

Rangitīkei District Quarterly Economic Update

September 2025



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This September 2025 Quarterly Economic update shows an economy that is beginning to turn a corner after a period that can easily be described as challenging for many.

Overall economic activity has started to grow again on a quarterly basis, and the performance over the past year for Rangitikei has been slightly better than the national picture. A handful of sectors are doing the heavy lifting in terms of growth with strong prices for lamb, beef and dairy helping to lift incomes in our primary industries.

At the same time, the recovery is uneven and there are clear areas of pressure. Construction has been one of the biggest drags on activity over the past year, although there are signs of improvement ahead, with a growing pipeline of both residential and non-residential activity consented ready for construction to begin. Local consumer spending and tourism-related activity remain weaker than a year ago, and the district's population has edged down, mainly because more people are moving out of the district than moving in.

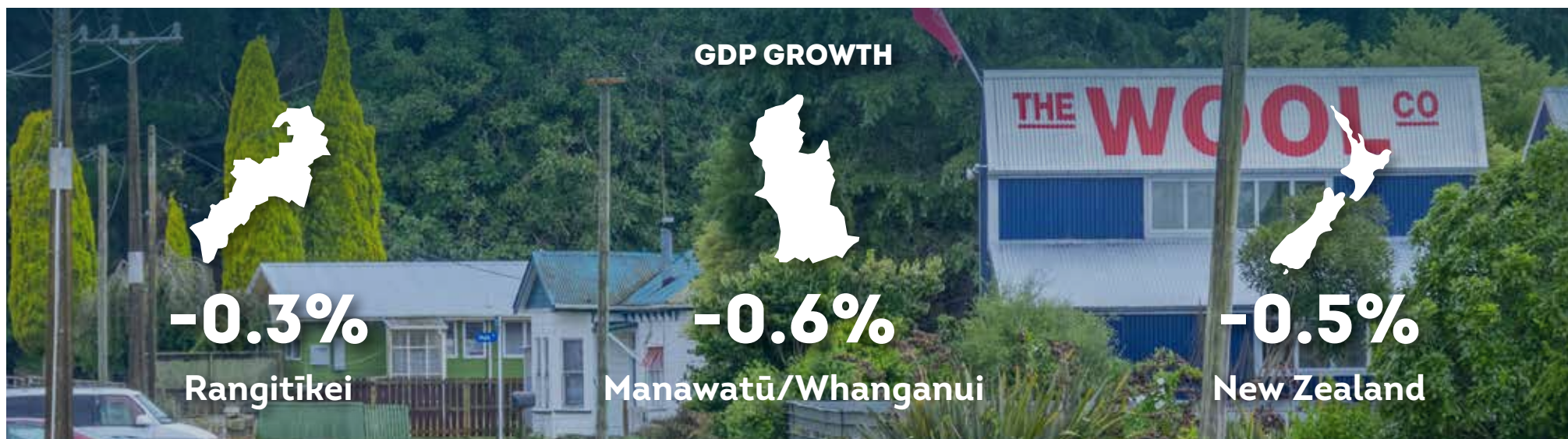


The labour market is also softer. There have been reduction in job numbers across sectors such as agriculture, construction and food manufacturing, and more people are receiving Jobseeker and other benefits.

However, unemployment in Rangitikei is still lower than the national rate, suggesting that many residents are continuing to find work.

Housing is a relative bright spot. Sales activity has picked up, house values have grown modestly, and homes in Rangitikei remain more affordable than the New Zealand average. Rents are rising only slowly and take up a smaller share of household income than nationally, while public housing supply has grown and the number of households on the housing register has fallen.

Taken together, the data points to a district that is stabilising and starting to rebuild, but still facing real challenges in jobs, spending and population.



Gross Domestic Product

Gross domestic product (GDP) in Rangitikei is beginning to stabilise. Over the year to September 2025, local GDP is estimated to have fallen 0.3%, a slightly smaller decline than the 0.5% fall nationally. At the same time, quarterly GDP is now growing again, with economic activity in Rangitikei up 0.5% in the September 2025 quarter compared with the same quarter a year earlier. Total annual output is estimated at \$894 million in 2024 prices. This points to an economy that is still under pressure over the year but starting to move in a more positive direction.

