

6 March 2025

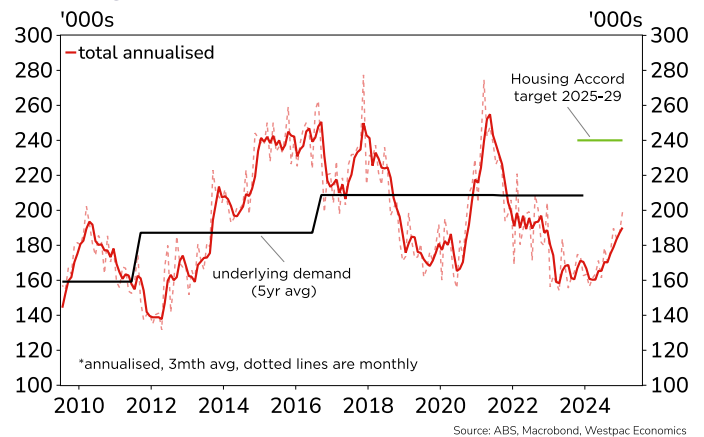
# AUSTRALIAN DWELLING APPROVALS BULLETIN

Private houses lift for the first time in three months

## Key points

- Total dwelling approvals rose 6.3% in January, following a bumper result for private units approvals. Private houses lifted for the first time in three months but it was not enough to reverse the weakness in late-2024.
- Overall the uptrend in approvals is in place, but is arguably still fragile insofar as it is being led by the volatile high-rise units segment (centred on NSW) which questions its sustainability.
- The value of renovations rose 1.1%<sup>mt</sup> in January. Meanwhile, the value of non-residential buildings approved fell -20.7%, but the underlying trend here remains firmer.

## Dwelling approvals



**Total dwelling approvals**  
**+6.3%<sup>mt</sup>,**  
**+14.0%<sup>yr</sup>**

# Surprising result, underlying momentum unsteady



**Neha Sharma**  
Economist

Total dwelling approvals jumped 6.3%<sup>mt</sup> in January. The result was well-above market expectations which ranged from -6.5%<sup>mt</sup> to 2.0%<sup>mt</sup>. The December print was also revised up to 1.7%<sup>mt</sup>. The uptrend in approvals since early last year remains in place but the picture is less certain beneath the surface. It is also worth caveating that the December/January data flow is often more volatile.

Most of the figures in the table and accompanying charts show approvals in a rolling three-month average basis to tone down the month-to-month volatility.

Segment-wise, the rise in approvals remains centred on private units – a segment often prone to volatile monthly swings. Private units had another robust showing, rising 12.7%<sup>mt</sup> in January, following a 17.4%<sup>mt</sup> lift in December. On a rolling three-month average basis, private units are up 23.9%<sup>qtr</sup> and 25.5%<sup>yr</sup>. Digging deeper, there are imbalances within this segment. Firstly, high-rise approvals have driven most of the lift, with the low-mid rise segment relatively subdued. Secondly, most of the high-rises have been approved for NSW, with other states seeing a tick down or flattening in recent months.

Meanwhile, private houses are seeing more subdued trends. January saw a 1.1%<sup>mt</sup> lift in approvals, but this follows declines of -2.8%<sup>mt</sup>, -1.0%<sup>mt</sup>, and -1.9%<sup>mt</sup> in the three months prior. The increase in the latest month was centred on Qld (4.6%<sup>mt</sup>), WA (3.3%<sup>mt</sup>) and SA (2.9%<sup>mt</sup>). Both NSW and Vic recorded declines (-0.8%<sup>mt</sup> and -1.2%<sup>mt</sup> respectively). On a three-month average, private house approvals are down -3.4%<sup>qtr</sup>, suggesting that the recovery is on shaky ground and may even be starting to cycle lower.

With total dwelling approvals (14.0%<sup>yr</sup> to January) outpacing residential construction work done (5.7%<sup>yr</sup> to Q4, see [here](#)), the backlog of work may be starting to rise again, particularly in states where approvals have risen more strongly.

The value of renovations increased 1.1%<sup>mt</sup> in January, following a -3.1%<sup>mt</sup> fall in December. On a three-month average basis, it was down -1.5%<sup>qtr</sup> but up 7.7%<sup>yr</sup>. The value of non-res building approvals was down -20.7%<sup>mt</sup>. The trends are more positive on a three-month basis with value of approvals up 15.6%<sup>qtr</sup> and 24.6%<sup>yr</sup>.

