



The property at 40 Rothschild Terrace on Waiheke Island, New Zealand, with a red roof. *Source: Paterson Luxury*

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Rich Americans Target New Zealand Luxury Homes as Seven-Year Ban Lifts

An island estate that once served as a Cold War refuge is among sought-after properties.



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The 4.9-hectare island estate with a traditional beachfront villa, organic vineyard and comforting sense of seclusion is a classic New Zealand refuge – and one that is attracting attention from US buyers.

The property, located on Waiheke Island near Auckland and on the market with no set asking figure, will be among the country's first homes to test international demand as the government opens the door to wealthy overseas individuals for the first time in seven years.

Last week, lawmakers passed legislation allowing holders of so-called golden visas to buy or build a single residential property worth at least NZ\$10 million (\$2.9 million). The easing, which is expected to take effect early next year, comes after a pandemic-era housing market boom turned into a bust with prices down as much as 26% in some parts of the country.



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Caleb Paterson, the real estate agent marketing the Waiheke Island property, said the impact of the new law is already being felt. He fielded calls from potential US buyers over the weekend, and has also seen an uptick in interest from New Zealanders rushing to fend off overseas competition.

“We've been waiting a long time for this,” said Paterson, owner of Paterson Luxury. As for the price: “The record on the island is NZ\$23.5 million (\$13.5 million). Could it exceed that number? It’s really going to come down to finding the right buyer.”



The island estate includes a four-bedroom house built in the late 1890s from native kauri timber. *Source: Paterson Luxury*

In 2018, then-Prime Minister Jacinda Ardern imposed a ban on foreigners buying residential property amid concern locals were being priced out by surging prices. A passport-for-sale scandal involving US tech billionaire Peter Thiel only aggravated ingrained fears of American elites snapping up coveted homes.

Cold War Refuge

For decades, Americans have viewed New Zealand as the ideal bolthole to escape the coming apocalypse, and the four-bedroom, red-roofed house built in the late 1890s from native kauri timber on Waiheke Island is a perfect illustration of this.

In the 1960s, New Yorkers Maurine and Robert Rothschild were worried about the risk of nuclear conflict as Cold War tensions mounted. Robert, a keen sailor who graduated from Harvard College in 1939 with a degree in biochemistry, had spent World War II working on radar systems for the Sperry Gyroscope Company – giving him unique insight into the industry warfare. The firm grew more than tenfold during the war due to demand for its advanced aircraft navigation equipment, which included analogue computer-controlled bomb sights for B-17 and B-32 bombers.

New Zealand seemed far enough away to escape the fallout. According to Barbara Bollard, the current owner, Maurine flew into the bay by seaplane when she spotted the house, which was then owned by the family who built it, the O'Briens.

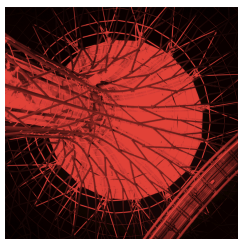
“She looked at the property and said, ‘This is the place,’ and bought it.”





Floor-to-ceiling windows let in natural light. Source: Paterson Luxury

Nuclear holocaust never came and in the 1980s the Rothschilds – who became known for their philanthropy and art collection back in the US – put the house on the market with the grand address of 40 Rothschild Terrace. (There is no clear link between Robert, who headed the John Stuart, Inc. family furniture business, and the well-known Rothschild banking dynasty.)



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Bollard's parents first came across the property by chance in the 1950s, when they were on their honeymoon. John was a New Zealander who spent years in the US as an academic and aeronautical engineer advising NASA, including work with the Apollo space missions. His American wife, Eve, was a dietician. They were out in a small aluminum boat (known in New Zealand as a “tinnie”) when a storm struck. They found shelter in the bay, where the owners welcomed them into their home.

“They took refuge in this beautiful old house with the O'Brien family, who took them in and fed them,” Bollard said. “They just loved it and had a wonderful time. My mom and dad always treasured that memory – it became part of our family stories.”



The home on Waiheke Island is a half-hour ferry ride from Auckland. Source: Paterson Luxury

Three decades later, John and Eve were looking to buy a holiday home on Waiheke Island when they saw the house they sheltered in was for sale. They didn't hesitate.

