PROPERTY ECONOMICS

BELFAST-PEGASUS MOTORWAY

STAGE 2 FAST TRACK

ECONOMIC BENEFITS ASSESSMENT

Client: New Zealand Transport Agency

Project No: 52542

Date: October 2025

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SCHEDULE

Code	Date	Information / Comments	Project Leader
52542.6	October 2025	Report	Phil Osborne / Tim Heath

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1. INTRODUCTION

Property Economics have been commissioned to assess the economic benefits of the proposed development of State Highway 1 North Canterbury – Woodend Bypass Project (the **B2P Project**"), in the context of the Fast-Track Approvals Act 2024 ("**the FTAA**").

This B2P Project will upgrade State Highway 1 ("**SH1**") from approximately 200m south of Ohoka Road Overpass to the Cam River (a total distance of approximately 4km) and construct a new four-lane state highway, bypassing Woodend township, from the Cam River to approximately 700m north of the Pegasus / Ravenwood intersection (a total distance of approximately 7km). The entire length of the B2P Project spans a total distance of approximately 11km.

In July 2024 the B2P Project was identified in the Government Policy Statement on land transport (GPS 2024) as a Road of National Significance ("**RONS**"). This makes the B2P Project one of only two RONS projects identified for the South Island, by itself making the Project a significant project for the South Island road network.

This Economic Impact Assessment ("**EIA**") is designed to provide an economic assessment of the benefits of the B2P Project based on economic injection, employment, and scale of economic impacts / benefits for the economy to support NZTA's application for statutory approvals to authorise the construction and operation of the B2P Project under the FTAA.

This EIA estimates the total additional gross economic output[1] into the Canterbury regional economy that would be delivered by the Project. The initial specifications and details of the Project costs have been provided by NZTA and represent the Project's configuration and costings at the time of writing this report.

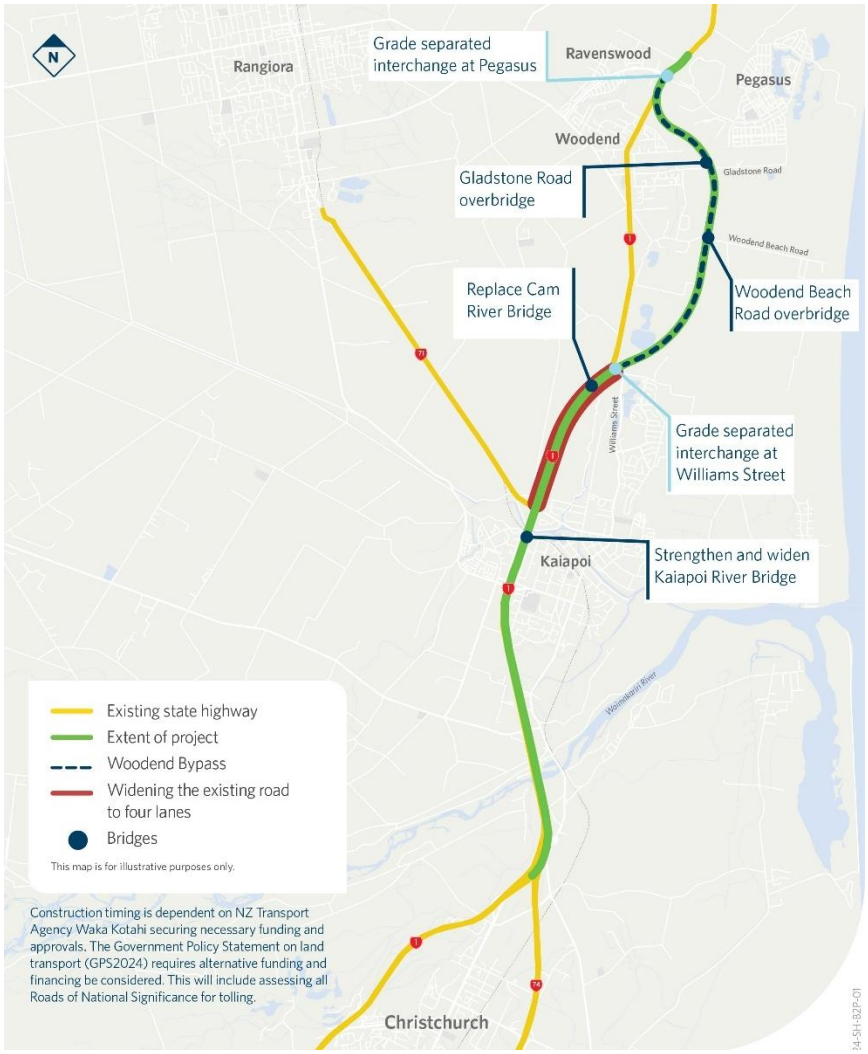
[1] *For example, this EIA has not taken into account the short-term loss of operational employment currently on site.*