The main drag on GDP over the past year has been the construction sector. Construction activity is reported to be down nearly 10% over the year to September 2025, making it the largest single contributor to the overall decline. Local household spending is also soft. Electronic card spending by Rangitikei residents fell 3.9% over the year, compared with a smaller 0.8% fall nationally, suggesting that many households are tightening their budgets. Balancing these pressures, several areas are helping to support GDP. The primary sector remains a clear strength. Over the past year, prices for key livestock products have improved, and dairy payouts are expected to remain in line or higher than in the previous season, assuming production levels are maintained. These stronger returns are providing important income for farmers and for the local businesses that support and depend on the rural economy.

There are early signs that construction activity may be starting to improve.

Residential building has begun to lift, and non-residential development is also showing renewed momentum, with a growing pipeline of projects. The number of local businesses has continued to edge up, suggesting that, despite challenging conditions, there is still confidence to invest and grow in the district.

In the short term, the picture is one of fragile but improving conditions. Nationally, there are signs of a small but sustained recovery, and rural areas have seen activity edge higher over the past year. For Rangitikei, quarterly GDP growth, strong primary sector returns and a growing pipeline of construction work all point towards a gentle recovery, even while annual GDP remains negative.

Looking further ahead, higher rural incomes, strong non-residential and residential building consents create a foundation for ongoing activity. On the risk side, softer tourism, cautious household spending and difficulties in sectors like forestry remain constraints. Overall, the story is one of a district that is slowly rebuilding, with important strengths in its rural base and new investment, but with some parts of the economy still under strain.



Rangitikei	Manawatū/Whanganui	New Zealand
\$894m	\$15.6b	\$415b



Consumer spending insights and update



Consumer spending in Rangitikei has been under clear pressure over the past year. Electronic card spending in the district fell compared with the previous year, and by more than the decline seen nationally, where electronic card spending across New Zealand was down slightly over the same period.

Nationally, there are some early signs of a turning point.

Transaction data shows that annual spending across New Zealand ticked up slightly from the previous quarter for the first time since mid-2024, and spending in the latest quarter was a little higher than in the same quarter a year earlier. However, over the year as a whole spending is still lower than the previous year. Stats NZ's September figures also show that retail card spending eased between August and September, indicating that any recovery remains fragile.

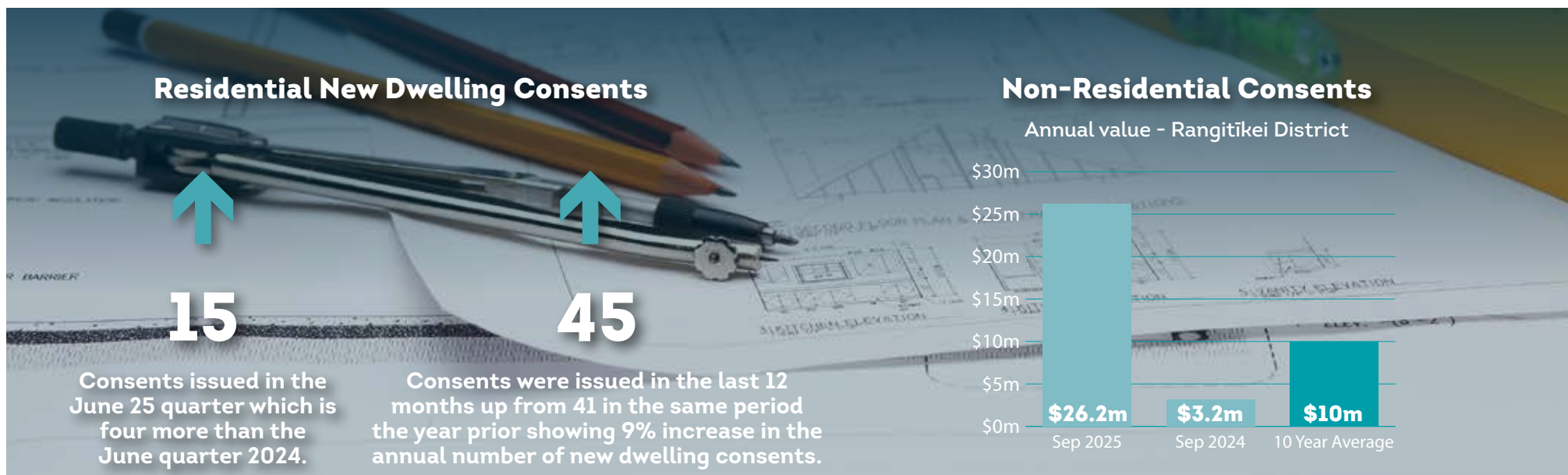
Higher living costs are a key part of this story. Inflation picked up again in the September quarter, reaching the top of the Reserve Bank's target band, driven mainly by unavoidable and fixed expenses such as electricity and food. With more of household budgets going on essentials, there is less room for discretionary spending, which aligns with weaker

