

# Rangitīkei District Quarterly Economic Update

June 2025



## June Quarter 2025



The June 2025 economic data for Rangitikei District is telling the story of a two speed economy.

Local GDP is estimated at \$897m, contracting just -0.2% annually which is a positive result in comparison to the region and country result of -0.8%. This reflects a strong agricultural sector in the district and is helping the overall economy despite the lingering effects of a challenging year, particularly for retail, construction and manufacturing.

There is continued confidence in the primary sector with input costs starting to ease and commodity prices improving.

Although this is good news for higher farm returns, the wider benefits will take some time to flow through the economy while debt levels are reduced and any deferred maintenance work is completed.

Employment across the district has declined in the June quarter reflecting a low level of business confidence. This will be driven, in part by a drop in consumer spending.

It is taking some time for the interest rate reductions to hit consumers pockets and key household expenses remain stubbornly high keeping pressure on household budgets and reducing discretionary expenditure. While employment dipped, there are signs we are close to bottoming out. Unemployment remains comparatively low and easing interest rates combined with stable primary sector earnings are expected to stimulate household confidence in the coming quarters.

The housing market is showing renewed momentum, with sales up, number of listings down and values rising to an average of \$370,000. Housing affordability continues to be a real strength in the district compared to regional and national averages making home ownership a reality for more first home buyers this quarter.

Overall, while challenges remain in consumer confidence and employment, the underlying strength of primary industries, combined with improving affordability and modest business growth, points to a positive outlook for rural Rangitikei economy heading into 2026.





## Gross Domestic Product

The Rangitikei District's economy saw a small step back in the year to June 2025, with GDP (Gross Domestic Product) estimated to have declined by 0.2%. While this represents a slowdown, it's worth noting that the regional and national economy experienced a larger drop of 0.8% over the same period. In that context, Rangitikei has and continues to hold up relatively well.

For the second quarter in a row, the largest contributor to this decline was from the construction sector. There appears to be a longer lag for the pipeline of consented residential and commercial properties to be built as the falling interest rates take time to take effect. Households appear hesitant to undertake any major renovation work to their properties and the new dwelling market is still tracking well below the 10-year average. Once mortgage holders feel the effect of lower interest rates and have a higher level of confidence overall, we can expect to see the construction sector improve which will have wider benefits across the economy, particularly in employment numbers.

The local economy continues to outperform the national economy due to strong returns in the primary sector, particularly dairy, red meat and to an extent, forestry. The global demand continues to rise for red meat driven mainly by a reduction in production and this is reflective of a slight reduction in the volume of exports, but comparatively higher increase in value. As

red meat makes up over 22% of the total GDP result for Rangitikei, strong results in this sector often lead to a good result for the whole district.