This EIA has not endeavoured to identify the extent to which particular parts of the Canterbury Region will benefit economically. Rather, it assesses the likely economic impacts upon aggregate Canterbury business activity given the composition of the Project, i.e. the significant regional benefits.

The economic benefits likely to be experienced as a result of the Project are broken down by the development phase, which includes the construction costs (CAPEX[2]) of the facilitated activities, and the proportion of those costs that are retained within the Region.

The figure below depicts the Project map.

FIGURE 1: B2P PROJECT MAP



Source: NZTA

[2] *CAPEX – Capital Expenditure.*

2. EXECUTIVE SUMMARY

The B2P Project is an extension of the Christchurch Northern Motorway and will provide four lanes of grade separated motorway over an approximately 11km length. The physical work commences approximately 200m south of the Ohoka Road Overpass and extends to approximately 700m north of the Pegasus/Ravenwood intersection, including a bypass of Woodend township.

The total quantitative and qualitative economic impact as a result of the B2P Project's development is summarised in the following table:

Estimated Quantitative Economic Impact on Canterbury Region Economy:	
Total NPV[3] 8% over a 7-year development period[4]:	**$275m**
Total NPV 4% over a 7-year development period:	**$320m**
FTEs during the peak development and operation year[5]:	**624 FTEs**
Total FTE years over the 7-year development period:	**2,361 FTE years**
Total Direct employment over the development period:	**1,023 FTE years**
Total Indirect and Induced employment over development period:	**1,338 FTE years**

Qualitative Economic Benefits:

- Contribution to a nationally and regionally significant infrastructure asset, the strategic State Highway network.
- Enhanced regional freight efficiency and connectivity
- Improved safety and travel reliability
- Supporting future regional economic and population growth
- Improved local servicing
- Increased employment opportunities and economic activities
- Potential to cater for greater levels of growth
- Improved Canterbury regional competitiveness
- Improved productivities and agglomeration benefits

The quantified economic injection (increase in economic activity) into the regional economy and employment opportunities, and the Project's qualitative economic benefits, would result in significant benefits both regionally and nationally.

With estimated time savings of between 3-10 minutes per vehicle per day, in conjunction with projected daily traffic volume increases to 28,000 per day by 2048, the economic benefits of the Project extend well beyond construction of the road itself and unlocks a range of wider

3 Net Present Value.

[4] The development period in this EIA represents the years economic activity is generated by the project's development, not just the construction period. This includes pre-construction activities such as planning, design work, procurement, contracting and consulting.

[5] Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

economic benefits that cumulate annually which over the economic life of the road would extend into the billions of dollars.

Overall, the B2P Project is a critical piece of strategic infrastructure that would support the long-term growth of the greater Christchurch and Canterbury Region economies. With Christchurch serving as the South Island's primary economic hub, contributing around 68% of the regional GDP annually and supporting around 71% of regional jobs[6], the efficient movement of people and goods within and beyond the region is critical.

The B2P Project would address one of the region's key transport bottlenecks by diverting through-traffic away from the increasingly congested township of Woodend, thereby improving travel times, reducing freight delays, and enhancing road safety on one of NZ's most important freight corridors.

