

- **Degree of effectiveness**. Options should address the issue without creating avoidance risks or other loopholes.
- **Impact on investors.** Options should avoid creating unnecessary uncertainty, adverse affects on investor confidence, or undue compliance costs.
- **Implementation process.** Speed and ease of implementation, including whether regulation or legislation is required.
- **Consistency with international obligations.** Options should avoid breaching commitments we have made in the WTO, OECD and Free Trade Agreements.

The costs of intervention

We consider many of the options would have significant downsides, such as:

- **Impairment of private property rights.** A number of the options would either severely impair existing property rights or impact on future investment decisions.
- **Investor perceptions**. New restrictions on foreign investment could deter investment in New Zealand, particularly if changes are seen as being reactive or made at short notice.
- **Trading partner obligations and perceptions.** Even if an option meets our international obligations, it may reflect badly on New Zealand's reputation as a country open to trade and investment.
- **Avoidance risks.** A number of the options raise the risk that investors may be able to structure themselves or their transactions to avoid being caught by new rules.

Treasury rank	First	Second	Third	Not recommended				
Option	Introduce the substantial harm test (and remove the current strategic assets factor)	Introduce a new factor so the benefit test can consider costs of aggregation	Issue a policy statement on foreign investment in farmland	Domestic and foreign investors must obtain consent to purchase farmland	Provide the option for government to purchase the relevant land	Restrict total foreign ownership of farmland to a certain area limit	Allow foreign investors to only lease farmland	Require a minimum level of NZ ownership in any purchase
Degree of effectiveness	Medium. Enables consideration of aggregation issues but deliberately creates a high hurdle for use. Avoidance risks are possible.	Medium. Allows direct consideration of aggregation issues, but this would be only one out of 27 criteria and factors used to assess the investment.	Low. Publicly sets out Government position but unclear how influential a policy statement would be in any one investment decision.	Low. Enable screening of all transactions but previous controls were avoided through structuring of transactions by buyers.	High. Would allow the Crown first option to purchase large tracts of land instead of overseas investors.	Medium. In theory would set an upper limit, but risk of large scale avoidance. Would not address aggregation by individual investors.	Medium. Would stop foreign ownership, but still permit foreign control through leases.	Medium. Depends on threshold chosen. Could result in avoidance if the New Zealander was simply a proxy.
Impact on investors	Medium. The change would create uncertainty, but is preferable to the current strategic assets factor.	High. Likely to increase uncertainty and result in a negative reaction similar to that which occurred following the Auckland Airport decision.	Low/Medium. Impact will depend on the timing of any statement and any related investment application.	High. Significant disruption to property rights, large compliance costs.	High. Would add significant delay and uncertainty to applications as evidenced by the current offer back process.	High. A significant change from current policy. Likely to be highly disruptive to future investments.	High. A significant change from current policy. Extremely disruptive to existing land owners, including companies with foreign ownership.	High. A significant change from current policy and extremely disruptive to existing foreign owners.
Implementation process	Legislation required.	*[withheld - maintain professional legal privilege]*.	Rapid. Could be issued without legislation, *[withheld - maintain legal privilege]*	Legislation and significantly more work required to develop.	Legislation required.	Legislation required.	Legislation required.	Legislation required.
Fit with international obligations	Consistent with obligations however trade partners may view this as counter to the intent of our commitments.	Consistent with obligations but likely to be seen as a tightening of our investment laws.	Consistent but a risk that it would be viewed as a tightening of our investment policy.	Likely to be consistent, but further consideration would be required.	Likely to be consistent but may be perceived as more restrictive than current commitments.	Likely to be inconsistent with commitments not to introduce *new* restrictions on investment.	Likely to be inconsistent. Retrospective application might be considered unlawful.	Likely to be inconsistent. Retrospective application might be considered unlawful.

