NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT – QUARTERLY MONITORING REPORT

April-June 2026

MANAWATŪ DISTRICT COUNCIL

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April-June Snapshot

Residential building activity in the Manawatū District more than doubled during the most recent quarter, with 54 new dwellings consented, compared with 24 in the previous quarter. While this is a significant quarterly increase, residential consent activity continues to fluctuate from quarter to quarter.

House prices remain relatively stable and similar to many other centres, median house price decreased slightly, to $575,000 during the quarter. Annual trends continue to indicate a stabilisation of the housing market following the slight declines experienced since 2021, with a small increase in the 2026 figures. The number of houses sold also increased slightly, from 86 in the previous quarter to 94.

Rental prices remain generally stable, although average weekly rent increased by approximately $9 compared with the previous quarter. Figures for 2026 show an increase in average rents, following relatively little change during 2024 and 2025.

Housing affordability continues to be more favourable than the national average. The District's housing affordability ratio remains around 4.0, compared with 5.8 nationally. Rental affordability has also continued to improve, with rent representing around 19.4% of annual household income, compared with 19.7% nationally.

Demand for social housing increased slightly during the quarter but remains relatively low compared with earlier years. There are currently 199 Kāinga Ora homes and 12 transitional housing places in the District, while the Manawatū Community Trust has 209 housing units across 13 sites.

Business activity continues to grow gradually, with a small quarter-on-quarter increase in the number of business units. Self-employment also increased slightly in 2025 compared with 2024, although it remains below the levels recorded between 2016 and 2022.

Overall, the Manawatū District continues to experience generally stable housing, rental and business conditions, alongside an increase in residential consenting activity this quarter. Current modelling indicates there remains sufficient housing capacity to meet projected urban housing demand over the short, medium and long term.

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.

All quarterly data shows the previous five years.

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 the proportion of that development capacity which has been realised.

The first version of the new GIS-based automated 'Housing Capacity Model' has been completed with the results from it (matched against the targets the National Policy Statement on Urban Development requires) incorporated into this report. Although the model is more accurate than a previous 2024 prototype, there are still some refinements being investigated which could increase its accuracy further. There are also some areas which are zoned for residential development, but for which the timing of infrastructure is uncertain, or which are dependent on decisions from landowners and developers. This potential capacity is not counted toward the targets currently.

In 2026, the Manawatū District Council also commissioned Business and Economics Research Limited (BERL) to report on the availability and demand for commercial and industrial land within the District. Their report found there was sufficient commercial land (zoned Town Centre, Mixed Use, Special Purpose and Commercial), but more industrial land is required to meet long-term needs.

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 houses, retirement village units and townhouses, flats, units, and other dwellings. A total of 54 new dwellings were consented over April to June 2026.

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. The most recent quarter represents a doubling from the previous quarter, similar to spikes seen in the first halves of 2023 and 2024. However, the overall trend has been downward since 2021. Nationally, the June 2026 figures saw an increase in dwelling consent yearly numbers compared to June 2025.

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.

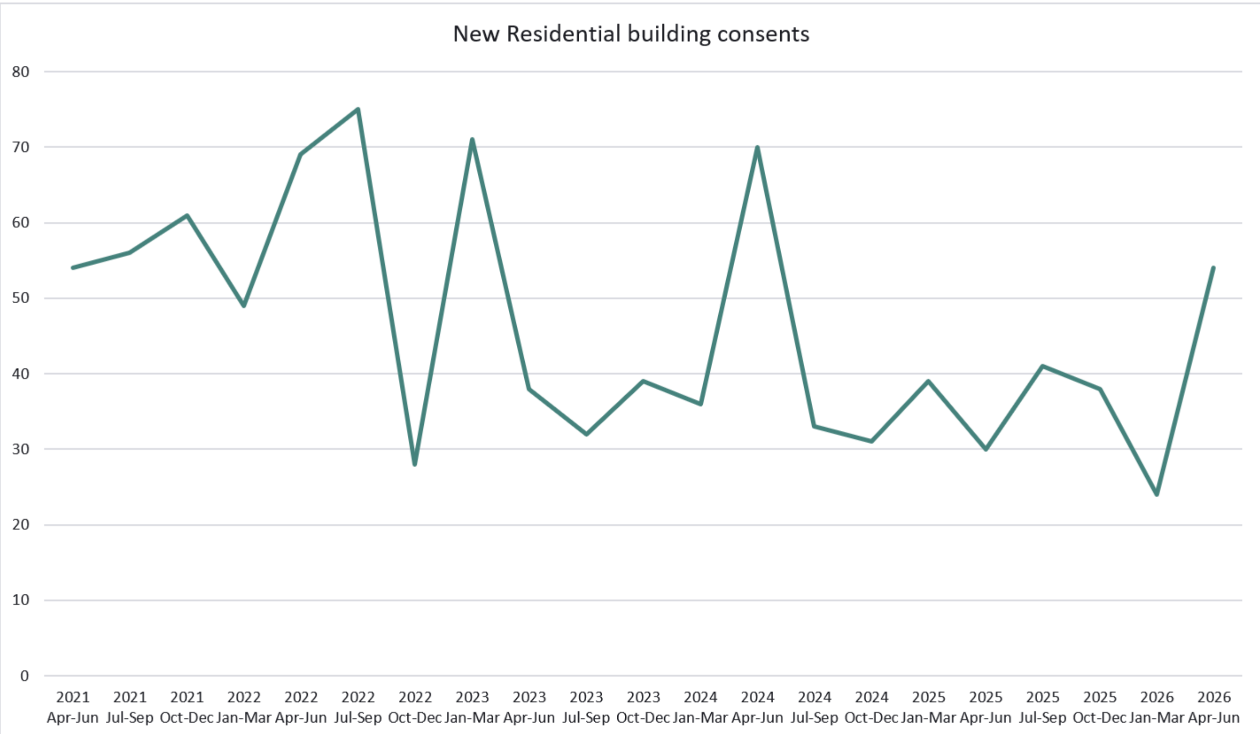

Figure 1: Quarterly consents for new residential buildings (Source: Statistics New Zealand)

Figure 2 shows the new residential building consents on an annual scale for the Manawatū District. Consents for retirement village 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, which saw no new retirement units consented.