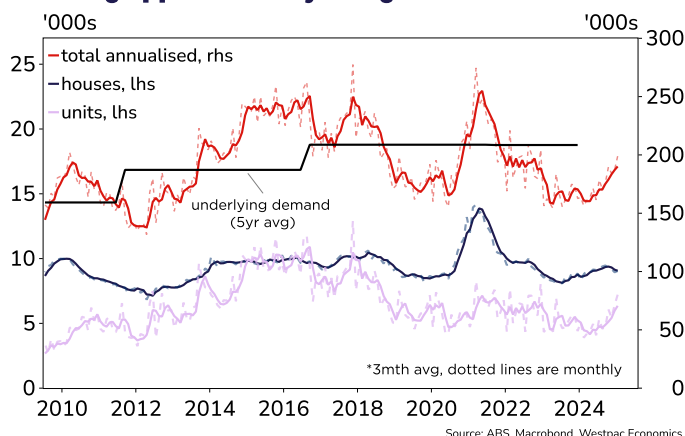
Overall, momentum in new dwelling approvals may fall away quickly if the lift in high-rise units proves to be noise, a more meaningful risk given the issues around December-January data. Even if the upturn proves to be more durable, approvals are still likely to fall well short of the Housing Accord target in 2025.

## Building approvals – January 2025

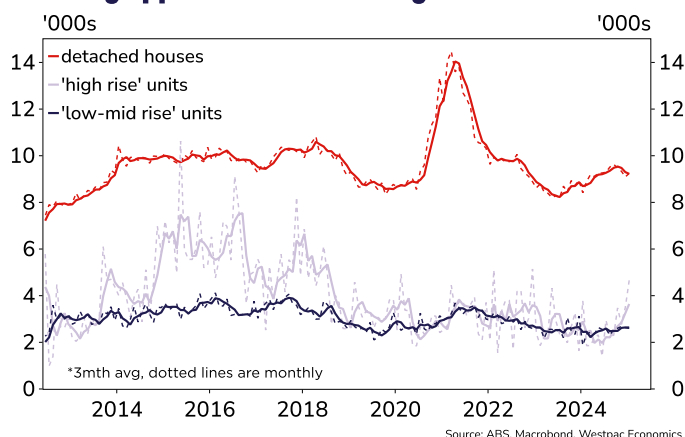
| 3mth avg                | 3mth %chg* |      |      | %yr   |      |
|-------------------------|------------|------|------|-------|------|
|                         | latest     | Dec  | Jan  | Dec   | Jan  |
| Private houses          | 9,060      | -2.2 | -3.4 | 4.3   | 5.4  |
| Private units           | 6,356      | 22.3 | 23.9 | 14.3  | 25.5 |
| Public dwellings        | 428        | 29.3 | 8.6  | 120.0 | 83.0 |
| Total dwellings         | 15,844     | 6.8  | 6.3  | 9.7   | 14.0 |
| Total dwellings, mthly* | 16,579     | 1.7  | 6.3  | 15.1  | 21.7 |
| – units in 'high rise'^ | 3,642      | 38.2 | 28.5 | 41.7  | 23.7 |
| – units in 'low rise'^  | 2,614      | 4.6  | 4.3  | 1.5   | 9.3  |
| Renovations, \$bn       | 1.147      | -0.8 | -1.5 | 8.0   | 7.7  |
| Non-res., \$bn          | 6.281      | 14.5 | 15.6 | 11.9  | 24.6 |

\*figures for 'total dwellings mthly' are monthly and mthly%ch, all others are rolling 3mth avg and 3mth%ch; ^all sectors, Westpac estimates  
Sources: ABS, Westpac Economics