Recommended Action

We recommend that you:

a **note** that Treasury's initial view is that no additional investment restrictions are required to stop the aggregated ownership of farmland by foreign investors;

b **note** that New Zealand already has a robust screening regime for investments in sensitive land such as farmland, based on the premise that it is a privilege for foreigners to invest here;

c **indicate** whether you require further advice on any of the following options (circle as necessary);

i. introduce the substantial harm test;
ii. introduce a new factor in the benefit test;
iii. issue a policy statement on the Government's position regarding foreign investment in farmland;
iv. require domestic and foreign investors to obtain consent before purchasing additional farmland;
v. provide the option for the Government to purchase the relevant land;
vi. restrict total foreign ownership of farmland to a certain area limit;
vii. allow foreign investors to only lease farmland; and
viii. require some minimum level of New Zealand ownership in any purchase;

d **note** that if you wish to pursue any of the options in the paper, we would recommend doing so as part of the wider review of the screening regime;

e **note** that limited consultation on these proposals has been undertaken with the Overseas Investment Office and the Ministry of Foreign Affairs and Trade, and that the Ministry of Agriculture and Forestry has been unable to form a considered view on the issue within the time available;

f **agree** that officials may consult with a wider group of departments and the Technical Reference Group if further advice is requested; and

Agree/disagree

g **refer** a copy of this report to the Prime Minister and the Minister of Agriculture and Forestry.

Yes/No

Siân Roguski
Senior Analyst
for Secretary to the Treasury

Hon Bill English
Minister of Finance

Treasury Report: Advice on the aggregation of farmland by foreign investors

Purpose of Report

1. You have asked Treasury for advice on options to restrict the aggregation of farmland by foreign investors in response to concerns about aggregation having negative economic consequences for New Zealand. This report responds to your request with our initial advice and recommendations.

2. The report is organised in the following way: firstly we outline two possible elements of the issue you have raised and present Treasury's assessment of the extent to which they are valid concerns. Secondly we outline a variety of possible options to address the issue of aggregation of farmland, and assess them against four criteria. Finally we set out our advice on how to choose between the options.

Analysis

Defining the issue

3. We have identified two possible elements to the concern being raised:

   - a concern that **one foreign investor and their associates** may own or control a significant amount of farmland such that it causes harm to the New Zealand economy; and

   - a concern that **total foreign ownership or control** of farmland may reach a level that is harmful to the New Zealand economy.

4. These elements focus on concerns about land ownership, but the underlying issue may be more broadly about foreign control of the means of production of agricultural products (such as milk). We do not explore the validity or otherwise of this issue in the report.

What is the size and impact of the problem?

5. These elements raise two further questions:

   - Are there negative effects from the aggregation of farmland and if so, do they warrant a policy response through the use of investment restrictions?

   - Is aggregation by *foreign* investors the sole concern or does it also apply to domestic investors?

6. Possible negative effects of aggregated land ownership include concerns about investors holding excessive market power, environmental issues, and the traditional 'family farmer' being unable to enter the market as corporate farmers bid up the price of land. However, these negative effects can occur regardless of the nationality of the owner/investor.

Treasury's view

7. Our first best advice remains that there is not a strong policy rationale to screen overseas investment because the underlying policy concerns are generally not related to the investor's nationality (T2009/279 refers).

Aggregation

8. We consider that arguments against aggregation such as concerns about monopoly power and environmental issues are best addressed through specific regulations and not through ownership restrictions.

9. Given that concerns about aggregation could equally apply to domestic investors, we do not consider there is a case for intervention via the Overseas Investment Act (the Act).

10. New Zealand already has a robust screening process for overseas investment based around the premise that it is a privilege for foreigners to invest in New Zealand. The Act already contains measures that could help to address aggregation, such as a requirement to offer land on the open market, a wide ranging test assessing whether the investment will benefit New Zealand, and a test assessing the character of the investor.

11. In terms of restrictions on land ownership, New Zealand is not uncommon in having some form of control, although a number of developed economies have no restrictions and outright bans are rare. The Annex provides more details on these issues.

