



NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT – QUARTERLY MONITORING REPORT

July-September 2025

Contents

April-June Snapshot	2
Introduction	3
Growth Trends	4
Building Consents	4
House prices	6
Houses sold.....	8
Rental prices.....	9
Affordability (for renting and buying)	11
Housing Register	13
Business	14
Construction Industry	15
Estimates of new remaining new housing capacity	17

July-September Snapshot

New residential building activity in the Manawatū District during the July–September 2025 quarter showed a modest increase over the previous quarter, with 41 new dwellings consented. While this represents a small uplift compared with recent quarters, overall consent numbers remain low by historical standards. This pattern mirrors national trends, where new residential construction numbers have begun to stabilise following several years of decline. Activity continues to fluctuate quarter to quarter, reflecting broader economic conditions such as interest rates, construction costs, and market confidence.

House prices in the District remain relatively stable. The median house price for the quarter decreased slightly to \$570,000, continuing the pattern of stabilisation seen since 2023 after the sharp increases of 2020–2021. Annual figures suggest the housing market may be at, or close to, the bottom of the current cycle, particularly as many households roll off higher mortgage interest rates. Sales activity increased slightly this quarter, with 118 houses sold, consistent with recent quarterly averages.

Rental prices have remained largely steady. Average weekly rents recorded a very small decline in the September quarter, continuing the broadly stable trend observed since mid-2023. Due to the limited supply of rental properties in the District, significant reductions in rental prices are unlikely, particularly when compared with trends in larger urban centres.

Housing affordability for both buyers and renters has remained stable. The District's housing affordability ratio (price to income) continues to sit well below the national average, indicating that the Manawatū District remains more affordable than many other parts of New Zealand. Rental affordability has also stabilised, with households spending around 21.2% of income on rent, slightly below the national figure (21.6%).

Demand for social housing has also remained steady. The housing register for the Manawatū District continues to sit within a relatively narrow range, with no change from the previous quarter. Most applicants require one- or two-bedroom homes. Additional social and transitional housing is nearing completion, which may help ease pressure on the register in future quarters.

Business numbers across the District continues their trend of slow growth. The total number of business units increased slightly during the quarter, although growth remains slower than in previous years. The construction sector continues to play a significant role in the local economy, with employment and GDP contribution remaining strong despite slower growth compared with earlier peaks.

Introduction

The NPS-UD states that all tier 1, 2 and 3 local authorities must report quarterly on the demand and development capacity for housing. Subpart 3 of the NPS-UD requires local authorities to monitor the following indicators:

- (a) the demand for dwellings
- (b) the supply of dwellings
- (c) prices of, and rents for, dwellings
- (d) housing affordability
- (e) the proportion of housing development capacity that has been realised:
 - (i) in previously urbanised areas (such as through infill housing or redevelopment); and
 - (ii) in previously undeveloped (i.e., greenfield) areas
- (f) available data on business land

This quarterly report identifies key trends and changes in the urban environments of the Manawatū District. The Manawatū District has one key urban environment, Feilding, and several rural and semi-rural satellite villages.

The purpose of monitoring reports is to provide input into decision-making that responds to the real-time trends of growth in the District. This ensures that any future development is appropriate and able to sustain communities.

Some data is not available past a certain point, which has resulted in some minor variations for data showing trends over the past 5-7 years. The influence of the Covid-19 pandemic has also impacted data over the past 4 years, which is reflected in this report.

To fill some of the remaining data gaps, the Manawatū District Council is progressing work on a model to estimate the urban area housing development capacity, and their proportion of that development capacity which has been realised. This report includes the first indicative numbers from the first use of an interim prototype model in late 2024, based on existing district plan zonings and settings). A more sophisticated model is currently in development and it is expected that these numbers will vary over time as both a reflection of actual (as opposed to theoretically enabled) development patterns and refinements to the model itself.

Growth Trends

All the following data is based on the Manawatū District unless otherwise stated. The data comes from a range of sources and is accurate at the time of reporting.

Building Consents

Data from building consents indicates the trends for new residential buildings in all parts of the District. These trends are shown below on an annual and quarterly scale. Building consent data has been broken down into house, retirement village unit and townhouses, flats, units, and other dwellings. A total of 41 new dwellings were consented over the July to September 2025 quarter.

Figure 1 shows the new residential building consents at a quarterly scale for the Manawatū District.

There continues to be significant fluctuations in the number of new dwelling building consents over multiple quarters, although the level of volatility since July 2024 has been the lowest since October 2020. This most recent quarter shows a small increase on the previous four quarters. Nationally the September quarter was the best resident building consent numbers seen in the last two years. The number of consented dwellings has stayed in that 30-40 range for the last five quarters. Quarter-to-quarter variations happen for several reasons, such as market demand, the nature of developments underway (e.g. a rest home or speculative development by a developer may see consents for multiple dwellings applied for concurrently) interest rates, migration patterns, availability of materials, and the cost of those materials.



Figure 1: Quarterly consents for new residential buildings (Source: Statistics New Zealand)

Figure 2 shows the new residential building consents on an annual scale for the Manawātū District. Consents for retirement villages units have experienced increases in 2018, 2020, 2021 and 2023 as new units in these types of facilities are built in groups. This trend did not hold for 2024 or 2025 (so far), which saw no new retirement units consented.

The significant peak in 2021 was likely due to increase seen in construction after the lockdowns of 2020 and very low interest rates. Activity has since declined between 2021 and 2025 YTD as interest rates rose steeply. The current year is on track to have the lowest number of new residential consents since 2015, but it is anticipated that there will be upturn in 2026, as the impact of lower mortgage lending rates are reflected in the market and household and business spending. This pattern follows are similar trends to what appears to have been happening nationwide, with a peak in 2022 of 49,538 (when mortgage rates were still at their lowest) to 33,600 in 2024 (following several Reserve Bank rapid wholesale interest rate rises).

