

1. EXECUTIVE OVERVIEW



KEY TAKEAWAY ECONOMIC POSITION

Recovery continues, but remains uneven

Horowhenua continues to outperform New Zealand, although growth is increasingly concentrated in the primary sector and infrastructure.

REPORTING PERIODS

This dashboard combines multiple sources of economic and strategic intelligence:

- Economic indicators: Quarter ending March 2026
- Strategic intelligence: Developments to 30 June 2026
- Town Centre Business Audit: January–July 2026



QUARTERLY ECONOMIC STORY

Horowhenua's economy continues to recover, but the recovery is becoming increasingly uneven. The primary sector and infrastructure remain the district's key strengths, while construction, private investment and consumer-facing sectors remain under pressure. Higher fuel expenditure has become an additional cost pressure for businesses and is expected to weigh on economic conditions over coming quarters.



WHY THIS MATTERS

While Horowhenua continues to outperform the national economy in several key indicators, growth is becoming increasingly concentrated in a small number of sectors. Understanding where growth is strengthening, and where pressures remain, is essential for informed business, investment and policy decisions.



NATIONAL CONTEXT

New Zealand's economy is showing early signs of recovery, supported by easing interest rates and improving economic activity. However, household spending remains subdued and business investment is recovering slowly. These national conditions continue to influence Horowhenua's economy, particularly consumer-facing sectors and residential construction.



HOROWHENUA OUTLOOK

Horowhenua remains well positioned for long-term growth, supported by a resilient primary sector and significant infrastructure investment. However, the benefits of this recovery are not yet being experienced evenly across the district, with cost pressures and weak consumer demand continuing to constrain many businesses.

KEY ECONOMIC INDICATORS

YEAR ENDING MARCH 2026

INDICATOR	HOROWHENUA	NEW ZEALAND
GDP Growth	2.7% ↑	0.8% ↑
Employment Growth	1.2% ↑	0.2% ↑
Unemployment Rate	4.2% ↑	5.1% ↑
Population Growth	1.5% ↑	1.1% ↑
Consumer Spending	0.9% ↓	1.2% ↑
House Sales	-7.5% ↓	+3.8% ↑
Residential Building Consents	-20.3% ↓	+11.0% ↑
Non-Residential Building Consents	-63.3% ↓	+1.2% ↑

The indicators show an economy that continues to outperform New Zealand in overall growth and employment, but with persistent weakness in consumer activity, housing and construction.



IMPROVING

- The primary sector remains a key driver of economic resilience.
- Economic growth continues to outperform the national average.
- Major infrastructure investment continues to support employment and long-term productivity.
- Population growth continues to support future demand.



UNDER PRESSURE

- Consumer spending remains subdued.
- Residential construction and house sales remain weak.
- Private investment remains subdued.
- Higher fuel expenditure is increasing operating costs for many businesses.



PRIORITIES TO WATCH

- Consumer spending and household confidence.
- Residential and commercial investment activity.
- Progress on major infrastructure projects.
- Primary sector performance and seasonal conditions.
- Business cost pressures, particularly transport and fuel.



2. ECONOMIC PERFORMANCE

What do the economic indicators tell us about Horowhenua's economy?



OVERVIEW

The March 2026 economic indicators show that Horowhenua continues to outperform the national economy in economic growth and employment. However, these gains are becoming increasingly concentrated in a relatively small number of sectors. While the primary sector remains resilient, weaker consumer demand, slowing construction activity and subdued private investment continue to constrain broader economic performance.



Growth is increasingly concentrated in the primary sector, while consumer spending, construction and private investment continue to lag.

Agriculture, forestry and fishing grew

8.5%

contributing
\$16.4 million
to district economic growth



Economic Growth

Horowhenua's economy expanded by 2.7% during the year ending March 2026, well above New Zealand's 0.8% growth.

Employment also continued to increase, reflecting continued economic activity across the district's productive sectors.

Population growth remained positive, supporting future labour supply and long-term demand.

Together, these indicators suggest that Horowhenua continues to demonstrate greater economic resilience than many other parts of New Zealand.