Wider concerns about foreign investment

12. We consider other concerns that may be raised against foreign investment either do not justify intervention, are best addressed by other means, or should be balanced against the benefits foreign investment can bring:

    a. We have previously advised you on why we think the 'profits going offshore' argument has a weak economic basis (T2010/1266 refers).

    b. Concerns about high external indebtedness are better addressed through savings policies than by restricting foreign investment.

    c. Concerns about the affordability of farmland are also unlikely to be best addressed by restricting foreign investment. For example any response needs to consider benefits such as higher sale prices for vendors, the recycling of capital into the local economy, and that land sales to foreigners are only one of many factors affecting market prices.

    d. Concerns about hollowing-out such as by production being moved offshore, can be addressed by removing incentives to relocate offshore, such as double taxation of dividends and pursing policies to encourage 'recycling' of talent.

    e. Concerns about a loss of sovereignty through land sales to foreigners need to be weighed against the benefits from foreign investment and whether other countries would reciprocate if New Zealand was to tighten its ownership rules.

    f. 'Strategic' concerns are frequently raised but very rarely defined in any meaningful sense. Often they can be the same as other concerns noted above.

What are the options to address the problem?

13. We have identified the following range of possible interventions:

    i. Require domestic and foreign investors to obtain consent before purchasing additional farmland.
    ii. Issue a policy statement on the Government's position regarding foreign investment in farmland.
    iii. Introduce the substantial harm test.
    iv. Introduce a new factor in the benefit test.
    v. Provide the option for the Crown to purchase the relevant land.
    vi. Restrict total foreign ownership of land to a certain area limit.
    vii. Allow foreign investors to only lease farmland.
    viii. Require some minimum level of New Zealand ownership in any purchase.

14. Each of these options are briefly outlined and assessed against four criteria. We consider most of the options to be undesirable because of the high costs they would create. The criteria are.

    - **Degree of effectiveness**. It will be important that any option effectively addresses the problem without creating avoidance risks or other loopholes. Flexibility is also an important consideration, as there may be instances where aggregation is positive and should be permitted.

    - **Impact on investors.** A key issue for investors is predictability. Changes to the regime are likely to raise concerns among investors about the stability of investment policy and the attractiveness of New Zealand as an investment destination. These concerns would be particularly strong if changes are seen as being made in response to specific investments. A key objective of a well functioning regime is therefore to avoid creating unnecessary uncertainty, adverse affects on investor confidence, or undue compliance costs.

    - **Implementation process.** Speed and ease of implementation is a further factor in decision making. Implementation options could range from requiring regulation or legislation, or being put in place administratively.

    - **Consistency with our international obligations.** Any option should avoid breaching commitments we have made in the WTO, OECD and Free Trade Agreements. These commitments include not introducing new classes or categories of investment screening that make conditions of investment more restrictive for trade partners.

Options assessment

If you wish to address aggregation generally...

Option 1: Require domestic and foreign investors to obtain consent before purchasing additional farmland

15. This option would be similar to the system previously in place under the Land Settlement Promotion and Land Acquisition Act 1952 (repealed in 1995).[1] This Act required a Tribunal to be satisfied that the transaction would not result in the "undue aggregation of farmland". Factors considered by the Tribunal included whether existing

[1] The OIO advises that this Act had a number of predecessors dating back to about 1876. It originated from opposition to the development of the vast landholdings of the gentry in England and Ireland.

land holdings were sufficient to support the purchaser; whether the acquisition of additional farm land would be judged by ordinary and reasonable standards be considered excessive; whether the acquisition of the land would be in or against the public interest and whether refusal of consent would result in an unavoidable and substantial hardship to the owner of the land.

16. While this option would provide wide coverage, it has significant downsides. It would cause significant and damaging disruption to property sales as vendors and purchasers would be required to seek consent before a transaction. The need to re-establish a body to assess land sales would require large resources. The Overseas Investment Office advises that the previous Act could be easily avoided and added cost and delay to land transactions for little benefit. However, it also advises that many of the avoidance opportunities were created from loopholes in the Act that could be cured by better drafting.

Degree of effectiveness	Low. The previous Act was easily avoided through structuring of transactions by buyers. Would focus only on ownership by single investors.
Impact on investors	High. Significant disruption to property rights, large compliance costs.
Implementation process	Legislation. Significant work required to develop policy details.
Fit with international obligations	Likely to be consistent with international obligations. However, further consideration would be required in the design of any policy implementing this option.