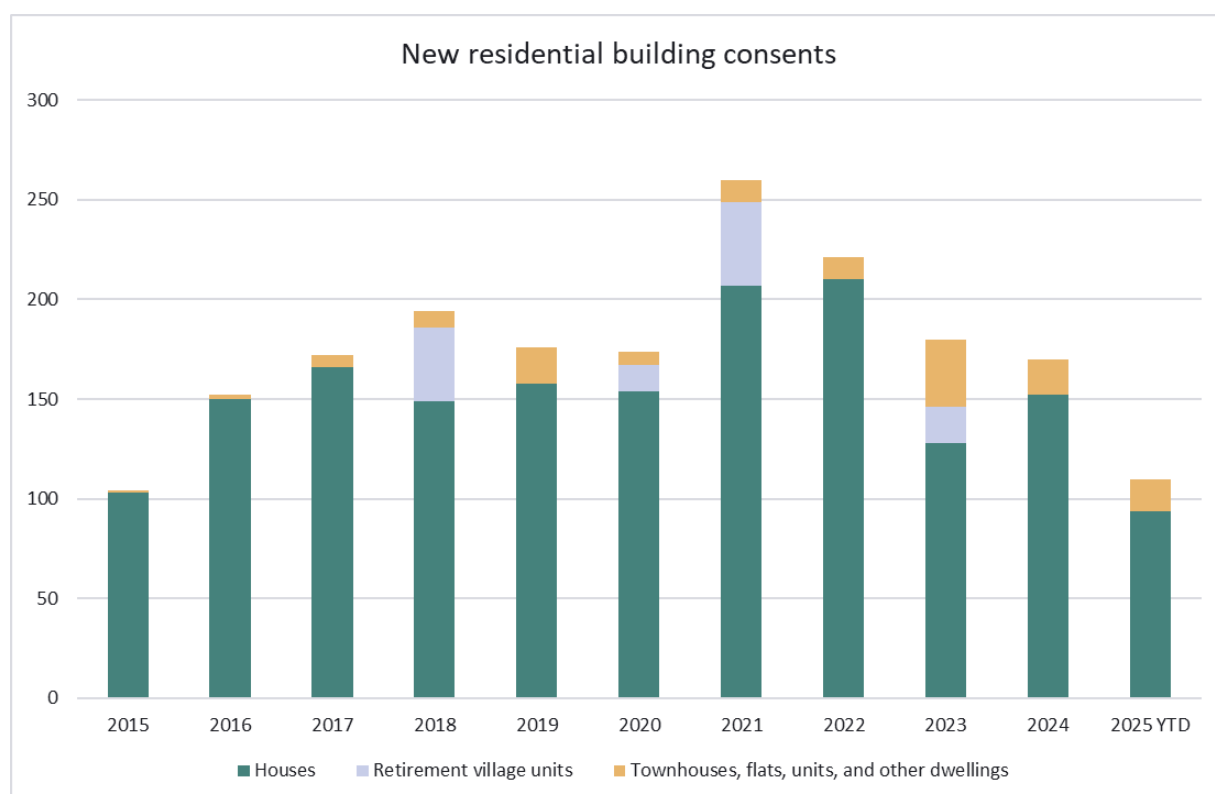


Figure 2: Annual consents for new residential buildings (Source: Statistics New Zealand)

House prices

The median house price data is presented over each quarter. This gives a more accurate representation of the median house prices for the District (as monthly sales numbers can be low and prices highly variable).

Figure 3 shows the median quarterly house price of the Manawatū District. After significant house increases seen between 2020 and 2021 (when interest rates were rapidly cut and government economic stimulatory spending was high) there now seems to be an overall stabilisation of the house market (albeit with some quarterly variations, due to low house sold numbers). The most recent quarter shows a slight decrease on the previous quarter, to \$570,000. This trend of a more stable market is seen in the more provincial areas rather than the peaks and lows seen more in the main centres.

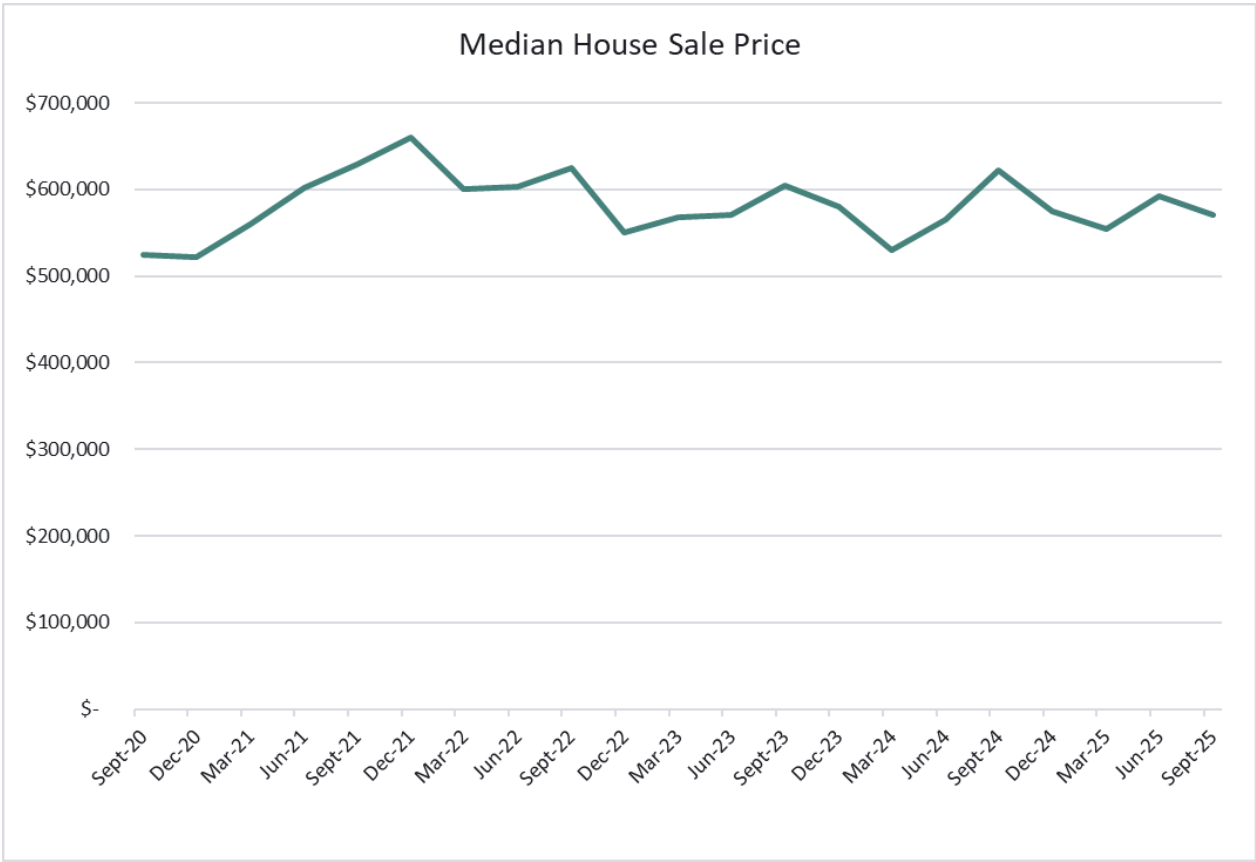


Figure 3: Quarterly median house sale prices (Source: REINZ)

Figure 4 shows the median house price for the Manawātū District year-on-year. Smoothing out the data through yearly figures more clearly shows a slow and steady decline in the yearly median sale prices between 2012 and 2023. Consistent with broader national trends, since 2023 there has been a stabilisation of house prices, suggestive of a possible bottoming out of the current cycle.