The significant peak in 2021 was likely due to the increase in construction after the lockdowns of 2020 and very low interest rates. Activity has since declined between 2021 and 2025 due to market volatility around construction costs and interest rates. 2025 had the lowest number of new residential consents since 2015. What will occur in 2026 remains unclear with this most recent quarter seeing a significant increase. This pattern is similar to national trends. National residential consents peaked at 49,538 in 2022, declined to 33,600 in 2024, and then increased slightly to 36,619 in 2025.

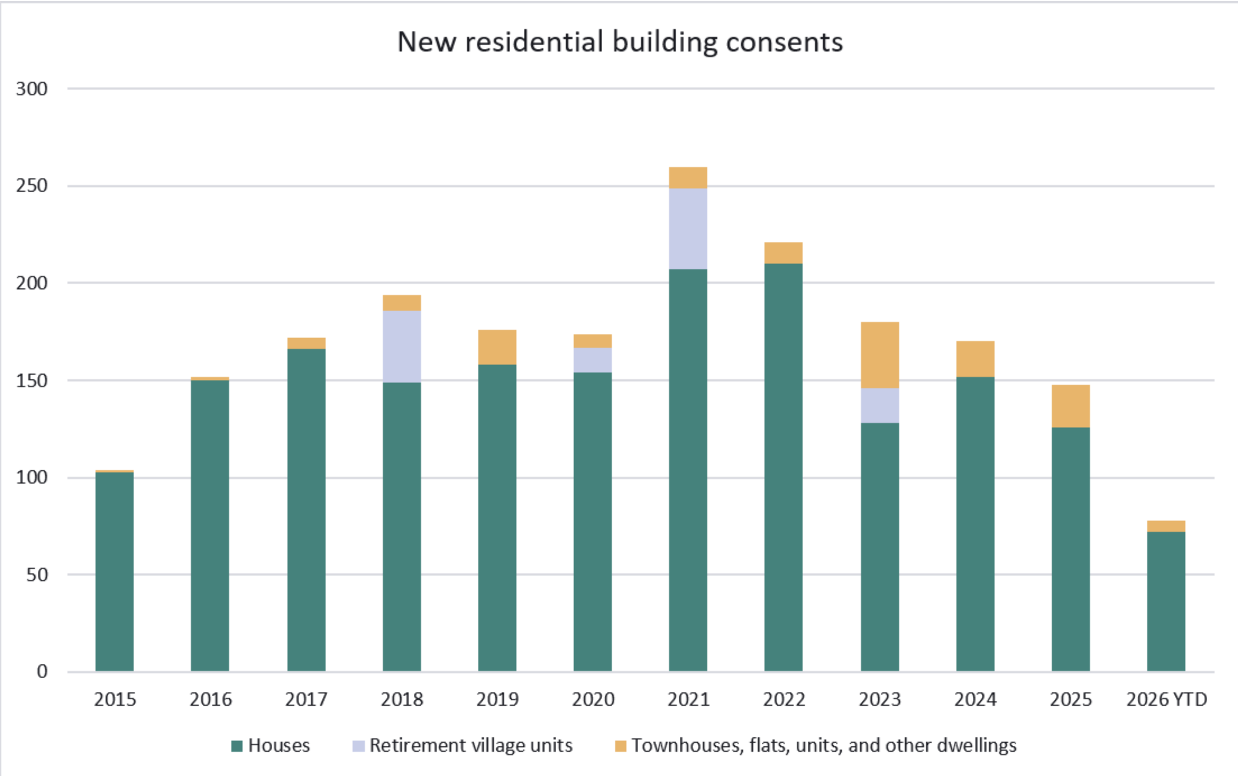

Figure 2: Annual consents for new residential buildings (Source: Statistics New Zealand)

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. There seems to be an overall stabilisation of the house market (albeit with some quarterly variations, due to the relatively low number of houses sold). The most recent quarter shows a slight decrease on the previous quarter, to $575,000. 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.

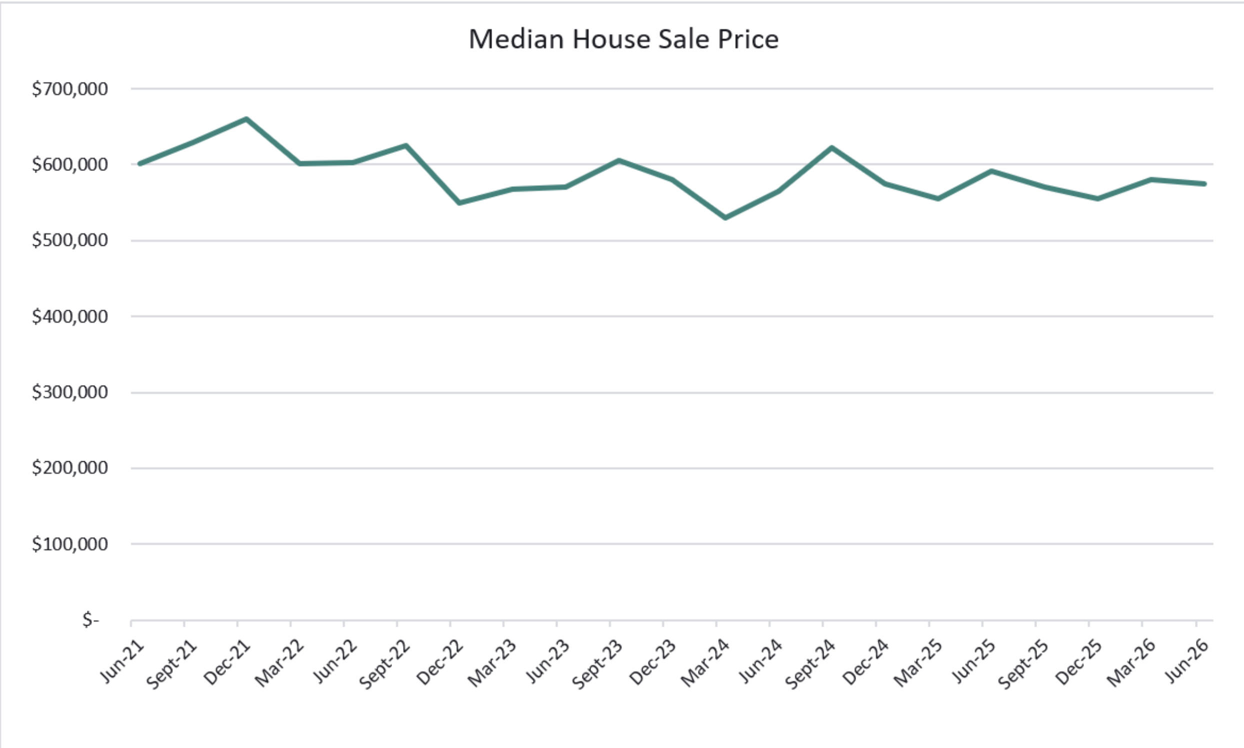

Figure 3: Quarterly median house sale prices (Source: REINZ)