If you wish to address aggregation by foreign investors only…

Option 2: Issue a government policy statement

17. One of the factors in the current benefit test for assessing investments in sensitive land is *"whether the investment will, or is likely to, give effect to or advance a significant Government policy or strategy".*

18. The Government could issue a policy statement on foreign investment in farmland. The statement would set out the Government's position on the merits or otherwise of this type of investment. This statement would be required to be considered as part of the assessment of a future application. However, the influence of a policy statement on any application is uncertain, given that this is only one of the factors considered in the benefit test.

19. One possible avoidance risk would be investors attempting to structure a deal so that the land is considered something other than farmland. This risk could be mitigated with tight monitoring and a clear definition of farmland. An alternative would be to use "non-urban land" which covers a wider range of land and is used in the current Act.

Degree of effectiveness	Low. Unclear how influential a policy statement would be in any one investment decision. Could address ownership by single investors and at a total level.
Impact on investors	Low/Medium. Impact will depend on the timing of any statement and any related investment application.
Implementation process	Rapid. Could be issued without regulation or legislation, *[withheld - maintain professional legal privilege]*.
Fit with international obligations	Consistent, but a risk that it would be viewed as a tightening of our investment policy.

Option 3: Introduce the substantial harm test

20. The substantial harm test developed in the review of the Act includes a provision that would allow the Minister to consider whether the investment would *"threaten NZ's economic capacity that is critical to NZ's wellbeing"…* (T2009/2323 refers). The

existing design of the test could allow consideration of whether an investment that resulted in the concentration or aggregation of farmland with one investor would threaten economic capacity. Such a judgement would be up to the Minister to make, but would be subject to judicial review. It would also be possible to alter the design of the test to explicitly refer to concerns about ownership of productive land.

21. The test could be applied to a wide range of overseas investments, not just those involving farmland. If this option is pursued we would recommend introducing it as a replacement for the strategic assets clause on the grounds that it is more transparent, creates a high hurdle for use, and is better aligned with approaches in other jurisdictions. To be compatible with our international commitments, the test would need to be applied as one of the criteria against which screened investments are assessed, rather than a new category of investment or discretionary power.

22. A key risk with this option is an investor structuring themselves differently with each transaction so that they are regarded as a "new" investor each time. There are provisions in the Overseas Investment Act that attempt to address this problem. However, avoidance may become more common if any new provision is seen to more tightly restrict investment. It can be very difficult to trace who ultimately owns a particular company or trust and whether they are associated or not with another investor.

23. A further risk is the use of trustees to hold land on behalf of overseas investors so that they can avoid screening. The Overseas Investment Act contains measures to try to stop this from occurring, but it is difficult to completely mitigate this risk and additional restrictions could incentivise investors to take more avoidance measures.

Degree of effectiveness	Medium. The test deliberately creates a high hurdle for use which means a specific threat would need to be identified. Would focus on aggregation by individual investors. Risk of avoidance if investors could structure themselves to appear as different investors.
Impact on investors	Medium. The change would create uncertainty, but is preferable to the current strategic assets factor.
Implementation process	Would require legislation.
Fit with international obligations	Consistent with obligations, but trade partners may view this as counter to the intent of our commitments.

Option 4: Introduce a new factor to the benefit test

24. A new factor could be added to the benefit test used to assess overseas investments in sensitive land. The factor would allow Ministers to consider whether the investment would result in significant aggregation of farmland by a single investor and their associates, and whether that aggregation would be harmful to the New Zealand economy. Ministers would be able to consider current land holdings by the overseas person as well as the size of the proposed holding.

25. *[withheld - maintain professional legal privilege]*

26. Structuring by investors to avoid being seen as the same investor and the use of trustees to hold land on behalf of overseas investors are risks that could occur under this option.

Degree of effectiveness	Medium. Allows direct consideration of aggregation issues, but this would be only one out of 27 criteria and factors used to assess the investment. Could be worded to allow assessment of aggregate ownership and an individual application.
Impact on investors	High. Likely to increase uncertainty and result in a negative reaction similar to that which occurred following the Auckland Airport decision.
Implementation process	*[withheld - maintain professional legal privilege]*
Fit with international obligations	Consistent with obligations, but likely to be seen as a tightening of our investment laws.

Option 5: Require farmland over a certain area threshold to be first offered to the Crown

27. Under this option, investors would be required to offer the Crown first right of refusal to purchase farmland over a certain area threshold. This would allow the Crown to consider whether it would be better for the government to own the land if there were concerns about aggregation. Such an option could work similarly to the current requirement to offer riverbed, lake bed and foreshore and seabed to the Crown.