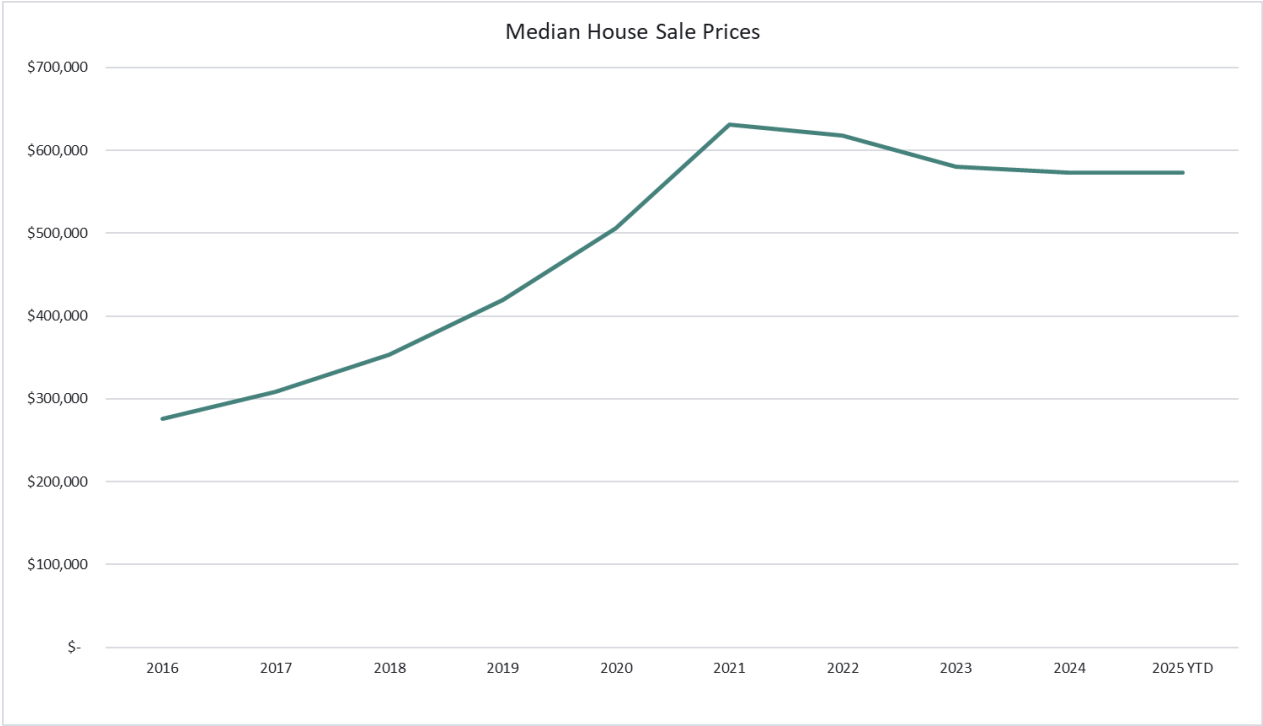
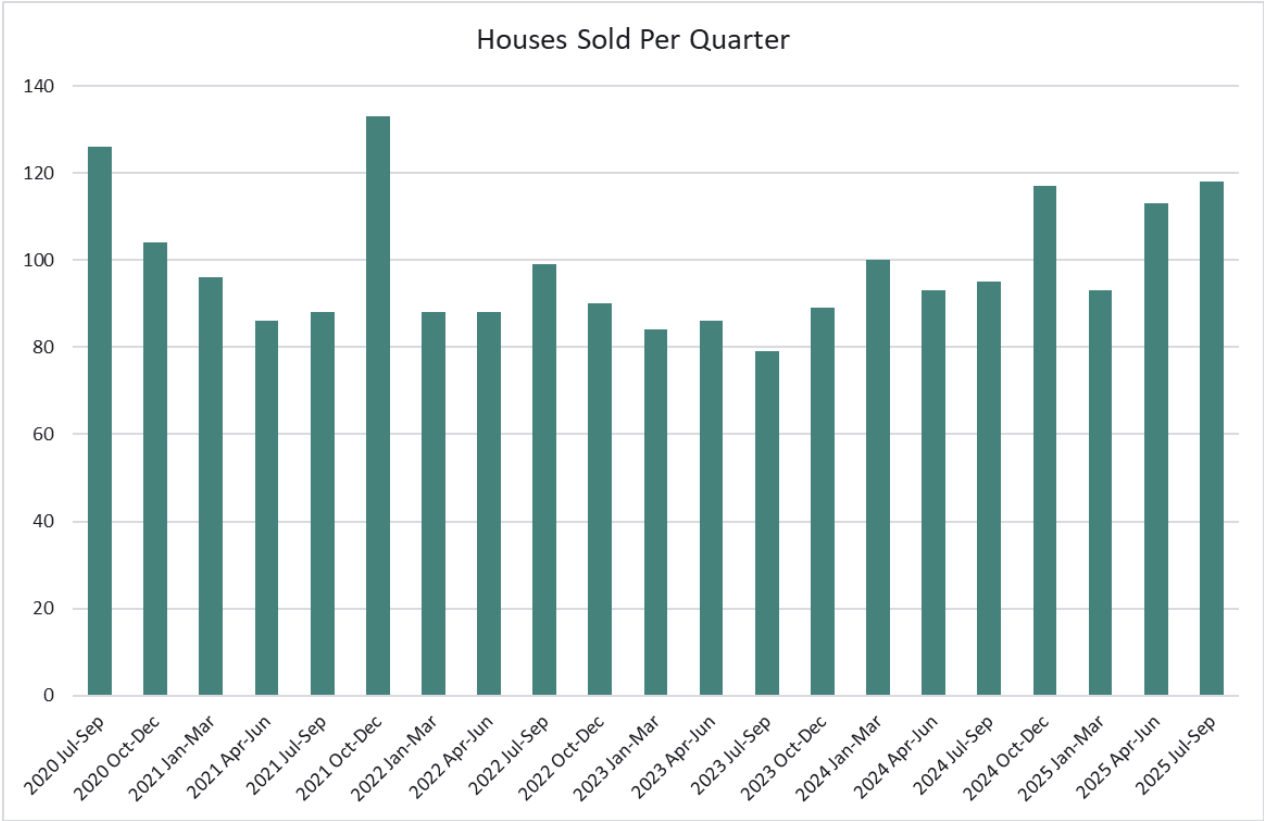


Figure 4: Median house sale price shown yearly (Source: REINZ)

Houses sold

Figure 5 shows the number of houses sold within the Manawātū District per quarter. This most recent quarter shows a small increase, similar in scale to that seen in the Oct-Dec 24 quarter. For the most recent quarter there were 118 houses sold.