The B2P Project would directly benefit neighbouring districts and the wider South Island, significantly beyond the receiving environments. For instance, Waimakariri District's current (2024) population of approximately 70,000 is projected to grow by around 24% by 2048, even under Stats NZ's Medium growth scenario. Many residents commute daily into Christchurch for employment, contributing to strong cross-boundary economic interdependence.

Reducing congestion and improving journey reliability would support labour market connectivity, enhance productivity, and improve access to services and commercial hubs in Christchurch. Moreover, the bypass would help future-proof regional infrastructure to accommodate growth associated with Greater Christchurch's spatial development and intensification strategies.

From a freight and logistics perspective, SH1 forms an integral part of the strategic road network connecting Christchurch to Kaikōura, Marlborough, and the North Island via Picton. SH1 through Woodend currently accommodates around 21,500 vehicles/day, of which around 9% or 1,940 vehicles are freight. According to Transport Minister Chris Bishop, this traffic volume is expected to grow to around 28,000/day by 2048. There have been 280 crashes on SH1 through Woodend between 2014 and 2023, with three fatalities and 25 serious injuries[7].

Delays, accidents and inefficiencies on this stretch of SH1 hinder the region's competitiveness of regional (and national) freight and export economy, particularly for time-sensitive goods such as primary products and manufactured exports. By improving travel time reliability and freight

[6] *Sources: Infometrics – Regional Economic Profile; Stats NZ – Regional Gross Domestic Product & Business Demographic Statistics*

[7] *Source: https://www.beehive.govt.nz/release/progress-sh1-belfast-pegasus-motorway-and-woodend-bypass-project*

resilience, the bypass supports regional supply chain efficiency, thereby enhancing regional export capacity and productivity.

To contextualise the regional economic significance of the Project further, it is useful to compare the Project with wider transport investment in Canterbury. Over the 10-year period from 2021/22 to 2030/31, multiple authorities are planned to invest around $5.35b in the region's transport network to ensure it remains well maintained, supports growth, and operates efficiently[8]. Of this, approximately $1.1b (21%) is allocated specifically to state highway maintenance and improvements. Against this benchmark, the Project represents around 26% of the region's total state highway-related investment over the decade, underlining its strategic regional importance within Canterbury's transport investments.

Therefore, the B2P Project is not merely a local transport intervention but a catalyst for broader regional and national economic performance. By improving connectivity, labour mobility, and freight efficiency, it reinforces Canterbury's role as a crucial economic engine of the South Island and aligns with national infrastructure goals to support regional growth, resilience, and productivity.

We consider that advancing the B2P Project would yield significant economic benefits for the regional and national economies as well as the local community. Overall, our assessment supports the B2P Project from an economic perspective in the context of the FTAA (and RMA).

[8] *Source: https://www.ecan.govt.nz/your-region/living-here/transport/regional-transport-planning/canterbury-transport-spend*

3. GENERAL INFORMATION

3.1. STATEMENT OF EXPERIENCE

Philip Osborne - I am an economic consultant and Director of Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for fast track applications (including under the Covid-19 Recovery Fast Track Consenting Act 2020).

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court.

Tim Heath – I am founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients.

My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented. I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court I have also been involved in undertaking economic assessments for dozens of Fast Track applications.

3.2. CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in

preparing this EIA. We confirm that the issues addressed in this EIA are within our area of expertise, except where we have indicated that we are relying on others' opinions. We have not omitted material facts known to me that might alter or detract from this EIA.

3.3. INFORMATION AND DATA SOURCES

To support our assessment, information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Input / Output Tables - Statistics NZ
- Business Frame Data - Statistics NZ
- Proposed Development Costings (estimates)– NZTA

3.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this EIA. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
Agglomeration Benefits	Where businesses and employees cluster together in a geographic area, offering several benefits. These include increased productivity, lower transportation costs, and knowledge spillovers.
ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - a standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	Capital expenditure.
Direct economic impacts	Derived from the actual spending / expenses incurred through the construction of the anticipated development.
Indirect economic impacts	The increased spending brought about by those firms / households and their employees / occupants, who supply the development.