Figure 4 shows the median house price for the Manawatū District year-on-year. Smoothing out the data through annual figures more clearly shows a slow and steady decline in the median sale prices from the peak in 2021 through to 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. While there has been a further decline between 2023 and 2025, the rate of decrease has slowed, indicating a more stable trend with a slight increase seen in 2026 YTD.

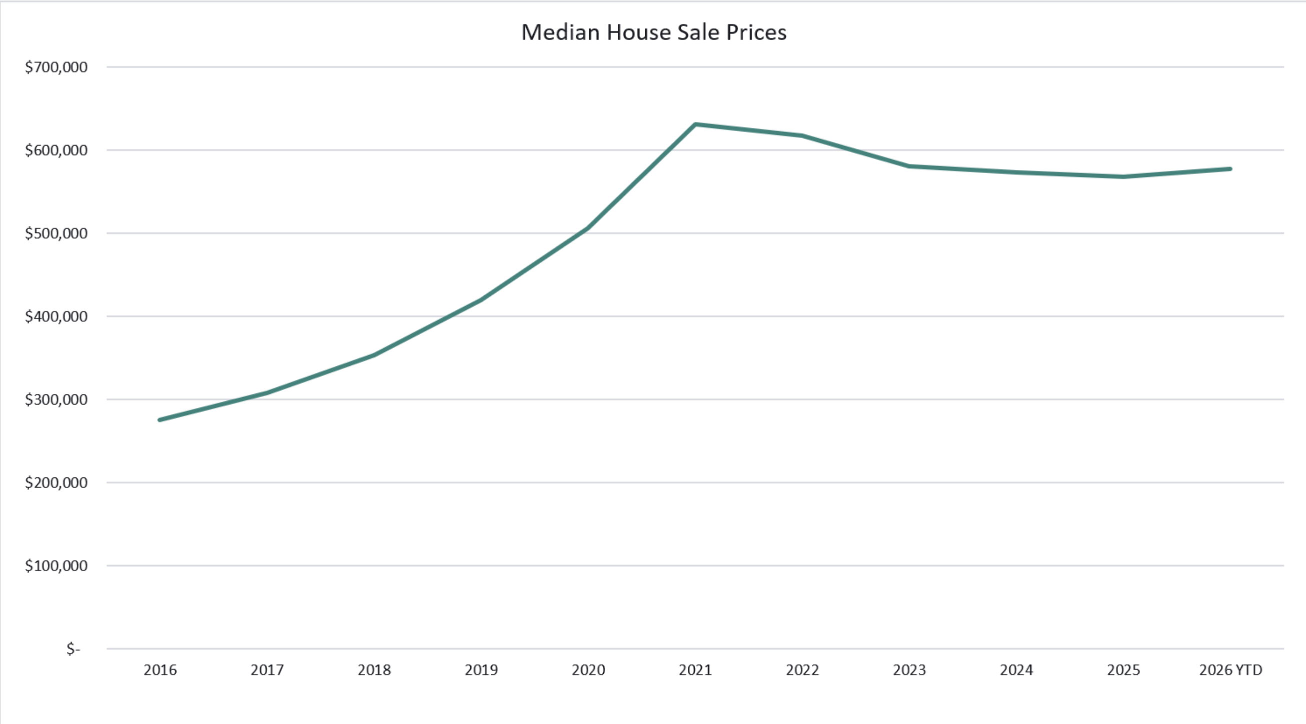

Figure 4: Median house sale price shown yearly (Source: REINZ)

Houses sold

Figure 5 shows the number of houses sold within the Manawatū District per quarter. This most recent quarter shows a slight increase with 94 houses sold.