Figure 5: The number of houses sold in each quarter in the Manawātū District (Source: REINZ)



Rental prices

Figure 6 shows the average weekly rent price for each month. There has been a very minor decline in average weekly rent for the September quarter, overall the rental prices in the Manawatū have been mostly stable since mid 2023. Due to the limited number of rental stock in the District there is unlikely to be a significant decrease in rental prices as seen in the bigger cities.

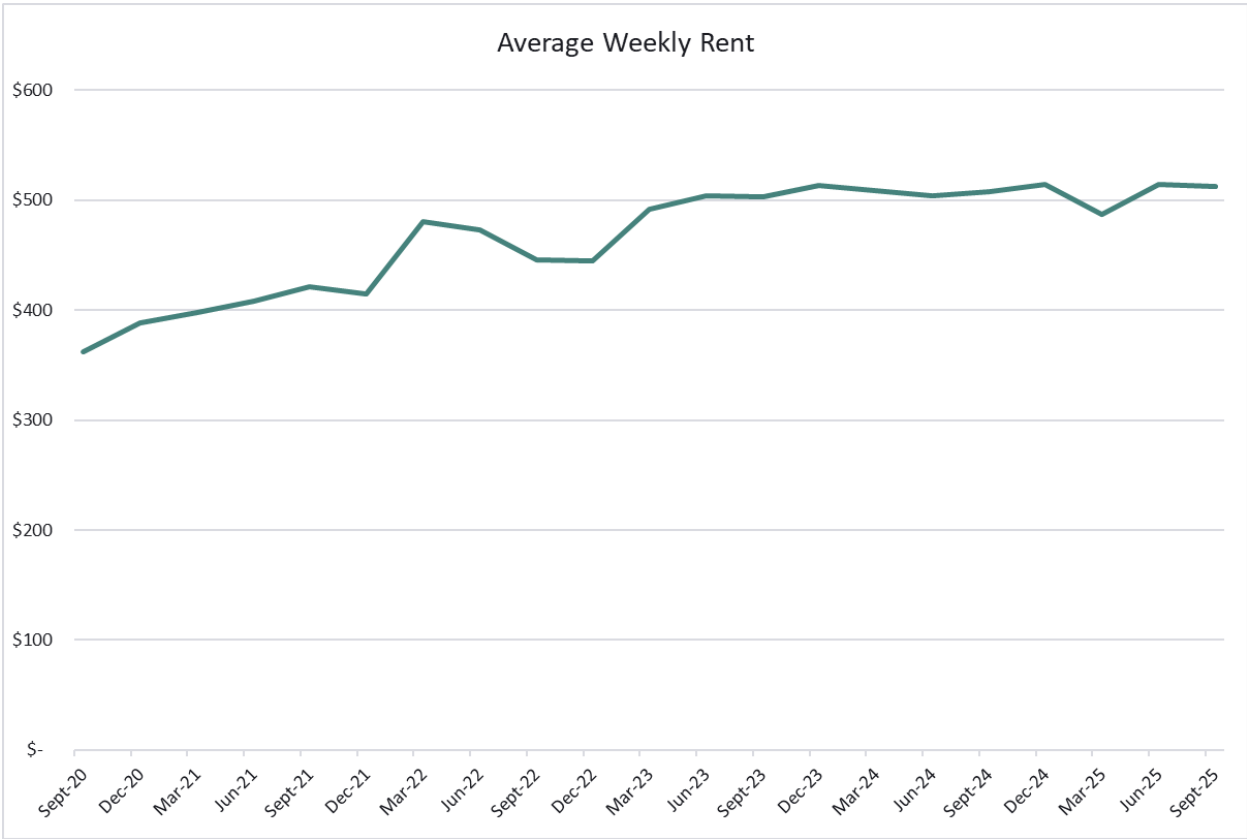


Figure 6: Average rent price shown quarterly (Source: Infometrics)

Figure 7 shows the trend in average weekly rental prices over each year since 2016. Up to 2023 there was an overall steady increase in average weekly rent prices. The trend of steady increase has tapered off in 2024 and 2025YTD with a slight decrease seen in 2025.