Induced economic impacts	Measured in terms of the additional income that will be spent in the area due to increased business activity.
Economic benefits	Usually gains that can be expressed in financial terms as the result of an improvement in facilities provided by a government, local authority, etc.
Employment multipliers	The level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	Full time equivalent years - these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
GDP	Gross domestic product.
NPV	Net present value - the difference between the present value of cash inflows and the present value of cash outflows over a period of time – calculated using an associated discount rate.
Transaction costs	Costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

4. ECONOMIC CONTEXT

In assessing the potential economic impacts of the B2P Project, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

1) The geospatial extent of the economic impact. While facilitation of additional business development and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Canterbury Region. As identified, for the purposes of this assessment, the extent of economic impacts is focussed on the retention[9] of economic activity within this area.

2) The economic impacts are those resulting from the construction of the Project over a 7-year period.

3) While not directly applicable given the Project is progressing under the FTAA, the RMA provides context in terms of the utilisation of resources and the resulting impact on the price and provision of these resources. It calls for the "*efficient use and development of natural and physical resources*" (Part II section 7 (b) RMA), with economic efficiency being defined as "*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs*"[10].

As identified in this report, the Project is likely to have economic impacts that are felt beyond the specific benefits within the region.

Additionally, as addressed in the various environmental assessment reports prepared in support of NZTA's application for the Project, there are likely to be other, non-economic effects that may result in further economic impacts, such as land value changes (e.g. improved accessibility can increase associated property values). These other potential further economic impacts are excluded to avoid double counting of effects. For the most part, these other, non-economic effects, e.g., environmental effects, have not been addressed in this report.

[9] *In this context retention relates to the level of direct spend that is attributable to the Canterbury Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.*

[10] *Pass, Christopher and Lowes, Bryan, 1993, Collins Dictionary of Economics (2nd edition), Harper Collins, Page 148*

5. TOTAL ECONOMIC ACTIVITY FROM DEVELOPMENT AND CONSTRUCTION

This section assesses the potential economic activity generated within the Canterbury Region specifically attributable to the Project through spending on the general civil works and development.

This EIA aims to understand the overall economic activity generated by the B2P Project. It considers the direct effects (the immediate changes caused by the Project), indirect effects (changes in spending by suppliers to the Project), and induced effects (changes in spending by households due to increased income from the Project).

5.1. METHODOLOGY

Multipliers, a key component of this EIA, quantify how initial changes in spending as a result of the Project lead to larger, ripple effects throughout the Canterbury regional economy. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Multipliers

Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry (e.g. the construction sector).

Each direct expenditure results in different '*flow on*' impacts depending on the regional economy's composition and size. These are aggregated to allow for the development (earthworks, consulting fees, etc.), and construction (built form) multipliers identified later.

The total impact assessed through the EIA sums the direct, indirect, and induced effects to determine the overall anticipated economic impact. This begins with an initial direct 'expenditure' for the Project, however not all of this expenditure is spent on goods or services from Canterbury.

The component that is spent on goods and services from Canterbury is said to be retained within the region. From this point the retained expenditure flows through the regional economy resulting in indirect and induced impacts, the total of which is outlined in this section of the EIA.

This EIA is based on construction costs, which have been estimated for the overall Project.

The impact of the Project's capital expenditure on the initial business cycle has been calculated through the use of a 'construction multiplier'. This construction multiplier was based on the national input-output tables produced by Statistics New Zealand (based on 48 sectors), which were then assessed at a regional level based on Canterbury economic activity, composition and productivities.

The economic modelling estimates the 'leakage' (i.e. and conversely how much of this construction and development cost is spent in the region) from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each $1 injected.

The modelling was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Canterbury catchment for the Project include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

The reference to "*Development Costs*" (and subsequent multipliers for these components) includes costs associated with the development of the land, earthworks etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.

The reference to "*Construction Costs*" includes built form costs.