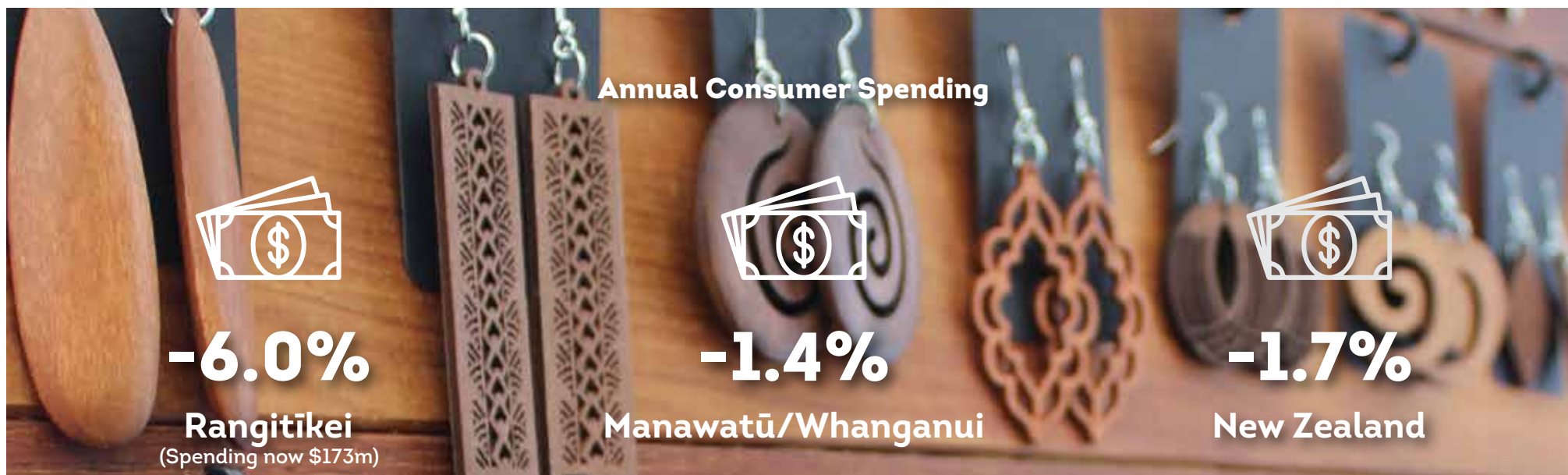
Consumer spending has been lower, falling over the year. This reflects a mix of tighter household budgets and cautious spending patterns. However, with inflation easing and mortgage rates beginning to come down, there's hope that household confidence and spending may gradually improve towards the end of 2025.

The outlook for commodity prices remains strong and further rate reductions will give confidence to both businesses and consumers.

Looking ahead, our economy continues to show signs of resilience and is well positioned for recovery towards the backend of 2025 and into 2026.



Rangitikei	Manawatū/Whanganui	New Zealand
<b>\$897m</b>	<b>\$15.6b</b>	<b>\$415b</b>



## Consumer spending insights and update



Over the year to June 2025, consumer spending in Rangitikei fell by 6.0% with annual spending now at \$173m. While this may sound concerning, it reflects several wider influences that are affecting household budgets both locally and across the country.

One of the main reasons for reduced spending continues to be the cost of living.

Annual inflation had been trending downward however the July 2025 result of 2.7% was an increase and suggests there is still pressure on household budgets. Everyday essentials continue to take a higher share of people's income and discretionary spending remains low.

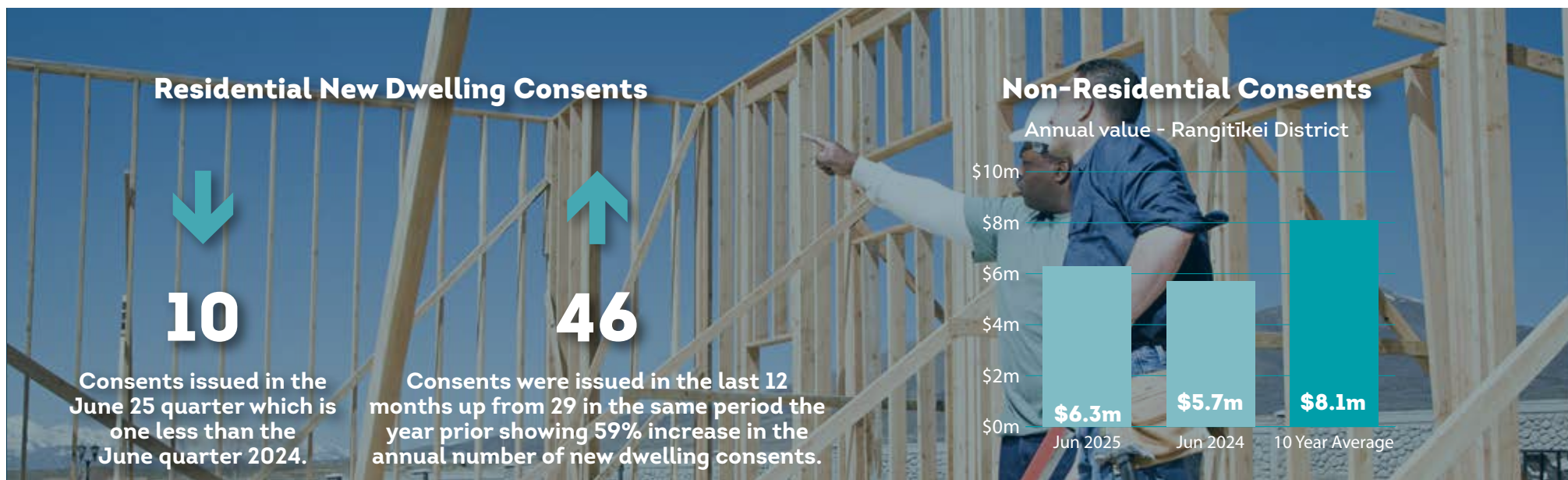
While interest rates are coming down, many households will be going through a period of consolidation, getting budgets back under control and in some instances, clearing