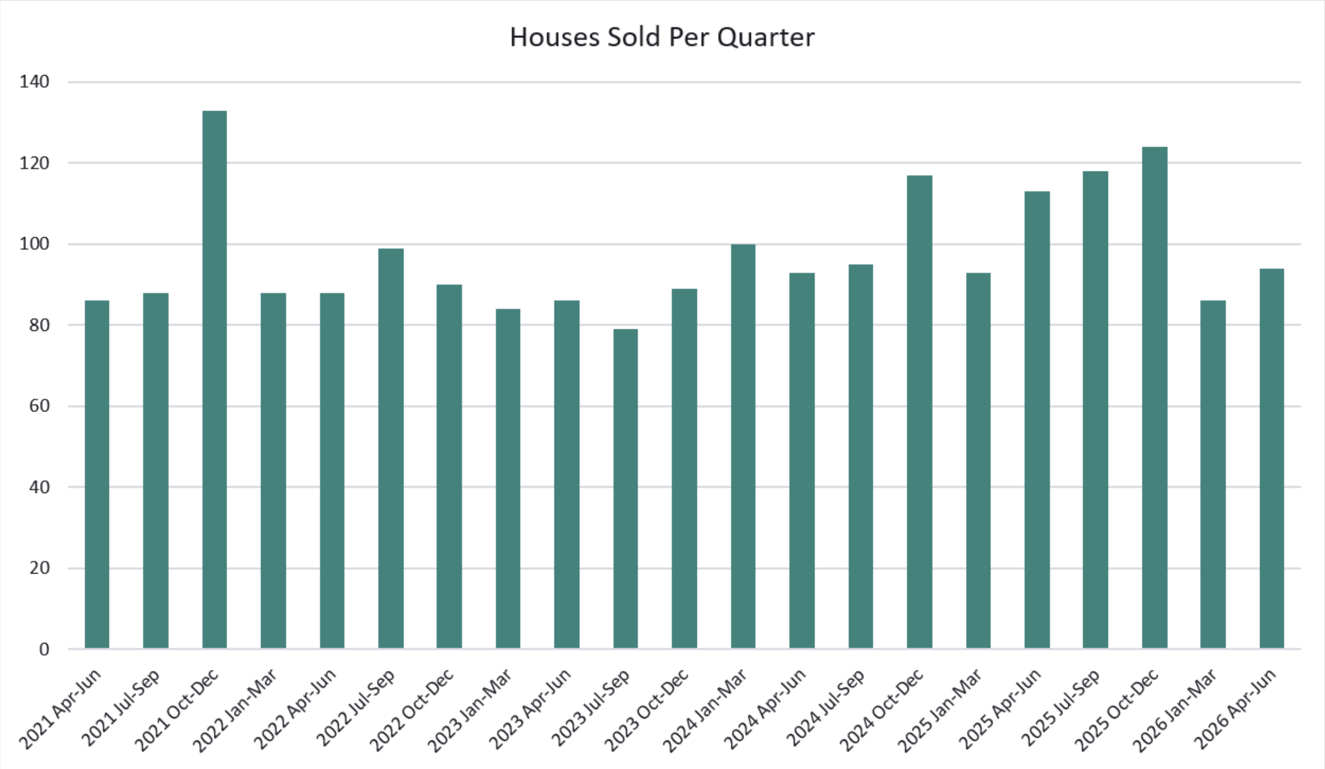

Figure 5: The number of houses sold in each quarter in the Manawatū District (Source: REINZ)

Rental prices

Figure 6 shows the average weekly rent price for each month. The average weekly rent for the June 2026 quarter increased by approximately $9 compared with the previous quarter. Overall, the rental prices in the Manawatū have been mostly stable since mid 2023 with a very small dip in early 2025. Due to the limited supply of rental stock and relatively stable demand in the District there is unlikely to be a significant decrease in rental prices as seen in the bigger cities.

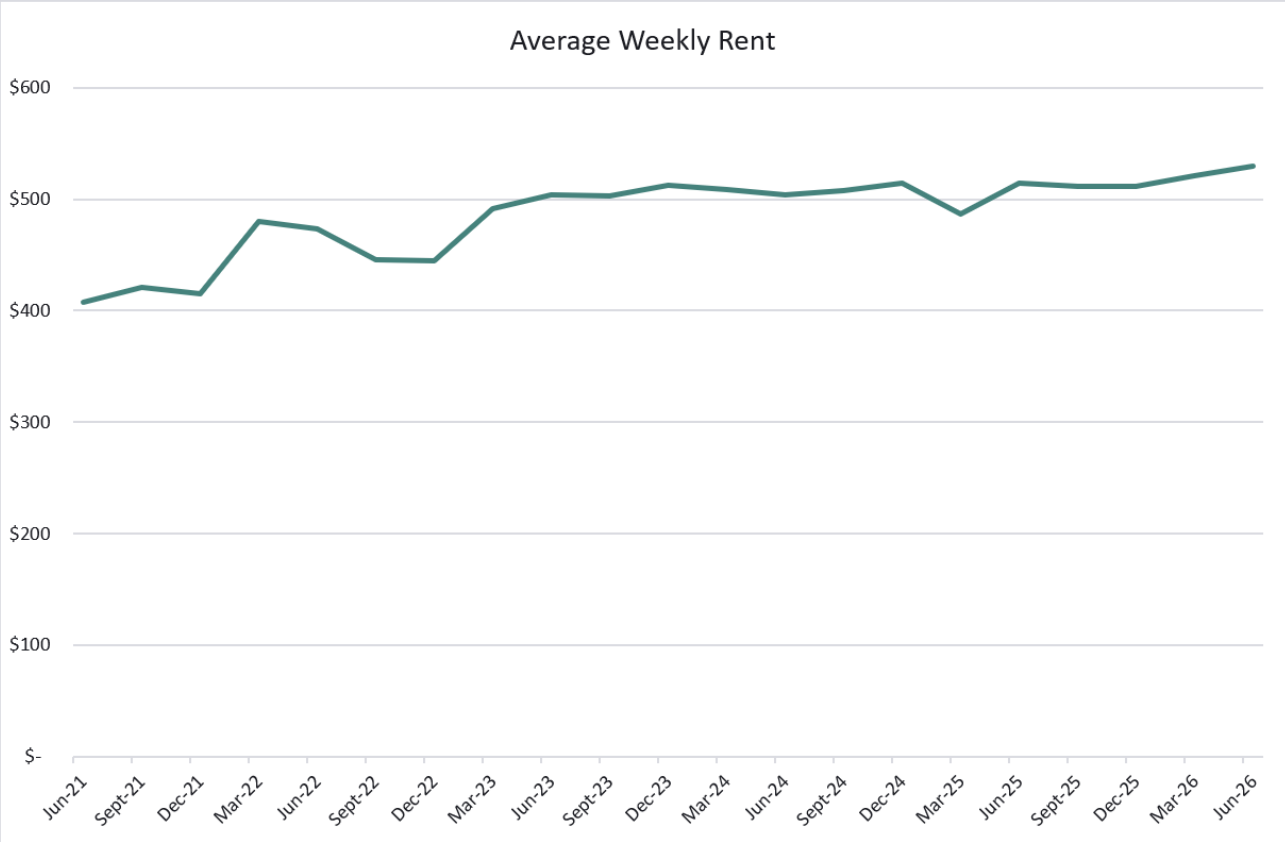

Figure 6: Average rent price shown quarterly (Source: Infometrics)

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 with a slight decrease seen in 2025. Year-to-date figures for 2026 show an increase so far.