Each identified multiplier relates simply to the economic sector from which the activity is generated.

5.2. ASSUMPTIONS, UNDERPINNING DATA AND EXCLUSIONS

We have applied the following assumptions, exclusions and underpinning data in this impact analysis in order to assess the level of economic injection the B2P Project will have into the overall regional economy at this time. These listed matters have some (limited) impact on the extent of regional impacts but can be quickly adjusted to accommodate more specific construction costs and injections.

1. The construction costs of the Project will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'non-residential construction', 'non-building construction', 'other construction services.'.

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.

3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2018 data. However, employment data has been updated as per the Statistics NZ Business Frame data[11] to March 2024.

4. This report deals with the economic impact of the Project on the Canterbury region. These are specifically the direct impacts related to the construction and development of the proposed Project.

5. The economic activity generated is based on the B2P Project's gross activity and does not consider the Project redirecting growth opportunities from elsewhere in the catchment. That is, it is assumed that there is enough resource in the region to generate this activity while supporting expected existing activity.

6. For the purposes of this report an 8% discount rate has been applied.

7. Labour movements are based on average retention rates rather than specific company locations.

8. The proportion of materials and labour internalised in direct benefits to Canterbury are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Canterbury are based on the movement of resources (including labour) between other regions.

Table 1 below outlines the resulting impacts on the Canterbury regional economy as a result of the Project, applying the methodology, multipliers and assumptions set out above.

[11] *Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.*

5.3. TOTAL CANTERBURY REGIONAL ECONOMIC ACTIVITY

TABLE 1: TOTAL GROSS CANTERBURY REGIONAL ECONOMIC INJECTION OF PROJECT ($M) 8% RATE

	2025	2026	2027	2028	2029	2030	2031	Total
Level 2 Multiplier Impacts								
Total Canterbury Output NPV (48 sector multipliers)**	**$8.99**	**$34.69**	**$31.18**	**$44.31**	**$65.12**	**$63.82**	**$27.17**	**$275.3**
Employment (FTE Years)								
Total Employment (FTE years)	**59**	**242**	**228**	**360**	**578**	**624**	**271**	**2,361**

Source: Property Economics

***The impacts on Canterbury as a result of direct, indirect and induced activities.*

Utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a period of 7 years, development beyond the first year is discounted at 8% p.a. to provide a NPV. The result of this process yields the estimated $275m of total value added for Canterbury Region over the life of the development timeframe.

In terms of employment multipliers this would contribute an estimated 624[12] jobs during the peak construction year within Canterbury, with a total number of FTE years at an estimated 2,361 over the construction period.

This level of employment generation is significant in relation to regional employment. For context, the regional unemployment rate rose from 4.2% to 5.2% year ended June 2025, this represents an increase in over 3,500 more people unemployed. While, as identified in the EIA assumptions, the level of regional employment generated by this project is likely to be tempered through a redistribution, the current unemployment rate would suggest an increased propensity for new employment to occur under these conditions.

To show a degree of sensitivity to Project economic impacts, Table 2 provides the total impact relating to a 4% discount rate. This shows a material increase in NPV GDP to $320m.

TABLE 2: TOTAL GROSS CANTERBURY REGIONAL ECONOMIC INJECTION OF PROJECT ($M) 4% RATE

	2025	2026	2027	2028	2029	2030	2031	Total
Level 2 Multiplier Impacts								
Total Canterbury Output NPV (48 sector multipliers)**	**$8.99**	**$36.20**	**$33.95**	**$50.35**	**$77.21**	**$78.95**	**$35.07**	**$320.7**
Employment (FTE Years)								
Total Employment (FTE years)	**59**	**242**	**228**	**360**	**578**	**624**	**271**	**2,361**

[12] *NB These are all jobs created through the Direct construction phase including Indirect and Induced employment through all business sectors (not solely construction jobs).*

5.4. TOTAL CANTERBURY DIRECT AND INDIRECT EMPLOYMENT

The sectors associated with Direct employment measure approximately 1,023 FTE years with the remaining around 1,338 FTE years resulting from Indirect and Induced activity as a result of the Project. This will equate, to an annual average of an estimated 146 direct jobs and approximately 191 indirect jobs over the construction period.