some additional debt. It has been reported that mortgage arrears are at an 8 year high, and 'buy now-pay later' loan arrears are also on the rise. Financial hardship cases have been steadily increasing as well, which when rolled up, is having an impact on household spending.

This has led to reduced confidence by the broader economic slowdown. When people are feeling cautious about the future, it's natural to spend less and save more. Retail, hospitality, and other consumer-facing industries have felt the effects of this more careful approach to spending.

However, with signs that interest rates are easing and the job market beginning to stabilise, there is potential for consumer spending to gradually improve, particularly as we head towards the warmer months. As financial pressures lift, households may start to feel more confident in spending a little more, which will provide a welcome boost to the local retailers.





## Construction sector insights and update



The construction sector is starting to show green shoots in terms of activity. New dwelling activity is up, non-residential activity is up and there is evidence of construction activity across the district which is a positive for the sector.

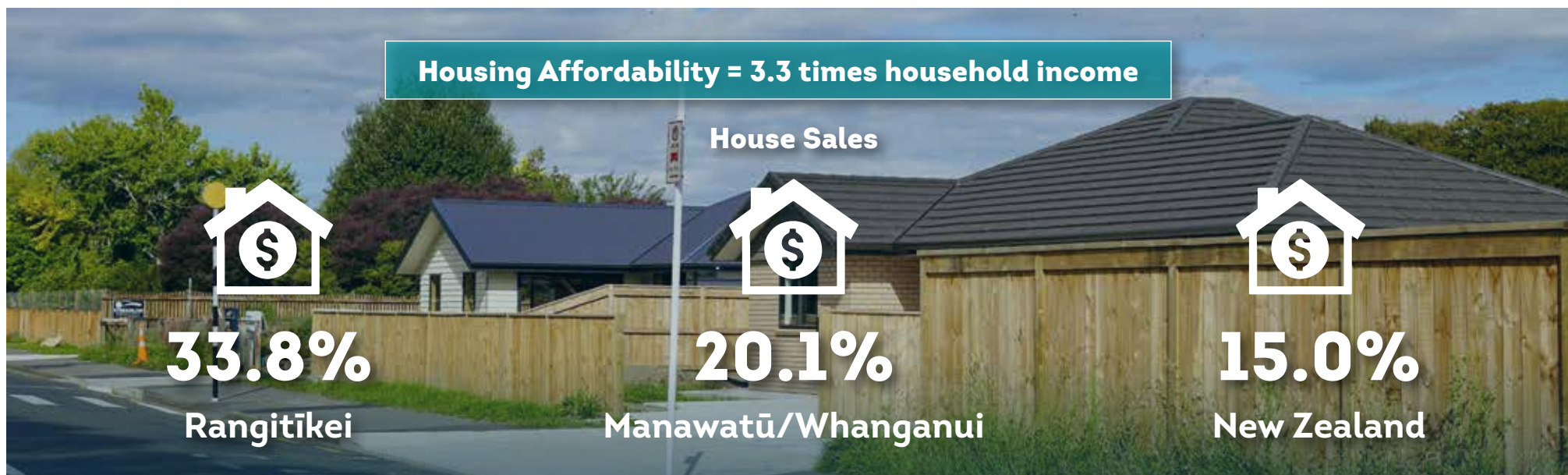
Non-residential consents have increased on the June 2024 quarter and starting to edge closer to the 10-year average. This is a pleasing trend which shows there is some confidence returning to commercial, rural and industrial development across the district.