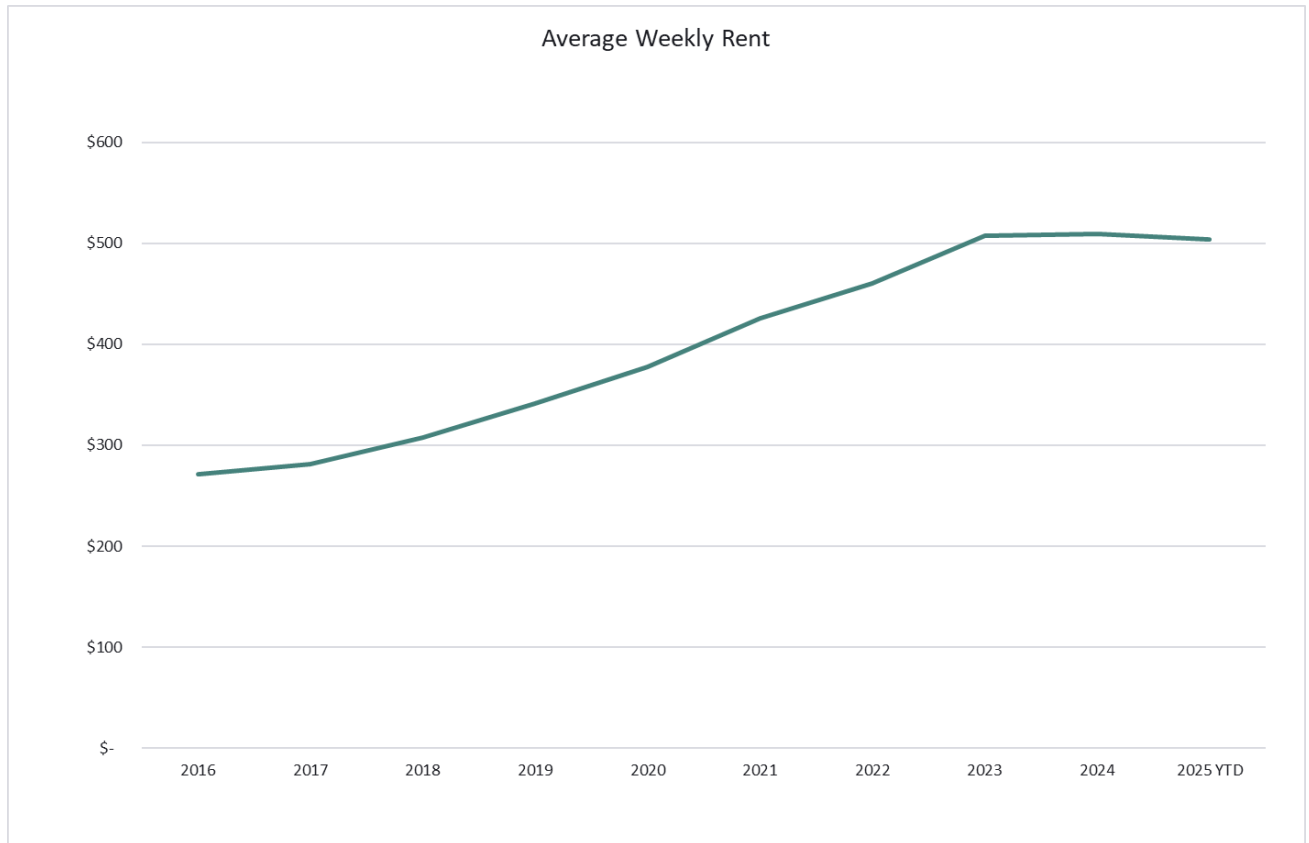


Figure 7: Average rent price shown yearly (Source: Infometrics)

Affordability (for renting and buying)

Figure 8 shows the ratio of average house values to average household incomes.

Housing affordability is measured by comparing average current house values from CoreLogic with Infometrics' estimate of annual average household income. Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing. A higher ratio (value), therefore, suggests that average houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

Unaffordability peaked in December of 2021 when housing prices were at their highest. Since 2021 there has been a slow and steady decline in the ratio showing that housing has become slightly more affordable, with house price increases stabilising while there have been small increases in income. Over the last four quarter Manawatū District’s affordability ratio has been relatively stable at around at 4.4 (well below the New Zealand ratio of 6.4).



Figure 8: Housing Affordability Ratio (Source: Infometrics)

Figure 9 shows rental affordability. This is measured by comparing average annualised rents from CoreLogic with Infometrics' estimate of annual average household income. Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing.

There was a peak high in December 2023, with 21.8% of income going towards rent at that time. Since that time there has been a slight decline and then a stabilisation with

September 2025 sitting at 21.2%. Nationally the rental affordability is at 21.6% of annual household income.

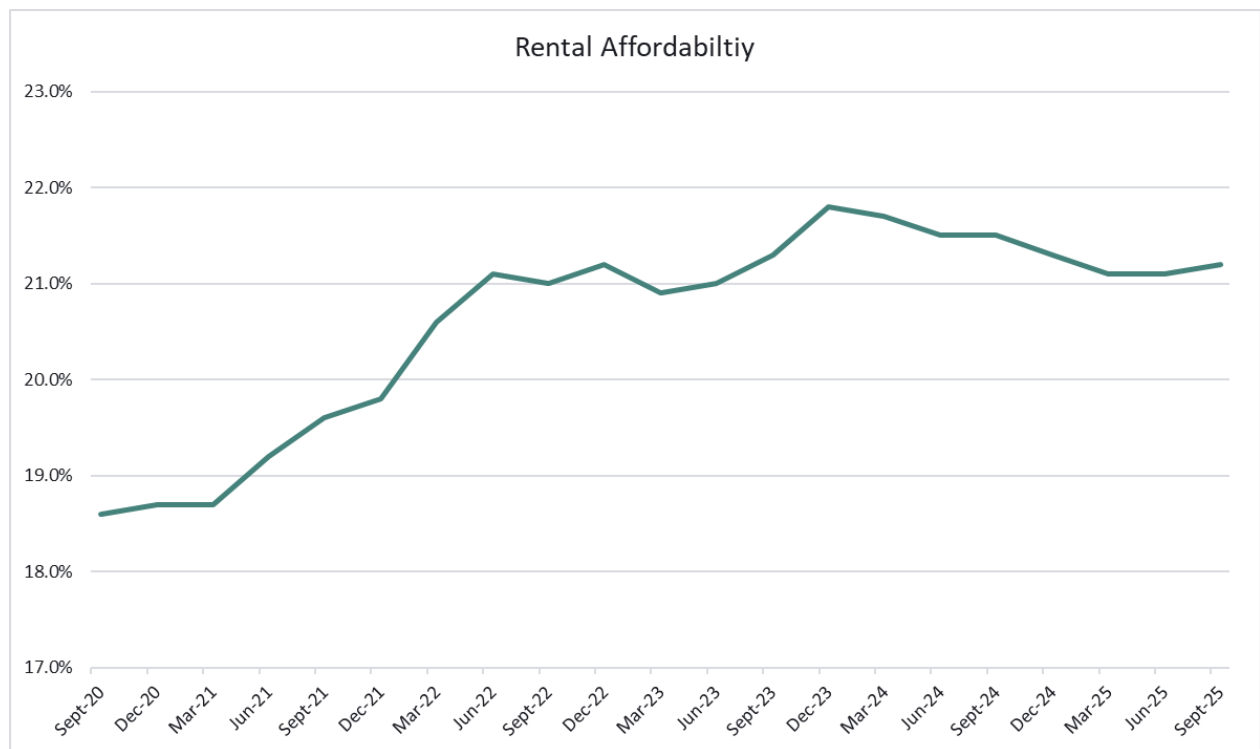


Figure 9: Percentage of annual income going towards rent (Source: Infometrics)

Housing Register

There are 175 Kāinga Ora houses in the Manawatū District and 21 transitional housing places. Figure 10 shows the number of applicants assessed as eligible for social housing on the Ministry of Social Development Housing Register who are ready to be matched to a suitable property. Note that one application is one household and potentially involves more than one person. The housing register has mostly remained at between 83 and 95 applicants over the last 18 months.

The Manawatū Community Trust (MCT) has 205 housing units. They have 30 applicants on their waitlist that meet their eligibility criteria as of August 2025.

There has been no change in the number of people on the waitlist for a home in the Manawatu District from the previous quarter. The restrictions on those now applying for a Kāinga Ora home mean that there are more applicants that are being turned away and not making it onto the waitlist. At the same time several additional houses are nearing completion(which may further reduce the waitlist in future quarters). A further 20 units planned in the northern area of Feilding in coming years.

For the Manawatū District 61% of the people on the housing register require one bedroom accommodation, with a further 18% requiring two bedroom accommodation.