28. This option would have high fiscal costs depending on the number of purchases and ongoing operating costs. It would also create large uncertainty for investors and vendors as they would be unable to plan until a decision on government ownership is made.

Degree of effectiveness	High. Would allow the Crown a chance to purchase large tracts of land instead of overseas investors.
Impact on investors	High. Would add significant delay and uncertainty to applications as evidenced by the current offer back process.
Implementation process	Legislation required.
Fit with international obligations	Could be consistent if added as a factor to the current benefit test however it may be perceived to be more restrictive than current commitments.

Option 6: Apply an area limit to total foreign ownership of New Zealand land

29. The previous options have all focused on addressing aggregated ownership by one overseas investor. Under this option, a maximum area limit for total foreign ownership of New Zealand land would be set, and once reached no further land could be sold unless some returned to New Zealand ownership.

30. At best, any limit is likely to be highly arbitrary as there is no ‘right’ level of foreign ownership. This option has the potential to severely distort property markets if there was a rush to sell land at higher prices before the limit was reached. Once reached, property values could then drop with the reduction in buyers. Monitoring of such a scheme would also be difficult, given the potential to structure each purchase differently. Anti-avoidance provisions would need to be robust and able to be effectively enforced but it would be difficult to completely mitigate avoidance through the use of trustees to hold land on behalf of others. It would also only apply to land for which consent was required under the Overseas Investment Act, as there is no mechanism to monitor foreign ownership of land that is not screened.

31. There are also likely to be reputational risks for New Zealand if such a limitation is seen as a signal that foreign ownership per se is contrary to New Zealand interests.

Degree of effectiveness	Medium. Would set an upper limit on foreign land ownership, but with a risk of large scale avoidance. Would not address aggregation by individual investors.
Impact on investors	High. A significant change from current policy. Likely to be highly disruptive to future investments.
Implementation process	Legislation would be required.
Fit with international obligations	Likely to be inconsistent with our commitments.

Option 7: Allow foreigners to only lease farmland

32. This option would introduce a requirement that only New Zealand citizens or residents are able to own farmland in New Zealand. Such a lease-only requirement would address concerns about foreign *ownership.* However long-term leases do provide the lessee with significant *control* over how the relevant land is used, which is a common concern about foreign ownership. Leasing does not necessarily result in profits being retained in New Zealand, as has been suggested in recent public debates.

33. Two key downsides of this option are the effects it would have on existing foreign land owners and existing New Zealand owners who are no longer able to sell to foreign investors. A robust land ownership and property rights regime is often identified as a key protection for foreign investors and introducing such a measure is likely to have a chilling effect on the attractiveness of New Zealand as an investment destination. Retrospective application of this option might be considered counter to our international obligations.

34. As with the previous option, the use of trustees to hold land on behalf of others is an avoidance risk that cannot be completely mitigated.

Degree of effectiveness	Medium. Would stop foreign ownership, but leases still allow for a degree of control. Would control aggregation at an individual investor and total investor level.
Impact on investors	High. A significant change from current policy. Extremely disruptive to existing land owners, including companies with foreign ownership.
Implementation process	Legislation would be required.
Fit with international obligations	Likely to be inconsistent with commitments not to introduce *new* restrictions on investment. Retrospective application might be considered unlawful.

Option 8: Require a minimum threshold of New Zealand ownership

35. This option would allow for partial foreign ownership only by requiring that a New Zealand citizen held at least a portion of the land assets. For example a threshold could be set that at least 25% of the land must be owned and controlled by a New Zealander. Effectively this would require foreign investors to enter into joint ventures or partnerships with New Zealanders, although this occurs to some extent already. With this option there are also avoidance risks such as the use of trustees to hold land on behalf of others which are difficult to completely mitigate.

Degree of effectiveness	Medium. Depends on threshold chosen and could result in avoidance if the New Zealander was a passive investor or proxy.
Impact on investors	High. A significant change from current policy and extremely disruptive to existing foreign owners.
Implementation process	Legislation would be required.
Fit with international obligations	Likely to be inconsistent with commitments as a new class of restriction would be created. Retrospective application might be considered expropriation.