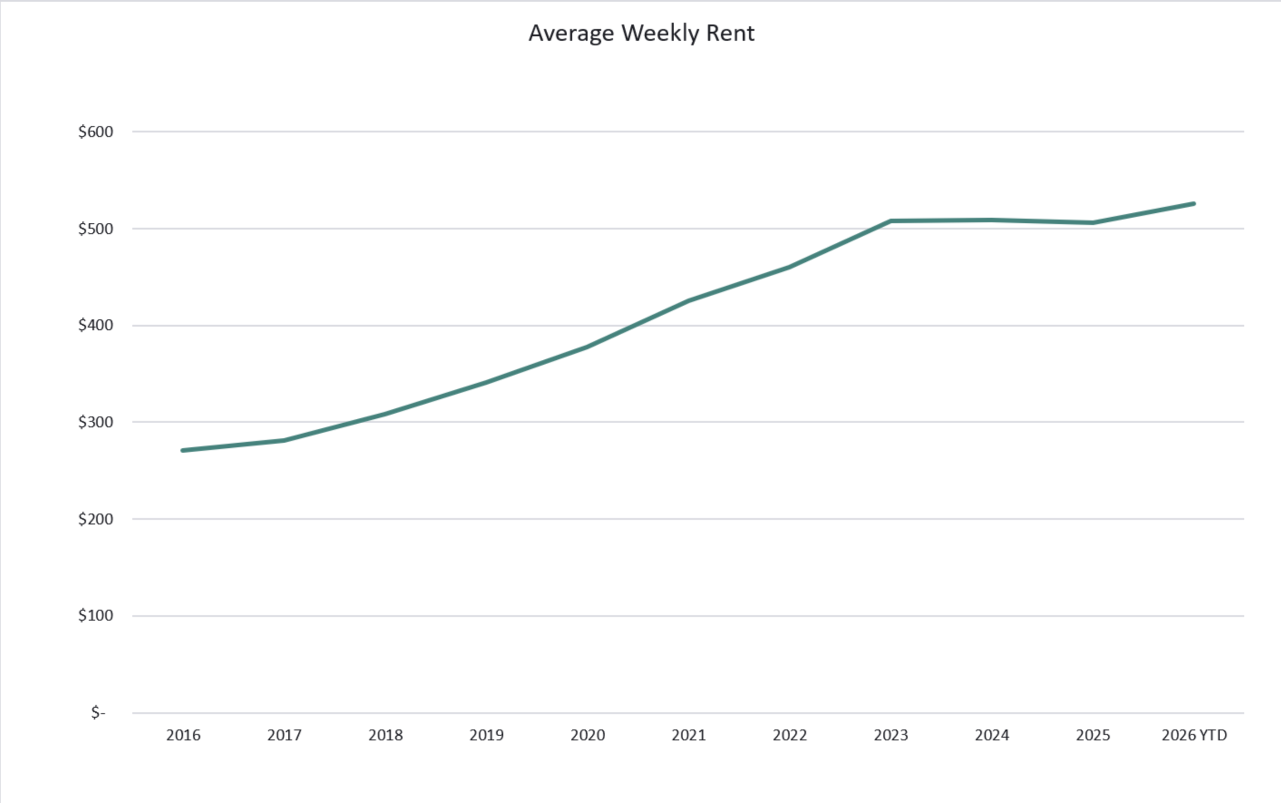

Figure 7: Average rent price shown yearly (Source: Infometrics)

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. 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 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 quarters Manawatū District's affordability ratio has been relatively stable at around 4 (well below the New Zealand ratio of 5.8).

Figure 8: Housing Affordability Ratio (Source: Infometrics)

Figure 9 shows rental affordability. Rental affordability expresses annual rents (sourced from MBIE) as a proportion of mean household income (estimated by Infometrics).

The proportion of income spent on rent peaked in December 2022, with 21.1% of income going towards rent at that time. Since that time there has been a small steady decline, with the current rate sitting at 19.4%. Nationally, rental affordability is 19.7% of annual household income.

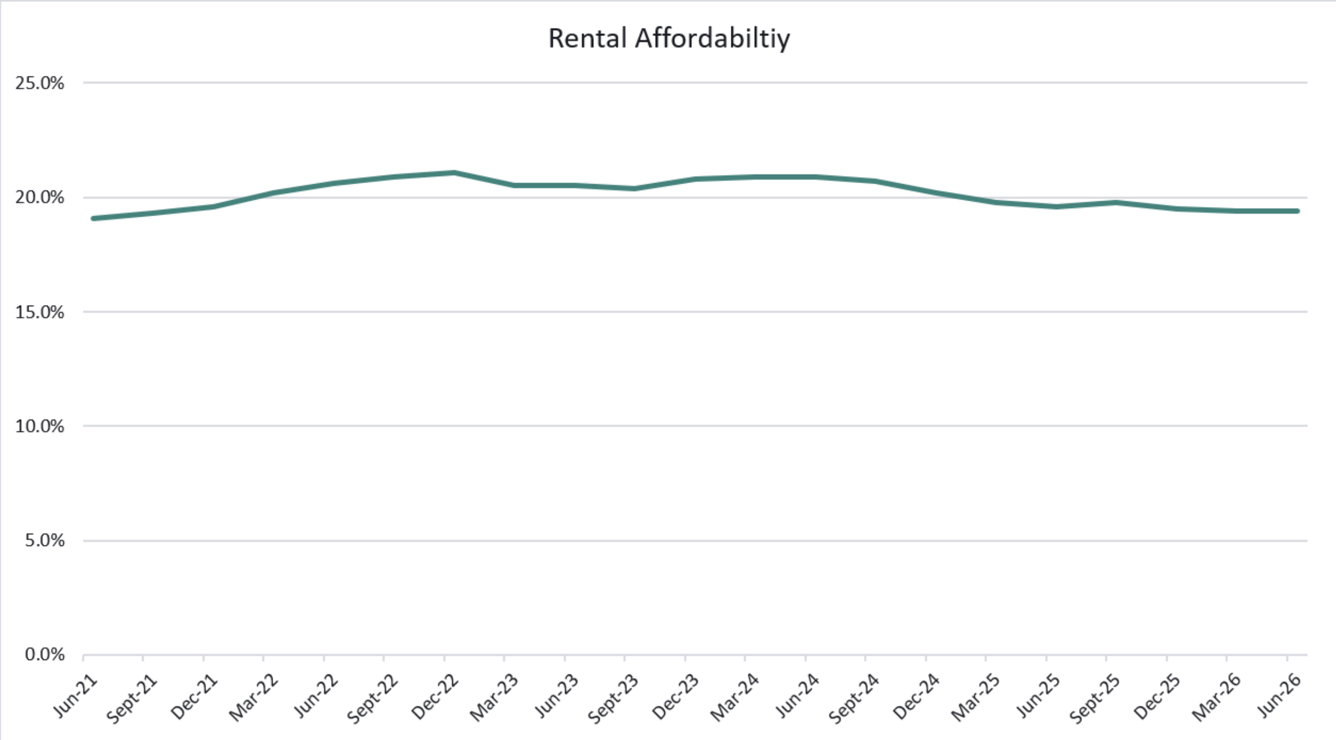

Figure 9: Percentage of annual income going towards rent (Source: Infometrics)

Housing Register

There are 199 Kāinga Ora houses in the Manawatū District and 12 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 Manawatū Community Trust (MCT) has 209 housing units across 13 sites.