To contextualise the above economic impacts, it is useful to compare the Project with wider transport investment in Canterbury. Over the 10-year period from 2021/22 to 2030/31, multiple authorities are planned to invest around $5.35b in the region's transport network to ensure it remains well maintained, supports growth, and operates efficiently[13]. Of this, approximately $1.1b (21%) is allocated specifically to state highway maintenance and improvements. Against this benchmark, the Project represents around 26% of the region's total state highway-related investment over the decade, underlining its strategic regional importance within Canterbury's transport investments.

From an employment perspective, the Project is estimated to generate around 2,361 FTE years over its development period. To provide context, Canterbury's construction sector has grown slowly, with employment increasing from 29,630 in 2014 to 31,260 in 2024[14]. This equates to an average net increase of 163 employees per year. Given this, the employment injection of the Project is equivalent to approximately 14 years of average sector growth, reflecting its significant impact on regional construction employment and activity over the construction period of the Project.

Together, these comparisons highlight the regional significance of the Project, both in terms of its relative scale within Canterbury's transport investment programme and its significant contribution to employment generation and economic activity in the region's construction sector.

[13] *Source: https://www.ecan.govt.nz/your-region/living-here/transport/regional-transport-planning/canterbury-transport-spend*

[14] *Source: Stats NZ Business Demography Statistics*

6. ADDITIONAL OPERATIONAL REGIONAL AND NATIONAL ECONOMIC BENEFITS

In addition to the previously quantified economic injection outlined above, the B2P Project would create a variety of other potential (non-monetised) operational economic benefits. These are outlined in the following analysis.

OPERATIONAL ECONOMIC BENEFITS

- Contribution to a nationally and regionally significant infrastructure asset: The Project has been identified in the GPS 2024 as a Road of National Significance. It represents a major investment in a regionally significant infrastructure asset that will serve as a critical support for Canterbury's future growth. Its scale, integration with national infrastructure, and role in unlocking additional growth opportunities elevate its importance beyond just local benefits, positioning it as a key contributor to the broader Southern Island transport and economic network.

- Travel time efficiencies and safety improvement: A key economic contribution of the on-going operation of the Project is the estimated level of travel time saving and travel safety improvement. It will deliver a three-minute travel time saving along the state highway, and up to 10 minutes at peak.

- Enhanced regional freight efficiency and connectivity to accommodate output growth: SH1 from Belfast to Pegasus is the key freight route to the north of Christchurch, and provides critical access to Christchurch City, the primary commercial centre for the South Island, with Christchurch International Airport, Lyttleton Port and major health, education, commercial and industrial services.

  The Project will improve freight movement efficiency which has significant multiplier effects across the regional and national economy. Faster and more predictable logistics lowers supply chain costs for exporters and importers, enhances delivery / transport reliability, and increases the competitiveness of local and regional industries in global markets.

  Research from Transporting New Zealand shows a strong correlation between transport services and national output, with a 1% increase in output typically requiring about a 1.4% increase in transport services[15]. As Canterbury's economy continues to expand, ensuring an efficient and reliable transport network will be essential to sustaining growth in regional production and overall economic performance.

[15] *https://www.transporting.nz/our-economic-contribution*

- Supporting future regional economic and population growth: Canterbury is New Zealand's largest region by land area and a pivotal driver of both South Island and national economic performance, generating around 57% of the South Island's GDP[16] and making a substantial contribution to the country's overall economy. With an anticipated population increase of approximately 213,700 additional people (or around +31%) in the Canterbury Region by 2048[17], the Project will play an important role in both enabling and sustaining this anticipated growth.

  As regional population expands, so too does demand for efficient transport infrastructure that can accommodate increased volumes of commuters, freight, and service vehicles. The Project will help accommodate these needs by enhancing road capacity, reducing congestion, and improving travel time reliability, thereby unlocking access to new residential, commercial, and industrial development opportunities.