indicators such as tourism-related expenditure over the past year.

This soft spending picture is occurring alongside a cooling labour market. National unemployment has risen to just over 5 percent, the highest in several years, and wage growth has slowed. Locally, employment of Rangitikei residents has fallen over the past 12 months, and more people are receiving Jobseeker and other benefits. These factors tend to make households more cautious, which is consistent with the spending data.

Interest rates are moving in the opposite direction. The Reserve Bank has been cutting the Official Cash Rate from its earlier peak, and it now sits at a much lower level than in mid-2024, which is flowing through into lower mortgage rates. Despite these lower borrowing costs, consumer spending has remained subdued, suggesting that relief from interest rates is being partly offset by cost-of-living pressures.

Taken together, the data over the last quarter and the last 12 months points to a community that is still spending carefully. Rangitikei households are operating in an environment of softer employment, high essential costs and only gradually improving confidence, even as interest rates and mortgage costs come down.



Construction sector insights and update



The construction sector in Rangitikei has been a major influence on the district's recent economic performance.

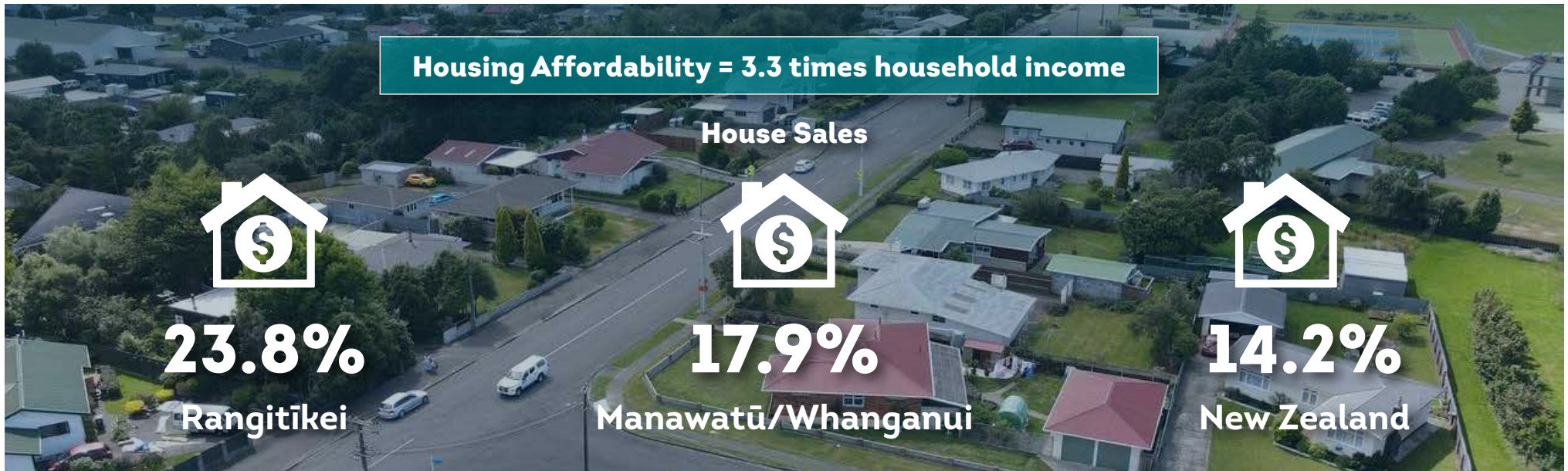
Over the past year, a slowdown in construction activity has been the one of the largest contributors to decline in local GDP, with output from the industry falling sharply and employment in construction also edging down.