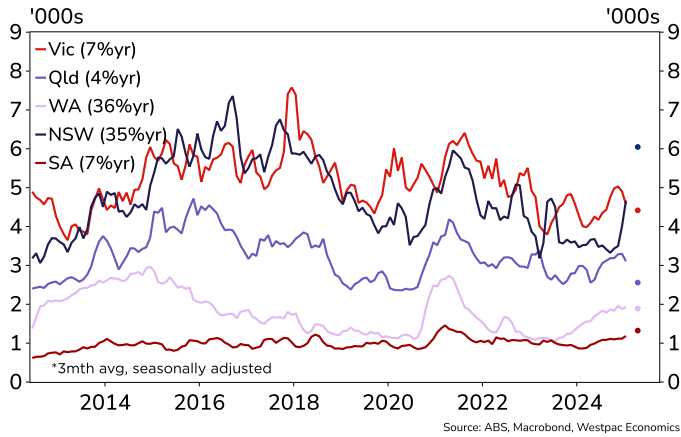
## Dwelling approvals: major segment



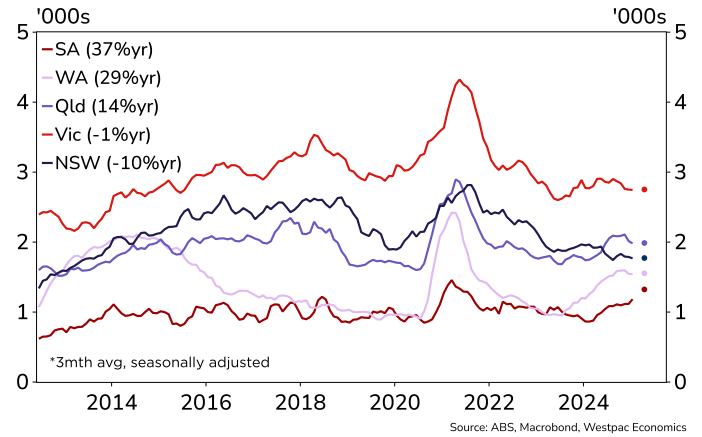
## Dwelling approvals: detailed segment



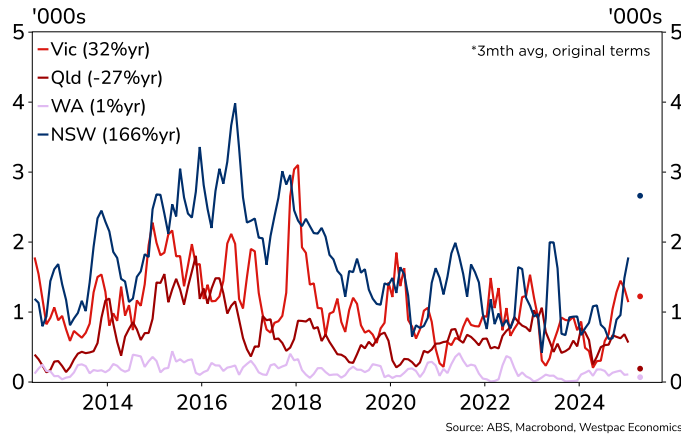
## Total dwelling approvals: by state



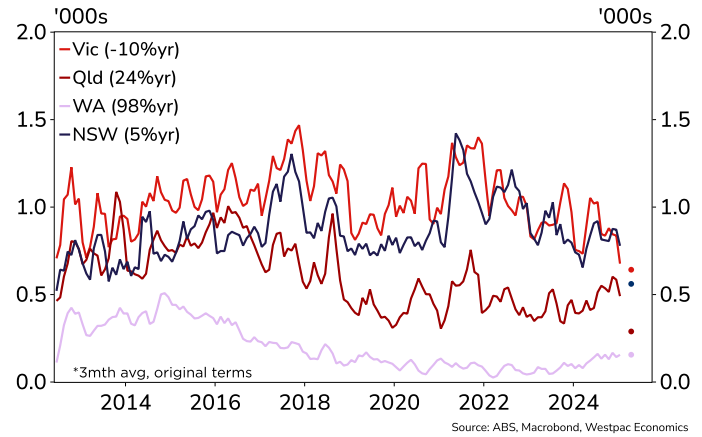
## Detached house approvals: by state



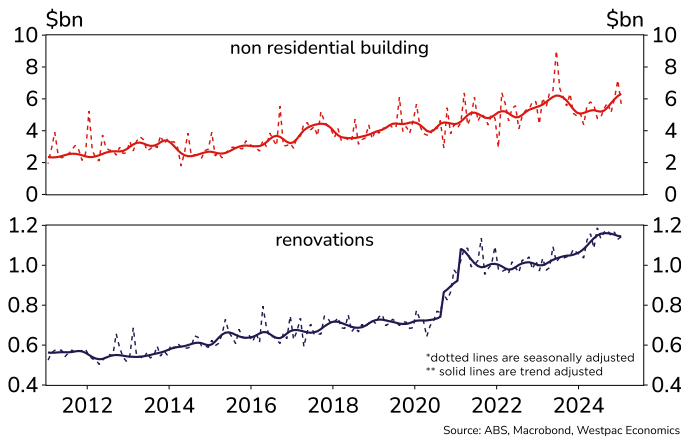
## 'High rise' approvals: by state



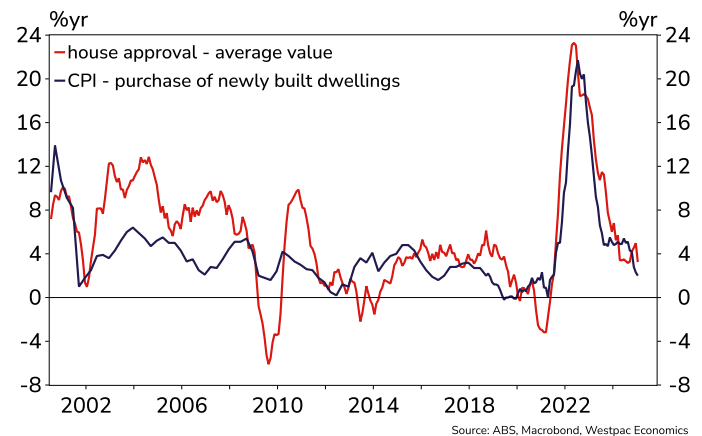
## 'Low-mid rise' approvals: by state



## Value of renovations & non-res approvals



## Dwelling approvals: average value



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