Primary Sector

The primary sector continued to underpin Horowhenua's economy during the year ending March 2026. Agriculture, forestry and fishing grew 8.5%, contributing \$16.4 million to district economic growth. However, overall district growth was only \$2.4 million, indicating that gains in the primary sector were largely offset by weaker performance elsewhere in the economy.

The strength of the primary sector continues to provide an important source of resilience for the district, even as consumer spending, construction and private investment remain subdued.



Consumer Economy

Consumer spending remained subdued during the year ending March 2026, indicating that households continue to spend cautiously despite easing inflation and improving interest rate conditions.

This weakness is reflected across many consumer-facing sectors, including retail, hospitality and personal services, where businesses continue to experience softer demand.

The data suggests household spending remains cautious despite improving national economic conditions.



Property & Construction

Property and construction indicators present one of the weakest areas of the district's economy.

House sales declined over the year, while residential building consents fell significantly, reflecting weaker housing demand and reduced residential development activity.

Non-residential building consents also declined sharply, indicating subdued business investment and a slowing pipeline of commercial construction.

Together, these indicators suggest that both residential and commercial development remain under pressure despite stronger growth elsewhere in the economy.



Business Investment

The combination of declining non-residential building consents and weaker construction activity indicates that private-sector investment remains cautious.

While Horowhenua's long-term economic fundamentals remain positive, businesses continue to defer expansion and development decisions amid ongoing economic uncertainty.



Summary

The March 2026 economic indicators show an economy that continues to grow and outperform New Zealand across several headline measures. However, growth is becoming increasingly concentrated in the primary sector, while consumer spending, construction and private investment continue to lag.

3. STRATEGIC INTELLIGENCE – DEVELOPMENTS TO 30 JUNE 2026

What has happened since the March economic data that decision-makers need to know?



About this page

Official economic statistics are typically published several months after the period they measure. This page complements those indicators with intelligence gathered to 30 June 2026, highlighting emerging issues and opportunities that are not yet reflected in published data.



PRIMARY SECTOR INTELLIGENCE

The primary sector continues to underpin Horowhenua's economy, although discussions with local businesses during the June quarter suggest business confidence has softened as higher fuel and transport costs place increasing pressure on operating margins.

The sector's regulatory environment has also become more certain following the Environment Court's final decision on Horizons One Plan Change 2, providing a clearer consenting pathway for existing intensive farming activities, including commercial vegetable growing.

Horowhenua's vegetable industry also featured prominently in national policy discussions during the quarter, with the district highlighted in the NZ Vegetable Industry Manifesto in relation to the regulatory environment affecting commercial vegetable production.



INFRASTRUCTURE & STRATEGIC PROJECTS

Construction of the Ōtaki to north of Levin (Ō2NL) expressway continued to make significant progress during the June quarter with more than 700,000m³ of earthworks completed and construction progressing across several major structures.

Business engagement continued through the project's Registration of Interest programme, demonstrating ongoing interest in procurement opportunities and reinforcing the project's importance as Horowhenua's largest strategic infrastructure investment.

The project continues to support long-term confidence in the district's future freight connectivity, business accessibility and economic development.



TOWN CENTRE INTELLIGENCE

The Town Centre Business Audit undertaken between January and July 2026 provides a snapshot of trading conditions within Levin's town centre. The audit identified a dynamic business environment, with a mix of new business openings, business closures and relocations occurring during the period. Businesses also reported continued pressure on discretionary spending, reflecting ongoing challenges for some consumer-facing sectors.

The development of the Levin War Memorial Hall progressed to detailed design during the quarter. The mixed-use residential and hospitality development represents Horowhenua's largest confirmed town centre redevelopment and reflects continued private investment in Levin's commercial centre.

Local commercial property intelligence indicates that commercial and retail rents have remained largely unchanged over recent years despite increasing rates and insurance costs. This is placing pressure on both tenants and landlords and limiting the capacity for reinvestment in parts of the existing commercial property stock.