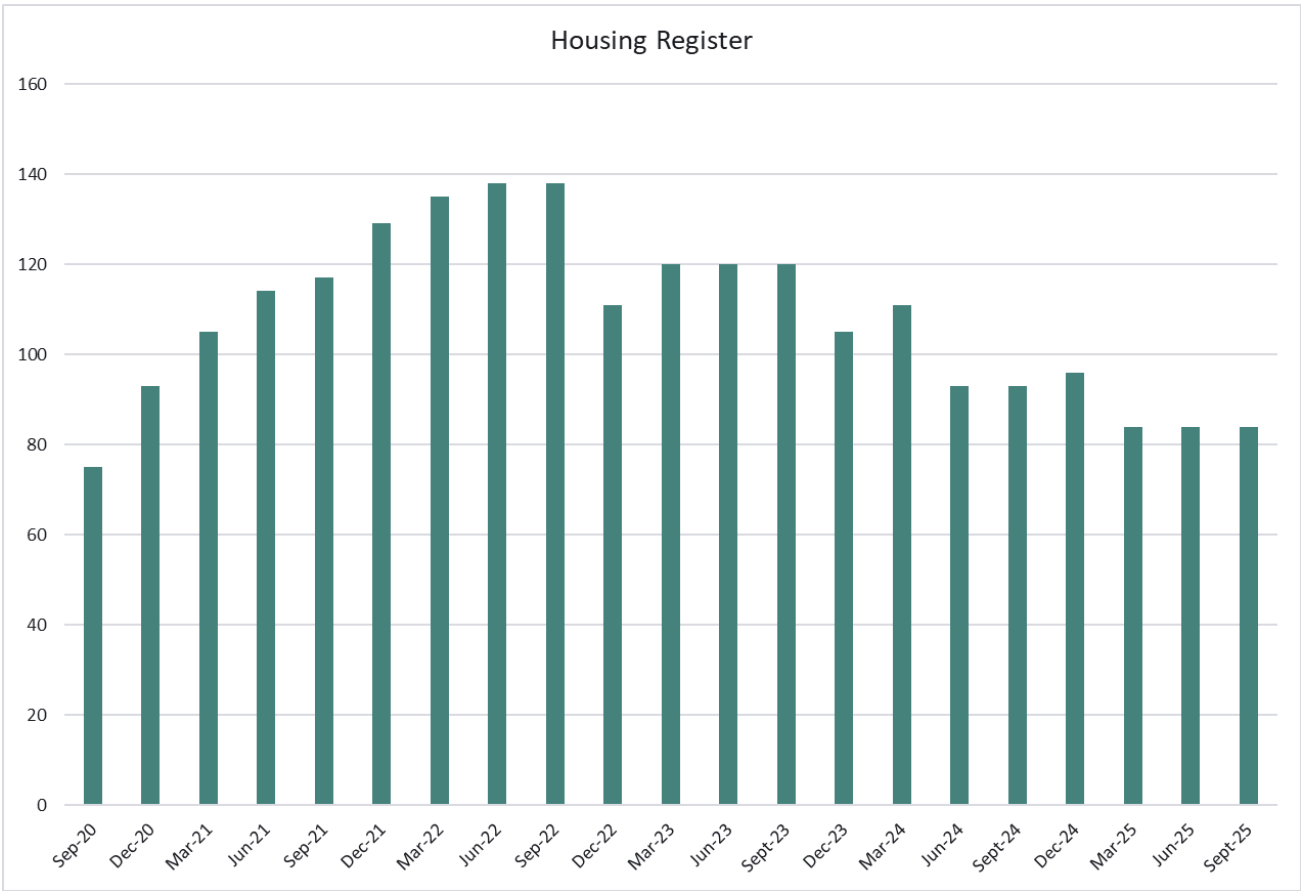


Figure 10: Number of applicants on the Housing Register (Source: Ministry of Social Development)

Business

Figure 11 shows the total number of businesses units across the Manawātū District over each quarter. The total number of businesses units continues to see a slight increase quarter-on-quarter, although the rate of increase had slowed since March 2023, with a bit of an increase seen in this last quarter.

It is worth noting that while these businesses are registered, they may not all be operational currently and not all business would have something like a “physical shop front.”

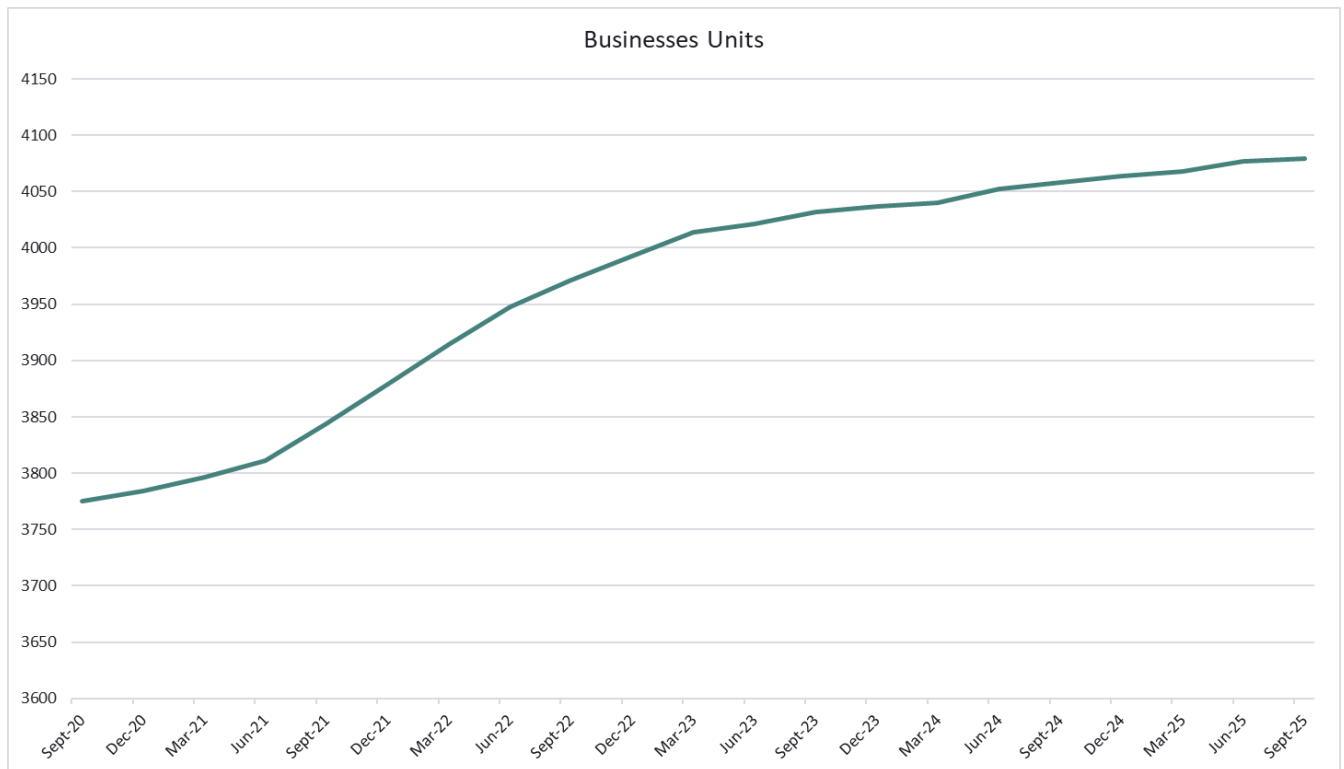


Figure 11: Number of businesses units in the Manawātū (Source: Infometrics)

Figure 12 shows, on an annualised basis, proportion of people across the Manawatū District who are self-employed. The proportion has had minor variations (within range of 2.1%) since 2016 but shows a slight overall downward trend. There has been a decline of 0.4% in self-employment rates between 2023 and 2024.