Despite this softer patch, there are clearer signs that activity in the sector is starting to rebuild.

On the residential side, new dwelling consents have lifted over the past 12 months. The latest quarter saw a steady flow of new consents, and on an annual basis Rangitikei's growth in residential consents is running ahead of the national trend. This suggests that demand for new housing, while not surging, is holding up and creating a base of future work for local builders and trades.

Non-residential development is even more of a bright spot. The value of non-residential building consents issued in the district over the year to September has risen strongly, and now sits well above the long-term average, in contrast to a modest decline in non-residential consent values nationally. While a single project in the northern part of the district has significantly driven this number up, the underlying activity remains slightly higher than average which indicates growing interest in new or upgraded commercial, industrial and community facilities within the district.

Taken together, the recent uplift in both residential and non-residential consents points to a growing pipeline of work in Rangitikei. While the construction industry has been through a challenging period and remains a key driver of the recent economic downturn, the current consent levels suggest that more projects are in the queue. This should help support local jobs and activity in the sector over the coming year, provided these consented projects move through to construction as planned.



Housing insights and update



The housing market in Rangitikei has picked up over the past year, with modest price growth and stronger sales activity, while still remaining more affordable than much of the country.

Average house values in the district have risen over the year, with growth noticeably stronger than in both the Manawātū-Whanganui region and New Zealand as a whole. Even so, the typical house in Rangitikei is valued at well under half the national average, and the housing affordability ratio shows homes here are more affordable than in the wider region and nationally.

Sales activity has lifted clearly. The number of houses sold in the year to September was higher than in the previous year and is now slightly above the district's 10-year average. Sales growth in Rangitikei has outpaced both regional and national increases, pointing to a more active local market.

At the same time, fewer new properties are being listed for sale. New real estate listings

in Rangitikei have declined over the year, in contrast to small increases across the region and New Zealand overall.

The annual number of listings is now very close to the district's long-term average.

Taken together, rising prices, stronger sales and fewer new listings suggest a market where demand is firming while the supply of homes coming onto the market is not increasing at the same pace. For buyers, this means competition for available homes may be a little stronger, but overall housing in Rangitikei remains comparatively affordable by regional and national standards.



Average House Price

Rangitikei	0.9% now \$366,000
Manawātū/Whanganui	-1.2% now \$488,000
New Zealand	-0.6% now \$867,000

Workforce / employment insights and update



Employment in Rangitikei has softened over the past year, but overall conditions remain a little better than the national picture.

The number of Rangitikei residents in work has slipped slightly over the year, and there have been a reduction in employment in key sectors such as agriculture, construction and food manufacturing. Even so, the local unemployment rate is still relatively low and below the national rate, which suggests that many people who want work are still able to find it, even if opportunities are not as plentiful as they were.

Benefit numbers give another view of how households are tracking. The average number of people receiving Jobseeker Support has increased over the year, and there has also been a rise in those receiving other main benefits such as Sole Parent Support and Supported Living Payment. These lifts are not dramatic, but they do point to more people needing income support than in the past.

Young people are under particular pressure. The share of 15–24 year-olds who are not in employment, education or training (NEET rate) has risen over the year and now sits clearly above the national average. This suggests a group of young people who may need more support to stay engaged in work, training or study.

Taken together, the employment data shows a labour market that is weaker than a year ago, with more residents relying on benefits and more young people disconnected from work or education, but with headline unemployment still comparatively low by national standards.

Employed people living in:

Rangitikei	7,242
Manawatū/Whanganui	111,887
New Zealand	2,340,934

Unemployment

Rangitikei	4.1%
Manawatū/Whanganui	4.6%
New Zealand	5.2%

NEETS* rate

Rangitikei	17.0%
Manawatū/Whanganui	17.1%
New Zealand	13.3%

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

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