While these observations are specific to Levin's commercial centre and should not be interpreted as representative of the wider Horowhenua economy, they provide useful insight into changing business activity and investment within the district's principal commercial centre.



BUSINESS CONDITIONS

Higher fuel expenditure has emerged as a growing operating cost across multiple sectors, particularly for transport-dependent businesses. Combined with rising inflation during the June quarter, these pressures are increasing business costs and are likely to weigh on economic conditions over coming quarters.



KEY INTELLIGENCE INSIGHTS

- The primary sector continues to underpin Horowhenua's economy, although business confidence has softened as operating costs increase.
- Construction of the Ō2NL expressway continues to make significant progress, reinforcing long-term confidence in regional connectivity and economic development.
- The Levin Town Centre Business Audit indicates consumer-facing businesses continue to experience challenging trading conditions, although examples of private investment remain.
- Higher fuel expenditure has emerged as a common business concern and is expected to influence operating costs across multiple sectors over coming quarters.

4. OUTLOOK

Emerging Opportunities, Risks & Key Issues to Monitor



LOOKING AHEAD

The March 2026 economic indicators and strategic intelligence gathered to 30 June 2026 indicate that Horowhenua's economy continues to recover, although growth remains uneven across sectors. Strong performance in the primary sector and continued investment in major infrastructure provide a solid foundation for future growth, while rising operating costs and subdued consumer spending present ongoing challenges for businesses.

Over the coming quarters, the pace of economic recovery will depend on whether the benefits of strategic investment and population growth translate into broader business confidence, private investment and consumer activity.



EMERGING OPPORTUNITIES

OPPORTUNITY	WHY IT MATTERS
Primary sector certainty	Greater regulatory certainty following the Environment Court decision on Horizons One Plan Change 2 may support future investment and business confidence within Horowhenua's primary industries.
Strategic infrastructure investment	Continued progress on the Ō2NL expressway is creating opportunities for local businesses while strengthening the district's long-term freight connectivity and economic resilience.
Town centre investment	The Levin War Memorial Hall and Town Centre redevelopment demonstrates continued confidence in mixed-use residential and hospitality investment within Levin's commercial centre.
Commercial Property Investment	Proposed earthquake-prone building legislation expected to come into effect from 2027 may provide greater certainty for owners and investors, particularly in older commercial buildings. Increased regulatory certainty could encourage reinvestment in parts of Levin's town centre over the medium term.
Population growth	Continued population growth is expected to support ongoing demand for housing, retail, services and community infrastructure.



EMERGING RISKS

RISK	WHY IT MATTERS
Rising business costs	Higher fuel prices and broader inflationary pressures are increasing operating costs and placing pressure on business profitability.
Uneven economic recovery	Growth continues to be driven primarily by the primary sector and infrastructure investment, while consumer-facing businesses remain under pressure.
Weak consumer demand	Cautious household spending continues to affect retail, hospitality and other discretionary sectors.
Private investment remains subdued	Residential construction activity remains below longer-term levels, indicating that broader private investment has yet to fully recover.



KEY ISSUES TO MONITOR

The following indicators will provide early insight into Horowhenua's economic direction over coming quarters:



Whether rising fuel costs begin to affect employment, investment or business confidence.



Whether consumer spending strengthens as interest rates continue to ease.



The extent to which Ō2NL procurement opportunities translate into sustained local economic activity.



Whether improved regulatory certainty supports additional investment within the primary sector.



Progress in residential and commercial investment following major town centre developments.



OUTLOOK

Horowhenua enters the second half of 2026 with a resilient economic foundation supported by a strong primary sector, sustained infrastructure investment and continued population growth. However, recent intelligence indicates that rising operating costs and subdued consumer demand continue to constrain parts of the local economy.

Maintaining economic momentum will depend on broadening the benefits of growth beyond the district's strongest sectors. Continued monitoring of business confidence, private investment and consumer activity will provide an early indication of whether Horowhenua's recovery is becoming more balanced and sustainable.

The challenge over coming quarters will be ensuring that the benefits of growth extend beyond the district's strongest sectors so that economic gains are reflected more broadly across businesses, communities and investment activity.