The industries with the highest proportion of self-employed people are construction services, and sheep, beef cattle, and grain farming.

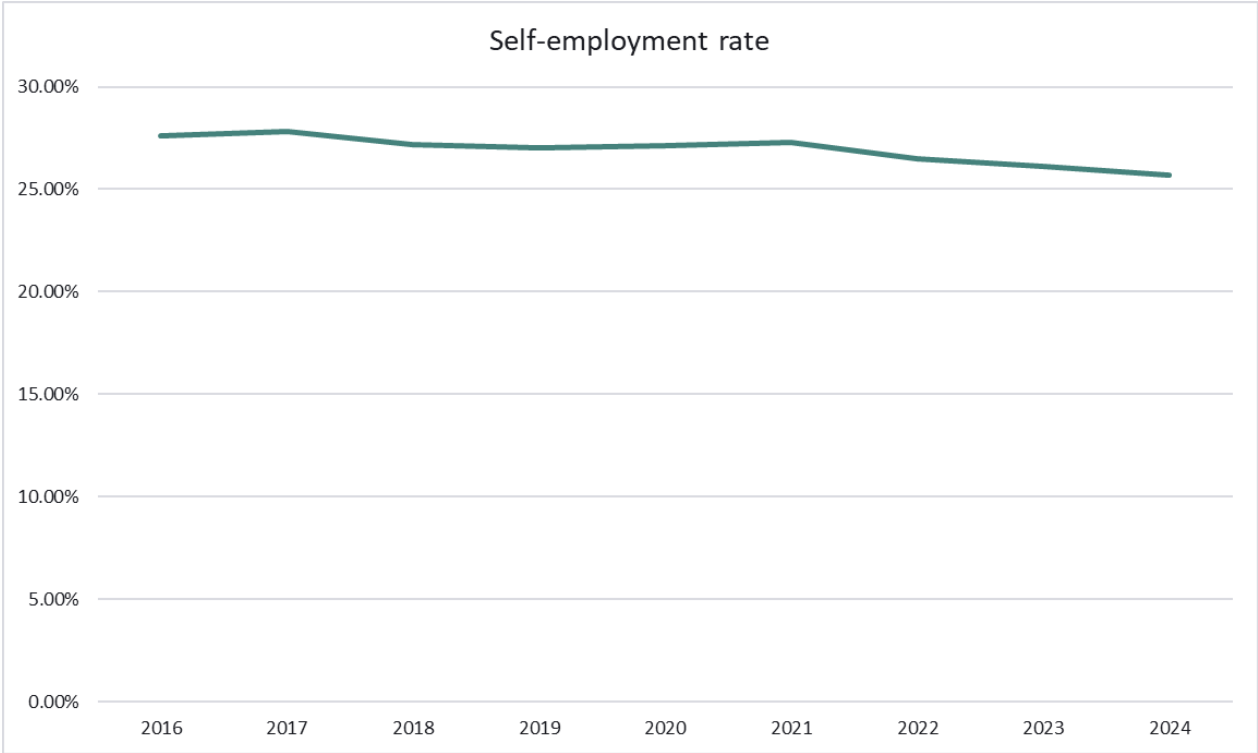


Figure 12: Self-employment rate (Source: Infometrics)

Construction Industry

Figures 13 and 14 show yearly data about the construction industry. Trends in the construction industry provide insight into what might be built in the Manawatū District, although the boom-bust cyclical nature of the construction industry often lags behind the wider economic cycle (e.g. it takes time for companies to recruit additional staff and scale-up during an economic upswing, while the time it takes to complete projects can delay the point at which a downward trend in wider economic conditions impacts on employment numbers).

Both the filled jobs and Gross Domestic Product (GDP) of the construction industry in the Manawatū District continued to see year on year growth through to 2023, with slower growth seen in 2024. While the growth rate is not as significant as what was seen in 2023 the rate of GDP contribution growth is larger than what is seen nationally. The employment growth is very similar to what has been seen nationally.

Between 2015 and 2024 the construction industry has grown by 724 jobs and has almost doubled its GDP contribution with an increase of \$60.8 million.