“They were able to buy it on the spot,” said Bollard, who spent much of her life there after leaving the US in 1985. Her parents planted the vineyard in 1996, which she later converted to organic. The estate includes two small islands called the Sisters, which are walkable to at low tide.

“I have memories of my children growing up there,” she said. “My son had a rope swing across the creek. We'd swim in the bay and sometimes dolphins would come up and visit. It's a wild, beautiful place, extremely private. You go down the driveway, and you feel like you've gone back into the 1800s.”

Sensitive Land

Waiheke, set in the Hauraki Gulf and a half-hour ferry ride from New Zealand's largest city Auckland, has an almost other-worldly feel. Fewer than 10,000 people live permanently on the subtropical island, with another 3,500 or so coming and going from holiday homes, or baches as New Zealanders call them. For decades, the island was defined by the self-

sufficiency of its residents – electricity didn't arrive until the 1950s – and a strong hippie culture that flourished during the following two decades.



View from the property's vineyard. In the middle ground are the Sisters islands, which are also part of the estate. *Source: Paterson Luxury*

That began to change when New Zealand wine pioneer Kim Goldwater planted the island's first vines in the late 1970s. Many others soon followed. Today, Waiheke is home to more than 30 boutique vineyards – including Mudbrick, Man O' War and Stonyridge – many with cellar doors, restaurants and wedding venues.

Paterson said he's fielded more than 100 enquiries about the Rothschild Terrace property, with the pace picking up in recent days.

"I had an American family on the island on Friday – they were just blown away," he said.





The Mudbrick vineyard. *Photographer: Sandra Teddy/Getty Images*

There is some uncertainty about whether homes like the Waiheke Island one – which is deemed “sensitive land” because it’s on the island – will be available for golden visa holders.

“The legislation hasn’t clearly articulated how they’ll handle sensitive land Paterson said. “However, if a property is sensitive, there are pathways that buyers can go through to secure it.”

American Interest

Demand for New Zealand’s golden visa – which offers residency in exchange for investments ranging from NZ\$5 million to NZ\$10 million – has been strong since the coalition government revamped the rules in April. As of Dec. 15, there had been 491 applications covering 1,571 people – a potential minimum investment of NZ\$2.9 billion, according to Immigration New Zealand. About 37% of applicants are from the US.

Allowing foreigners back into the housing market may lift prices at the top end, but it’s unlikely to provide a shift to the rest of the market, said Kelvin Davidson, chief property economist at property consultancy Cotality.



The property has long been a haven for its different owners. *Source: Paterson Luxury*

There are roughly 7,000 homes in New Zealand valued at more than NZ\$5 million – just 0.4% of the housing stock – according to Cotality. About 4,500 are in Auckland and another 1,250 are in the South Island resort town of Queenstown.

Only some 350 of these trophy properties typically come to market each year, meaning the pool available to foreign buyers will be small.

While some wealthy Americans view New Zealand as a doomsday escape capsule, New Zealanders are increasingly hitting the eject button in hopes of finding brighter prospects elsewhere. Record numbers of citizens are departing – most for Australia – as the housing downturn and sluggish economy force them offshore for better paying jobs.





The Sisters islands. Source: *Paterson Luxury*

Average home prices are down 15% from the late 2021 peak, and have fallen as much as 22% in Auckland and 26% in Wellington, according to the Real Estate Institute of New Zealand. That's a shock to New Zealanders used to average annual price gains of almost 7% over the past 25 years.

Mark Harris, managing director and founder of Sotheby's International Realty New Zealand, said the revision to the law may prompt more would-be sellers to put their homes on the market.

"It's not going to make a massive difference to property under NZ\$5 million but to those properties above NZ\$5 million and particularly above NZ\$10 million, I think is where we're going to see the impact," Harris said. "It will also encourage vendors to come out of the woodwork and list with a more confidence."





Fewer than 10,000 people live permanently on Waiheke Island. *Source: Paterson Luxury*

For Bollard, now is the right time to sell, even as she is reflective about saying goodbye to the family home. Instead she holds on to the memories like the time her 80-year-old mother, who was a keen conservationist, abseiled down a cliff to pull out a hard-to-reach weed.

“I wouldn’t have let it go when my parents first passed away. It was my connection to them,” Bollard said. “But it’s time to find the next guardian of that property. Someone who has the same passion.”

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