Picking amongst the options

36. If you wish to pursue an option to restrict the aggregation of foreign farms, we would recommend introducing the substantial harm test (option 3) into the Act. In our view this option best meet the criteria of being an effective barrier while avoiding significant disruption to investors. This test could address both concerns about aggregation at an individual and total investor level, as well as issues about what happens to the production from the land itself.

37. The substantial harm test creates a deliberately high hurdle for its use in order to provide certainty for investors about the limited circumstances in which it can be used. We think it is preferable to adding another factor to the benefit test because it would only be used when Ministers consider it necessary, rather than being considered in every case.

38. Our rankings of all the options are outlined below:

Option	Treasury view
Introduce the substantial harm test.	First recommended option
Introduce a new factor in the benefit test.	Second recommended option
Issue a policy statement on foreign investment in farmland.	Third recommended option
Require domestic and foreign investors to obtain consent before purchasing additional farmland.	Not recommended at all on the basis of the significant costs they would impose.
Provide the option for government to purchase the relevant land.	
Restrict total foreign ownership of land across to a certain area limit.	
Allow foreign investors to only lease land.	
Require some minimum level of NZ ownership in any purchase.	

39. We recommend that any new intervention is announced as part of the review of the Act. We think that announcing that the review has been concluded and to then announce further changes would be viewed as "changing the rules of the game whilst it is being played".

40. It would also be worth considering making a number of improvements to the Act to offset investor perceptions that New Zealand was less open to foreign investment. The recent review has identified a number of small non-contentious improvements that could be made to the Act and Regulations.

Consultation

41. The Overseas Investment Office (OIO), the Ministry of Foreign Affairs and Trade (MFAT) and the Ministry of Agriculture and Forestry (MAF) were provided with a draft copy of this report for consultation.

42. The OIO and MFAT have provided initial comments. MAF has been unable to form a considered view within the time allowed for consultation but would welcome the opportunity to work with Treasury to develop advice for Ministers. If you wish to pursue any of the options in the paper we would recommend further consultation with these and other agencies and the Technical Reference Group established to assist with the review of the Overseas Investment Act.

Annex: How much land is in foreign ownership?

43. It is not possible to tell how much land is in foreign ownership because the screening regime covers only a portion of land sales, and there is no record of when land is returned to New Zealand ownership.

44. The table below shows the land area approved for sale to overseas investors under the Overseas Investment Act since 2005. This covers all land assessed under the Act, not just farmland but <u>does not account for land that returns to New Zealand ownership</u>. 'Gross area' refers to the total size of all land approved under the Act. Net land area excludes any portion of New Zealand ownership, for example 100 hectares purchased by a company that is 60% foreign owned and 40% New Zealand owned would be counted as 100ha in the gross column and 60ha in the net column.

Year (calendar years)	Gross Land Area (Ha)	Net Land Area (Ha)
2005	176,589	64,963
2006*	683,472	527,712
2007	86,187	17,433
2008	69,894	38,695
2009	363,452	32,241
Total	1,379,594	681,044

*The 2006 figure is due to a large forestry sale in that year.

Overseas examples of land ownership restrictions

45. In the time available it has been difficult to make a comprehensive assessment of other countries' approaches to foreign investment in land. The following table provides some examples of approaches to investment in land.

Country	Restriction
Australia	Consent required to purchase residential land.
Japan	Investors required to inform the authorities before purchase.
Ireland	Consent required to purchase agricultural land.
China	Private ownership not permitted by local or foreign investors.
United States	Notification regime for agricultural land, some state specific regulations.
Brazil	Prohibits foreign ownership of agricultural land.
Belgium	No restrictions.
Germany	No restrictions.
France	No restrictions.
Luxembourg	No restrictions.
The Netherlands	No restrictions.
Portugal	No restrictions.
United Kingdom	No restrictions.

Source: Land Ownership and Foreigners: A comparative Analysis of Regulatory Approaches to the Acquisition and Use of Land By Foreigners. Food and Agricultural Organisation 1999.

In addition, a number of countries restrict the purchase of land adjacent to their land borders.