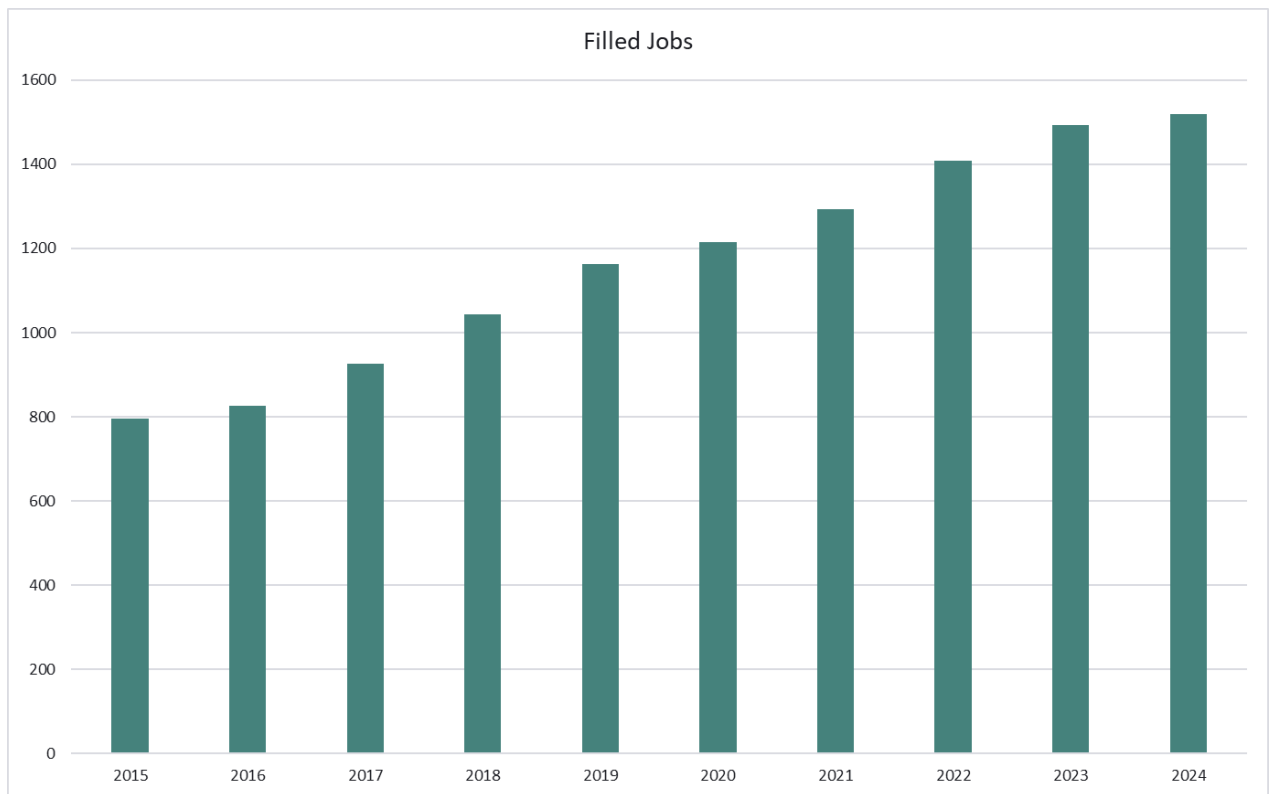


Figure 13: Filled jobs in the construction industry.

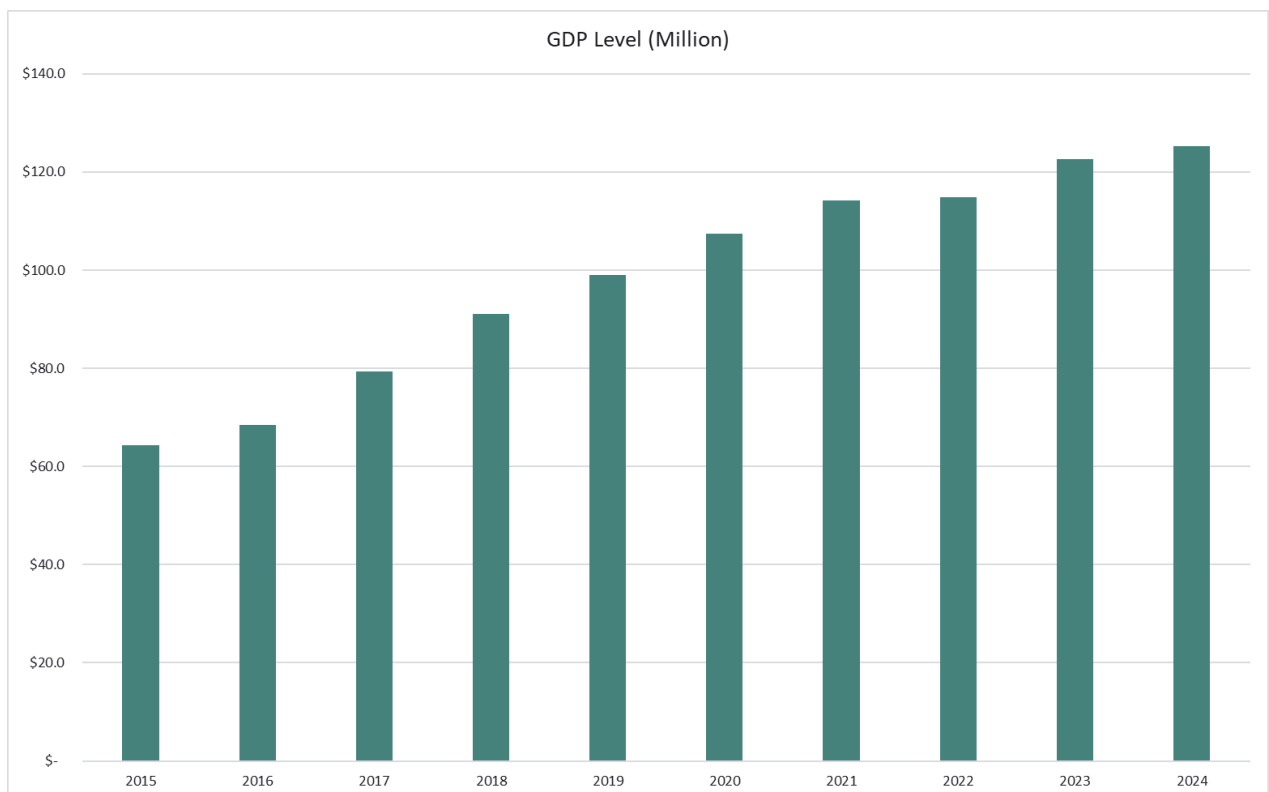


Figure 14: GDP of the construction industry.

Estimates of new remaining new housing capacity

The National Policy Statement on Urban Development 2020 requires all councils to provide at least sufficient development capacity for housing over the short-term (next 3 years), medium-term (next 3-10 year) and long-term (next 10-30 years).

The National Policy Statement strongly encourages smaller ‘tier 3’ councils such as the Manawatū District Council to undertake similar assessments of capacity as larger councils (although there is no legal compulsion on ‘tier 3’ councils to do so).

The consideration of housing capacity has two distinct aspects:

- a) understanding how much housing is needed to meet expected population (and business) growth over the short, medium, and long terms; and
- b) estimating the how much capacity is currently available (e.g. how many houses can be accommodated on suitably zoned, but vacant, land) to meet the capacity needed.

Household projections prepared for the Manawatū District by Infometrics suggest the number of additional houses required across the district (including a 15% margin to reflect requirements to maintain a competitive supply) is as follows:

Timeframe	Estimated additional houses required to meet demand
Short term (0-3 years)	548
Medium term (3-10 years)	2,017
Long term (10-30 years)	4,343

The Manawatū District Council has undertaken mapping of suitable, zoned, vacant, or developable land. Initial modelling of capacity (undertaken in late 2024) based on that mapping and using development densities permitted under the District Plan suggests there is more than sufficient land to meet anticipated demand for housing.

The modelling indicates that approximately 1,600 houses could be accommodated in the short-term, and over 2,800 in the medium term. Depending on when and whether more land able to be provided with infrastructure in long-term, there is the potential for up for more than 7,000 houses to be accommodated in areas identified within the District Plan.

Work is underway to create a new version of the model, but the scale of over-supply suggested in the first version of the model indicates there is little risk of a new version finding a shortage of capacity.