- Positive spillover on broader regional and national economies: Infrastructure improvements like SH1 upgrades tend to produce ripple effects across the wider economy, boosting GDP, productivity, exports, and household consumption. Comparable projects (like the Waikato Expressway) have been shown to raise real GDP and regional economic output beyond their direct impacts. These precedents indicate that the Project would deliver similar macroeconomic benefits.

- Improved local servicing: The Project will significantly enhance local servicing by improving accessibility and reducing travel times between residential areas, service hubs, and key employment areas. Local businesses benefit from a wider customer base and more predictable logistics, while residents gain quicker and more dependable access to essential services. For time-sensitive sectors such as emergency services or perishable goods distribution, these improvements will translate into substantial efficiency gains and better outcomes.

- Potential to cater for greater levels of growth: Enhanced infrastructure delivered by the Project could act as a catalyst for further development activity in the Canterbury Region, potentially stimulating interest in both additional urban development and complementary commercial and service-oriented developments. This growth dynamic would not only help facilitate expansion demand but also strengthen the local economic base by attracting new businesses and services to emerging communities.

[16] *Source: https://nzta.govt.nz/assets/planning-and-investment/nltp/2024/docs/regional-summaries/canterbury-regional-summary-nltp-2024-27.pdf*

[17] *Based on Stats NZ High growth projection*

In turn, this attraction of new businesses and services will foster job creation, increased consumer spending, and broader regional economic integration, providing long-term momentum for sustainable urban and economic development throughout the region.

- Improved productivities and agglomeration benefits: The Project will boost productivity and generate agglomeration benefits by enhancing the efficiency of movement for both goods and people across the Canterbury Region. Improved connectivity will further facilitate greater economic clustering by bringing businesses, workers, and services into closer proximity. Essentially, the Project will increase the propensity for employment clustering and thereby density, leading to wider economic benefits such as agglomeration benefits (generally through increased density), labour supply impacts (through larger employment base), and the impacts of improved competition.

  This agglomeration effect encourages knowledge-sharing, collaboration, and innovation, while also expanding the accessible labour pool for employers. In the long term, these dynamics would foster a more vibrant, interconnected regional economy with higher overall output, stronger business networks, and increased competitiveness. These benefits are also the result of enabling increased employment densities, as a result of the fully functioning Project.

7. CONCLUSION

The B2P Project holds regional and national significance well beyond its immediate geographic context. While it directly addresses traffic congestion and safety in the Woodend and North Canterbury area, its strategic function within the broader SH1 corridor means the benefits extend to the wider Canterbury region and national transport network. SH1 is NZ's principal north–south freight and passenger route, linking Christchurch, the South Island's largest economic centre, with Kaikōura, Marlborough, and the North Island via Picton.

However, the current bottleneck through Woodend compromises journey time reliability, undermines freight efficiency, and imposes economic costs on both producers and transport operators. By eliminating this constraint in a timely and efficient manner, the Project will strengthen inter-regional supply chains, enhance access to ports and distribution networks, and reduce the national economic friction associated with traffic delays and road safety risks.

In addition, the Project supports the growth and functionality of the Greater Christchurch urban economy. North Canterbury has seen significant residential and commercial expansion, with Waimakariri District emerging as one of the fastest-growing local authorities in NZ. The Bypass would significantly reduce pressure on the existing roading infrastructure, enabling the district to sustainably accommodate further growth while maintaining efficient commuter and freight connectivity with Christchurch.

Given the scale of its strategic and long-term benefits, the Project's potential to enhance freight efficiency, strengthen labour market connectivity, and support infrastructure planning provides a clear rationale for its acceleration under the FTAA. In Property Economics' view, delaying the delivery of this Project risks compounding avoidable economic inefficiencies and undermining the potential of one of NZ's most important regional corridors.

In light of the economic impact assessment and economic benefits analysis outlined in this report, Property Economics considers that advancing the Project would yield significant economic benefits for the regional and national economies and communities. This meets the purpose of the FTAA.