

# DIRECTORS' REVIEW

## Overview

The Board of CDL Investments New Zealand Limited ("CDI") reflects on a year in which the Company continued to progress its development programme and position the business for the future, against a backdrop of softer residential market conditions.

Throughout 2025, easing inflation and mortgage interest rates were not sufficient to materially lift purchaser confidence. Broader economic pressures continued to influence buying decisions, resulting in lower levels of transactional activity across the sector. In this environment, the Board's focus remained on disciplined capital management, progressing active developments, preserving balance sheet strength and flexibility, and capitalising on softer market conditions to pursue strategic portfolio acquisitions.

## Financial performance

For the year ended 31 December 2025, CDI recorded a profit after tax of \$11.1 million (2024: \$15.4 million). Property sales and other income totalled \$38.1 million (2024: \$49.1 million), reflecting the subdued residential sales environment experienced throughout the year.

Shareholders' funds remained strong at \$321.2 million (2024: \$319.7 million), with total assets of \$331.6 million (2024: \$328.6 million). Net tangible assets per share at book value were 109.7 cents (2024: 109.5 cents), underlining the strength of the Company's asset base.

## Development activity

Despite softer market conditions, CDI continued to advance its consented and active developments during the year.

Development progressed at Iona in Havelock North through Stages 1 and 2, while construction was completed at Prestons Park in Christchurch, with Stages 4 and 6 finalised. The Canterbury region continued to perform well for the Company, reflecting the benefits of CDI's regional diversification.

Construction of the land development phase also commenced at the Company's Wairakei Road industrial development in Christchurch, supporting the continued focus on diversification by expansion of the commercial and industrial portfolio.

The Company also entered into agreements to purchase strategic land holdings in Havelock North (0.36 ha) and Hamilton (1.63 ha), further strengthening CDI's position in relation to its Fast-track applications.

## Development pipeline and planning environment

The timing of commencement of some future developments continues to be influenced by evolving planning and land-use settings at national and regional levels. This period of transition has required councils to reassess growth sequencing and land classifications, adding complexity and extending timeframes across the sector.

These factors have contributed to constraints within CDI's development pipeline which has resulted in CDI considering ways it can expedite inventory constraint issues. In response, CDI has maintained flexibility across its landholdings, carefully staged investment, and progressed consent pathways where possible to improve certainty of delivery.

During the year, the Company lodged a Fast-track application for its Arataki Road development in Havelock North and expects a decision in the first quarter of 2026. Progress also continued on preparations for Fast-track applications of the Company's large-scale residential and industrial development in Hamilton and its future urban land at Iona, Havelock North.

## Portfolio diversification

CDI's industrial and commercial assets continued to provide earnings resilience during the year, reflecting a deliberate diversification strategy commenced in 2019 to moderate exposure to residential market cycles.

Our industrial assets at Wiri, Auckland remained fully tenanted, and retail leasing activity progressed our Prestons Park retail centre in Christchurch despite challenging retail sector conditions. The retail centre at our Stonebrook subdivision in Rolleston is fully leased. The Board considers this diversification an important contributor to the Company's ability to manage earnings volatility through the cycle.

## People, governance and capability

During the year, CDI continued to invest in organisational capability to support its long-term strategy. At governance level, the Board was strengthened with the addition of independent non-executive director Julian Smith, who brings 15 years of governance, strategic and transformational experience. At an operational level, the appointment of a General Counsel and Company Secretary, and a Financial Controller were welcomed new members to the team.

These appointments build on CDI's existing governance and management capability and reflect the Board's focus on ensuring the Company remains well-equipped to manage regulatory, financial and operational requirements as the development pipeline progresses.

## Outlook

Looking ahead, the Board remains cautiously optimistic while expecting any recovery in residential demand to be gradual over a period of time and influenced by broader economic conditions.

CDI enters the next financial year with a strong balance sheet, a refreshed and experienced Board and management team, and a development pipeline that supports long-term value creation. The Board remains focused on disciplined capital allocation, leveraging prevailing market conditions to make strategic acquisitions, progressing consented and Fast-track projects, and ensuring the Company is well-positioned for the future.



**Desleigh Jameson**  
Board Chair  
24 February 2026