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

Business

Figure 11 shows the total number of business units across the Manawatū District over each quarter. The total number of business units continues to see a slight increase quarter-on-quarter, although the rate of increase has slowed since March 2023.

It is worth noting that while these businesses are registered, they may not all be operational currently and not all businesses have a physical shopfront.

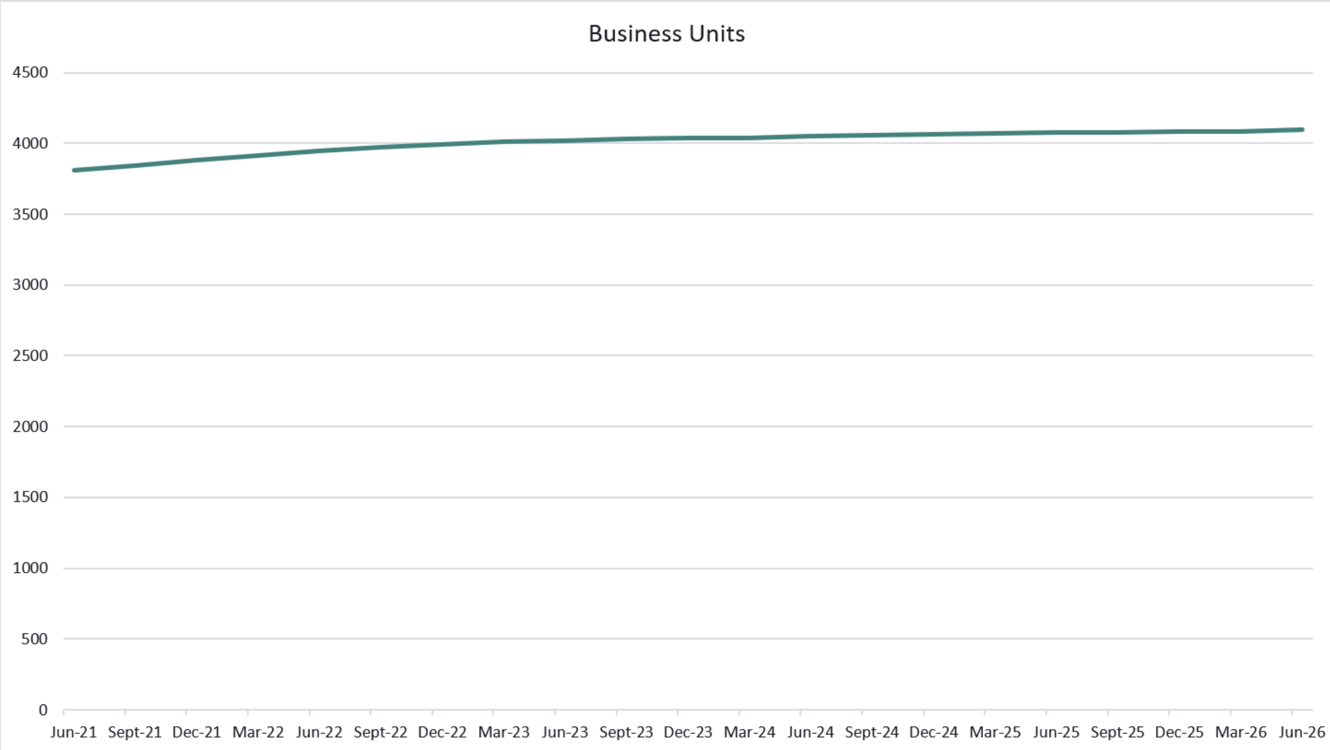

Figure 11: Number of business units in the Manawatū (Source: Infometrics)

Figure 12 shows, on an annualised basis, the proportion of people across the Manawatū District who are self-employed. The proportion has had minor variations (within a range of 2.1%) since 2016 but had shown a slight overall downward trend until 2024. For 2025 there has been a 0.3% increase compared to 2024 (although both figures are still below those recorded in 2016-2022).