New dwelling consent activity was very similar in the June 2025 quarter to the June 2024 quarter.

On an annual basis however, there are strong signs of increased activity with a nearly 60% increase in new dwellings consented.

This is building the pipeline of construction work for the district and there will be benefits for the sector and the wider economy with the increased level of employment this sector creates.

Construction costs appear to be stabilising and central government continues to work towards legislation aimed to reduce the costs for building materials in New Zealand. The outcome of this legislation is yet to be fully known but there is reason for optimism in the sector and the district with more developed residential land planned in the southern end of Rangitikei.



## Housing insights and update



The housing market in Rangitikei is going through a period of adjustment with many influences affecting the market.

Compared to the region and country the housing market is holding up well and last quarter saw a jump in values, increase in the number of properties sold and decrease in the number of listings.

The annual number of properties sold in the quarter has jumped up to 198. This is now above the 10-year average and an increase of nearly 40% on the same time a year ago. This is also the highest number of sales since September 2021 signaling the housing market might be showing signs of heating up. The increase in the number of sales has been a driver in why we are seeing the total number real estate listings in the district decline this quarter. This is the first decline in the number of listings since March 2023. This suggests demand is increasing, supply is reducing and as a result there is a small increase in values.

The average house value in Rangitikei is \$370,000 which remains highly affordable when compared to our regional average of \$489,000 and national average of \$874,000.

Nationally, approved new mortgage lending is up 21% compared to a year prior, further supporting an increase in demand for housing. This will be driven by a combination of lower interest rates, stabilising house prices and inflation moving back to controllable levels. There appears to be confidence returning to the housing market which will have positive flow on effects for the wider economy.

**Rental prices, however, have continued to rise increasing by 4.7%.**

This has put added pressure on renters, although affordability in Rangitikei remains better than in many other parts of the country.

On the whole, the housing market in Rangitikei is showing positive signs of growth while remaining more affordable for both renters and owners when compared to neighbouring districts.



### Average House Price

Rangitikei	<b>0.9% now \$370,351</b>
Manawatū/Whanganui	<b>-1.2% now \$488,913</b>
New Zealand	<b>-0.6% now \$873,626</b>



## Tourism Expenditure



**-11.6%**

**Rangitikei**



**-2.0%**

**Manawatū/Whanganui**



**0.0%**

**New Zealand**

## Tourism insights and update

Tourism in Rangitikei continues to face strong headwinds in the last quarter, with total visitor spending down 11.6% to around \$61 million.

In previous quarters, the decline locally was in line with national and regional tourism expenditure, however nationally it appears to be levelling out suggesting the sector is getting close to the bottom.

The cost of living continues to be a key influence and driver of tourism expenditure. Everyday essentials continue to take up a larger share of household incomes leaving less room for discretionary spending like travel. This continues to lead to fewer trips, shorter stays and smaller rural destinations like Rangitikei feel the impact the most. Annual guest nights fell 1.5% last quarter which further reflects the highly competitive domestic tourism sector.

International tourism is recovering, but growth is modest. While visitor numbers are rising, spending from overseas travellers hasn't yet returned to previous heights. Many international visitors are still favouring larger, more well-known destinations, and it may



take time for smaller regions to benefit fully from the rebound.

