

24 February 2026

Fast Tract Approvals Act  
Pound Road Industrial Development

**Applicant Response to Minute 14**

This letter is in response to FTAA Substantive application – Pound Road Industrial Development, Minute 14 of the Expert Panel.

**Background**

As stated in the Substantive application, the Applicant (NTP) are ready to commence development as soon as possible after obtaining the relevant approvals under the Act. NTP proposed to develop the project in four stages. The stages may occur concurrently or may occur consecutively.

The nature and timing of the staging is partially dependent on what may be required to comply with approved planting seasons in accordance with regulations and the proposed Lizard Management Plan (LMP). Lizard survey work, habitat establishment, animal relocation and monitoring may delay the initial earthworks programme due to the seasonal requirements of these activities. Earthworks will preferably occur over the summer construction season to provide construction efficiencies.

The Development, as proposed in the Substantive Application and incorporating the proposed and agreed conditions currently meets the financial hurdle requirements of NTP, and Ngāi Tahu Holdings Corporation (NTHC).

Further planning and developed design work has been undertaken as part of the preparation of the Substantive Application and progressed through the FTAA process. Engagement with invited parties per the FTAA – including Waka Kotahi NZTA, Christchurch City Council (CCC), the Department of Conservation (DOC), and other stakeholders – has enabled the construction programme, methodologies, opportunities, and constraints to be refined. In developing the programme, the Applicant has remained cognisant of the constraints arising from the LMP, as well as the additional CCC engineering approvals required beyond the FTAA decision.

In contemplation of these requirements, the Applicant has proffered a condition that Stage One titles will not be issued prior to 31 December 2027. We understand this condition provides further certainty regarding staging and implementation, ensuring that infrastructure in the Project area can be made adequate. Notwithstanding this, NTP remains ready to commence the Development upon obtaining the necessary approvals under the Act. The condition and associated timeframe for issuing of these Titles is therefore also reflective of the anticipated scheduling of works required prior to Titles being issued and is neither burdensome nor onerous from NTP's perspective.

## Impact of Pound Rd/Waterloo Rd/SH1 Intersection Delays and Cost Allocation

### Programme

NTP requires certainty regarding the timing for commencement and progression of construction activities associated with the Development. Certainty of construction sequencing is essential to enable efficient implementation of the consent(s) and to ensure the Development can be delivered in a coordinated and integrated manner. Continuous construction across the stages of the Development provides significant efficiencies, including procurement scale benefits, reduced costs associated with contractor mobilisation and demobilisation, improved bulk earthworks management, and the ability to appropriately implement LMP requirements.

These efficiencies directly support the timely, orderly, and environmentally responsible delivery of the Development. Maintaining continuity of construction also provides confidence to the market and the wider community that the Development will be delivered in accordance with the approved Masterplan. A consistent and predictable construction programme ensures that key services, amenities, and transport network connections are established within a reasonable and foreseeable timeframe. This integrated approach enables purchasers, investors, and tenants to realise the full benefits of the Development and ensures that effects are managed comprehensively as the Development is rolled out.

The programme proposed in the Substantial Application is summarised below:

FTAA Decision (approval)	Q1 2026
Design and EA (CCC)	Q2 26 – Q1 27
LMP	Q3 26 – Q1 27
Construction Stage 1	Q1 27 – Q4 27
Titles Stage 1	Q4 27
Construction Stage 2	Q1 28 – Q4 28
Stage 2 Titles	Q4 28
Construction Stage 3	Q2 29 – Q1 30
Stage 3 Titles	Q2 30
Construction Stage 4	
Construction S4	Q1 30 – Q2 31
Stage 4 Titles	Q3 31

### Financial

The proposed Development is intended to be delivered in four consecutive construction stages between 2027 and 2031. Stage One requires substantial upfront capital investment to establish the essential infrastructure needed to support the full build-out of the Development. These enabling works include:

- **Lizard Management activities**, including monitoring, capture, relocation, habitat enhancement, and ongoing ecological management in accordance with the Lizard Management Plan (LMP).
- **Upgrades to Christchurch City Council potable water supply and wastewater networks** located outside the Development land, which are necessary to provide adequate capacity for subsequent stages.
- **Shoulder widening and intersection formation works on Barbers Road**, enabling safe access and movement for construction traffic and future users of the Development.

These foundational elements are critical to ensuring that later stages can proceed efficiently and in accordance with the Masterplan, and they represent a significant proportion of the initial capital expenditure profile for the project.

The costs associated with these required infrastructure items are distributed across the full Development to ensure an appropriate balance between cost and revenue. Allocating these costs solely to Stage One would render that stage uneconomic, as the revenue generated at that point would not be sufficient to offset the associated expenditure. Development feasibility modelling demonstrates that the project reaches a financial break-even point in Stage Three, and the distribution of costs across all stages is therefore essential to maintaining overall viability.

In addition, the holding costs associated with retaining undeveloped land over an extended period have a material impact on development feasibility. Protracted delays in enabling works or staging therefore carry significant financial implications and directly influence the economic viability of the Development.

To understand the implications of these matters, a range of scenarios have been assessed to determine the impact of the timing and funding constraints proposed by Waka Kotahi NZTA and Christchurch City Council (CCC) regarding the required upgrades to the Pound Road / Waterloo Road / State Highway 1 intersection. These scenarios inform the Applicant's understanding of the feasibility, timing, and staging risks associated with the Development and the reasonableness of the proposed conditions.

- Assumed Scope of Works in accordance with DLS Provisional Estimate 20739 dated 05/02/2026 and Novo Group plan 0383-004-DWD1001-A
- Assumed Cost of works (2026 value escalated [REDACTED] pa, Excl GST ) [REDACTED]
- Assumed duration of construction works [REDACTED]

#### Scenario 1

NTP Contribution 20%

Commence at start of Stage 2 construction (completed by Stage 2 titles)

Development Baseline Internal Rate of Return (IRR) Impact [REDACTED]

Development Baseline EBIT Impact [REDACTED]

#### Scenario 2

NTP Contribution 100%

Commence at start of Stage 2 construction (completed by Stage 2 titles)

Development Baseline IRR Impact [REDACTED]

Development Baseline EBIT Impact [REDACTED]

#### Scenario 3

NTP Contribution 20%

Commence at start of Stage 3 construction (completed by Stage 3 titles)

Development Baseline IRR Impact [REDACTED]

Development Baseline EBIT Impact [REDACTED]

#### Scenario 4

NTP Contribution 100%

Commence at start of Stage 3 construction (completed by Stage 3 titles)

Development Baseline IRR Impact [REDACTED]

Development Baseline EBIT Impact [REDACTED]

**Summary**

Commencing Stage One without certainty of continuity for the balance of the Development would bring about significant risk to the Development, with the financial hurdle KPI's not being met and NTHC are likely to decline the business case to undertake the development. This would result in the Development not proceeding.

An imposed condition requiring NTP to fund the intersection upgrade works, greater than the 20% contribution that has been proffered, results in the the financial hurdle KPI's not being met and NTHC are likely to decline the business case to undertake the development. This would result in the Development not proceeding.

Thus, if either of these scenarios were to arise, the regional benefits of the proposed Development would not be realised.

Ngā Mihi



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