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

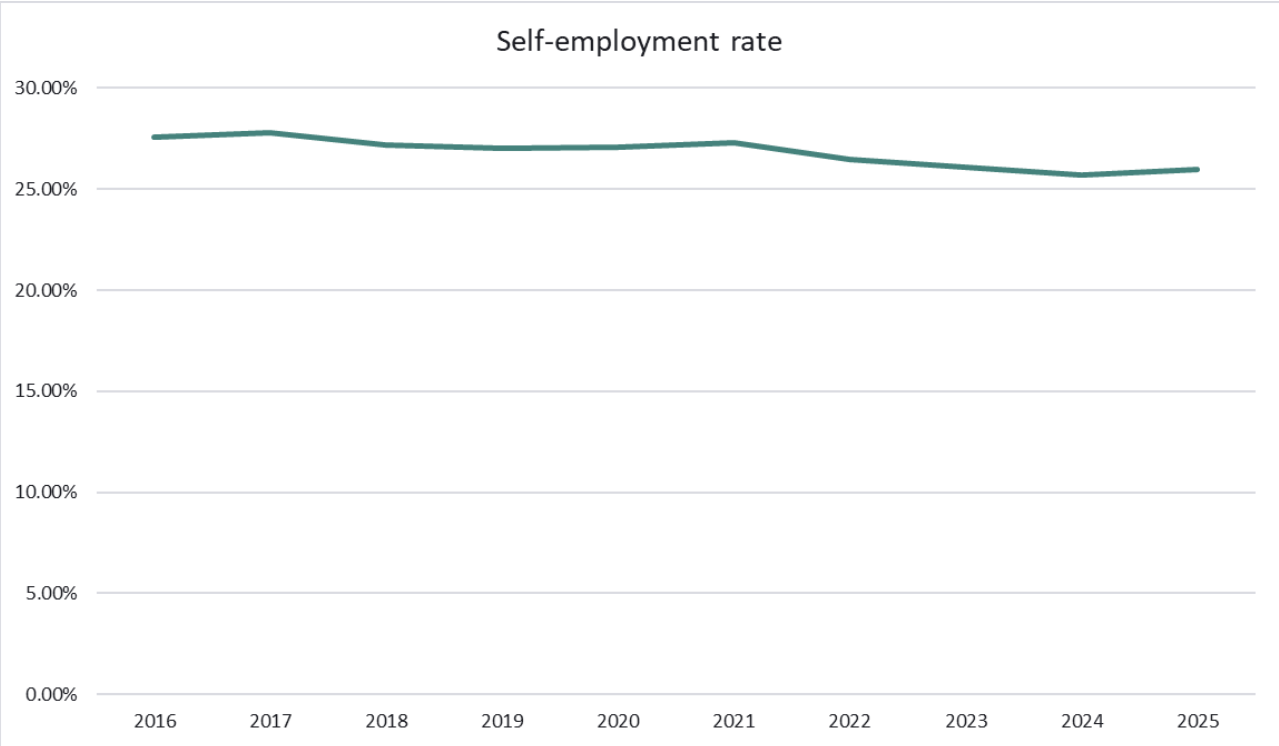

Figure 12: Self-employment rate (Source: Infometrics)

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 filled jobs and Gross Domestic Product (GDP) in the construction industry within the Manawatū District experienced year-on-year growth through to 2024, followed by a slight decline in 2025. This decline is not unexpected, given national trends, including rising construction costs and reduced investment in the sector. There has been a drop of 27 filled jobs and $10.3 million in GDP between 2024 and 2025.

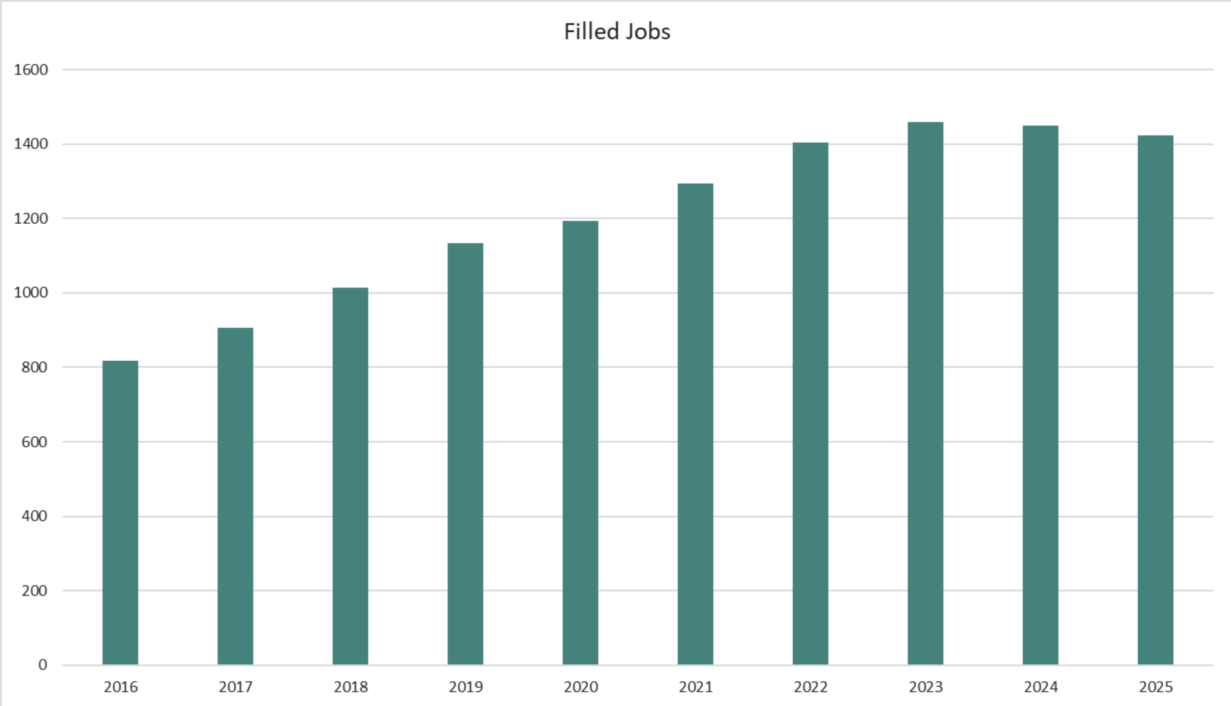

Figure 13: Filled jobs in the construction industry.