At the same time, local tourism operators have been facing higher costs and staffing challenges, which can affect service levels and limit marketing efforts. However, there's reason to remain hopeful. As inflation continues to ease and travel becomes more accessible again, domestic visitors may start exploring more regional destinations.

With its natural beauty and relaxed pace, Rangitikei is well positioned to attract those looking for a quieter, more authentic travel experience in the year ahead.

### Tourism Guest Nights

Rangitikei	<b>-1.5%</b>	<b>70,300 guest nights per year</b>
Manawatū/Whanganui	<b>-2.1%</b>	<b>1.4m guest nights per year</b>
New Zealand	<b>-0.7%</b>	<b>39.2m guest nights per year</b>



### Dairy Payout

2023/24 Rangitikei = \$149m

2024/25 Rangitikei = \$149m

2023/24 Manawatū Whanganui = \$1.148b

2024/25 Manawatū Whanganui = \$1.150b

2023/24 New Zealand = \$19.391b

2024/25 New Zealand = \$19.427b

# Agriculture insights and update



## Diary

The 2025/26 milk price is set at \$10.00 per kgMS with a wide range of \$8.00 to \$11.00 suggesting a high degree of uncertainty.

Production for Rangitikei is expected to be similar to 2024/25 representing a payout of \$148m for Rangitikei.

Steady milk production and improved on-farm conditions have supported confidence in the sector, despite broader economic challenges.

## Sheep and Beef

Global demand for red meat continues to grow even with higher prices driven by a reduction in global supply.

US tariffs have taken effect, however this is not expected to impact US demand for NZ beef.

Lamb numbers are expected to be down this coming season with a reduction in breeding ewes of approx. 1.9% nationally.

## Forestry

Monthly export log prices in June 2025 were the highest they have been for June for four years.

Domestic demand remains low highlighted by building consent numbers lower than a year ago by over 6% and increasing inventory around the country.

There remains uncertainty around the impact of the trade war and tariffs.



# Workforce / employment insights and update



## Workforce

The employment market in Rangitikei continues to soften with average annual employment down by 1.3%. This is very much in line with regional and national trends reflecting wider economic challenges felt across the district.

A key driver of lower employment numbers remains the tough economic conditions for retail, construction and tourism who typically employ a higher portion of the local workforce. Businesses in these sectors are taking a tougher look at cashflow and a reduction in employment will be putting pressure on local workers who rely on them for their employment. This is having a flow on impact to NEET rates (18-24 year old's not in employment, education or training) as these sectors also tend to employ a higher number of younger people. The NEET rate in the district now sits at 17.2% which is well above the national percentage.

Jobseeker support numbers have also increased in the year to June 2025 by 3.7% highlighting there are still some residents who are finding it hard to find or retain stable employment. However, this is well below the national result of 11.7% and suggests there is some resilience in the employment market.

A strong outlook for the agricultural sector will also be positively impacting the employment market and with overall unemployment sitting at 4.1%, there appears to be underlying resilience across the local economy.



### Employed people living in:

Rangitikei	7,234
Manawatū/Whanganui	112,342
New Zealand	2,346,050



### Unemployment

Rangitikei	4.1%
Manawatū/Whanganui	4.7%
New Zealand	5.0%



### NEETS\* rate

Rangitikei	17.2%
Manawatū/Whanganui	17.8%
New Zealand	12.9%

\* 16-24 year olds not in employment or education or training

For more information contact:

**Jarrold Calkin**

Economic Wellbeing Lead

027 294 1368

jarrod.calkin@rangitikei.govt.nz  
business@rangitikei.govt.nz

Data sources – Infometrics and Stats NZ



**[www.rangitikei.govt.nz](http://www.rangitikei.govt.nz)**

**P 06 327 0099 | 0800 422 522 (24 hrs)**

**E [info@rangitikei.govt.nz](mailto:info@rangitikei.govt.nz)**

**46 High Street**

**Private Bag 1102, Marton 4741**