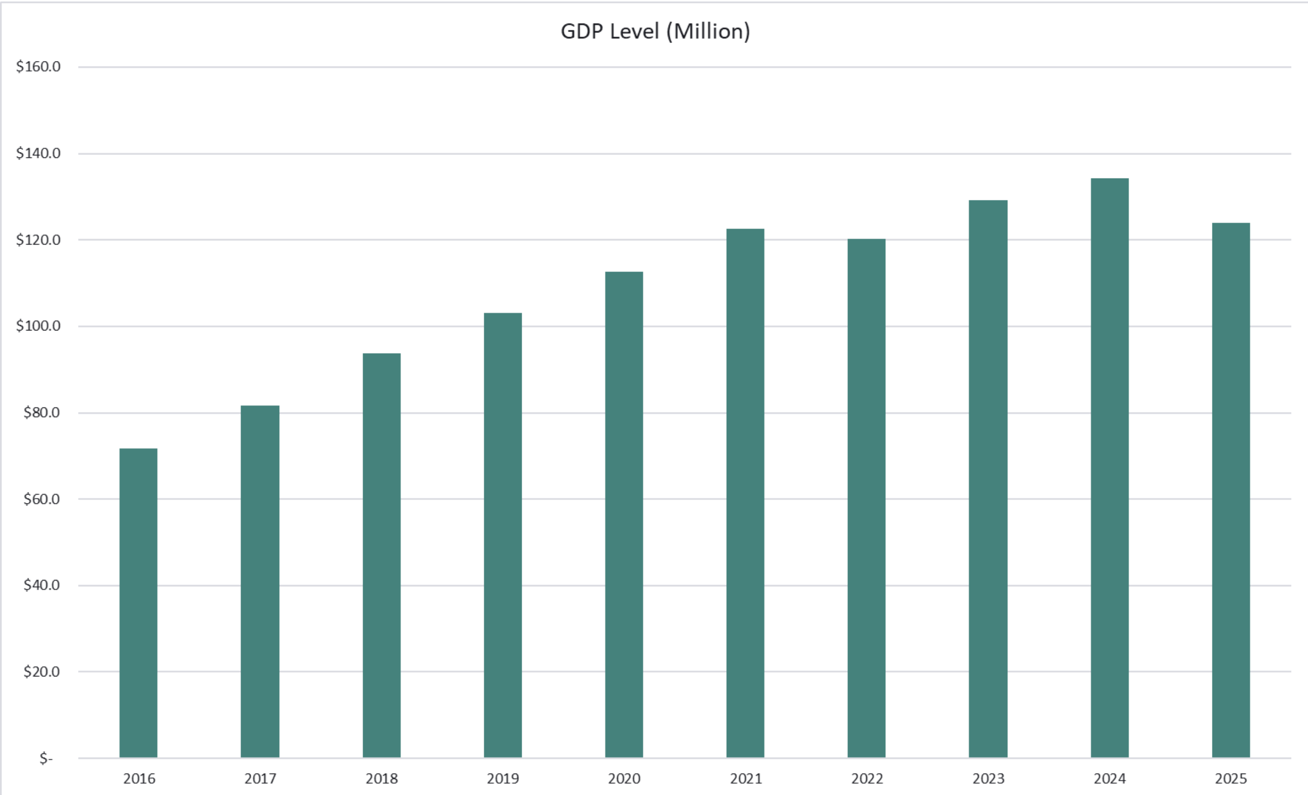

Figure 14: GDP of the construction industry.

Estimates of remaining new housing capacity

The National Policy Statement on Urban Development 2020 (NPS-UD) requires all councils to provide at least sufficient development capacity for housing over the short-term (next 3 years), medium-term (next 3-10 years) 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 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 in 2025 suggest the number of additional houses required across the urban parts of the District is as follows. The number of houses required in urban areas is estimated on the assumption that 55% of new houses will be built in urban areas over the next 30 years and adds an additional competitiveness margin (15% - 20%) as required by the NPS-UD.

Timeframe	Additional households Across the District	Number of households in urban areas to plan for (NPS-UD target)
Short term (0-3 years)	840	462
Medium term (3-10 years)	2,202	1,211
Long term (10-30 years)	5,804	3,192

The Manawatū District Council has developed a GIS-based automatic 'Housing Capacity Model' which looks at all the urban land across the Manawatū District and then:

- Removes from consideration any land that is not available for development (because of the presence of restrictions such as hazards, existing buildings, roads, railways and large public or private carparks, or the lacking in infrastructure).

- Identifies vacant land suitable for development and works out how many houses (at the densities permitted by the Manawatū District Plan) can be built on the land by using a 'notional building platform' approach.

- Counts the number of the theoretical buildings according to the timeframes they would be able to be built (based in infrastructure availability, zoning, and any non-commercially sensitive information about owner intentions.

Early results from the Housing Capacity Model suggest that there is currently more than enough housing capacity provided the pattern of around 55% of new houses being built in urban areas continues.

The modelling indicated that there is *capacity* for approximately 1,900 houses to be built with the next three years, nearly 2,500 houses within the next 10 years, and 4,800 within the next 30 years. In addition to this capacity, land which is zoned or identified for future development, but for which the timing of infrastructure is not clear, could accommodate nearly 1,000 more houses but is not counted for the purposes of meeting National Policy Statement on Urban Development targets.

It should be noted that the number built in Manawatū District will be lower if the current trends of 120-140 new houses per year continues, or if developers (and their customers) prefer section sizes significantly larger than what the district specifies as a minimum size or density.

At present, most of the additional capacity available for new housing sits within the Maewa area and neighbouring parts of northern Feilding. There is also significant theoretical capacity west of West Street, Feilding. However, much of this is seen as not being available until the long-term (10-30 years) due to infrastructure supply limitations.

Further refinements are proposed to make the model more accurate over the next 12 months, so some of the capacity figures provided above may change a little. The numbers above will also likely change over the coming years as land is rezoned or developed.

Estimates of commercial and industrial land capacity

In the first half up 2026, Manawatū District Council commissioned Business and Economic Research Limited (BERL) to update assessments of commercial and industrial land capacity across the District.

The main findings of their report (published in June 2026), were:

- Manawatū District (MD) has 89.4 hectares of useable vacant land across business zones of which 83.0 hectares is industrial, while vacant land across the Mixed Use, Commercial, and Town Centre zones vacant land is limited to less than seven hectares (0.2ha commercial, 0.9ha mixed use zone, 3.7ha of special purpose and 1.7ha of town centre zone).

- Supply of industrial land is broadly sufficient under the central (current take-up rate) scenario, with existing zoned land expected to meet projected demand for at least the next 15 years.

- A long-term (out to 30 years) shortfall of industrial land emerges under the central (current take-up rate) scenario, with demand beginning to exceed available supply in the early 2040s and which would reach an estimated deficit of approximately 34 hectares by 2055 if not addressed. The potential shortfall rises to 47 hectares once the competitiveness margin (an approximate 20 percent oversupply of land) required by the National Policy Statement on Urban Development is added.

- Commercial land supply (Town Centre, Mixed Use, Special Purpose and Commercial zoned land) is generally sufficient until the early 2050s. However, a shortage of viable, modern commercial floorspace within in existing buildings and fragmentation of ownership are constraints on new business take-up of existing floorspace and the redevelopment of some sites.