

31 July 2025

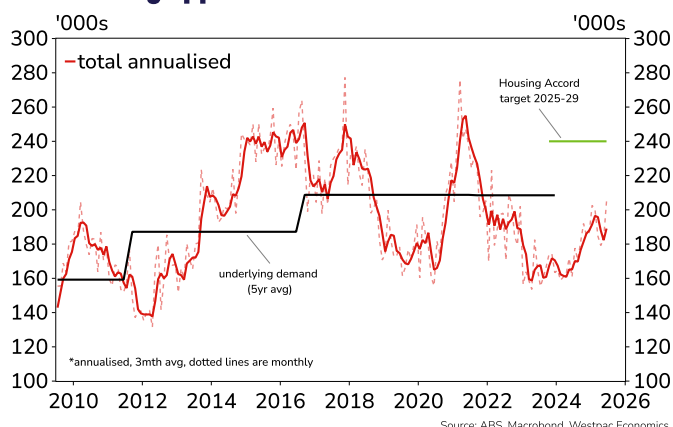
AUSTRALIAN DWELLING APPROVALS BULLETIN

Conditions becoming more supportive

Key points

- Total dwelling approvals shot up 11.9%^{mth} in June, well above expectations. The volatile high-rise component paved the way, while detached home approvals fell for a second consecutive month.
- The three month growth momentum in dwelling approvals remains negative with the uptrend formed over late last year having lost its way. That said market conditions are positive for the outlook, including from interest rate cuts, some firming in home buyer sentiment and easing capacity constraints in the construction sector.
- Renovations activity generally appears to be flat-lining, though non-residential building looks to be a bright spot.
- Overall, monthly approvals are still broadly consistent with our expectations for 175k approvals in total over 2025.

Dwelling approvals



Total dwelling approvals
+11.9%^{mth},
+27.4%^{yr}

High-rises swing the headline



Neha Sharma
Economist

A sharp rebound in the volatile high-rise segment drove an **11.9%^{mt}** surge in total dwelling approvals in June, well above market expectation of **1.8%^{mt}** and Westpac's forecast of **3%^{mt}**. This marks the strongest monthly gain in more than two years, following a modest **2.2%^{mt}** rise in May and three consecutive declines before that. Total dwelling approvals are up **27.4%^{yr}**.

Approvals over the first half of 2025 are up 5.6% from the second half of 2024, a clear step down from the 11.6% growth seen between H1 and H2 2024. Note that 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.

Private unit approvals rose for a second straight month, jumping **33.1%^{mt}** in June and soaring **87%^{yr}**. These gains appear to recoup earlier losses and reflect renewed strength in the lumpy high-rise segment, particularly in NSW.

At the state level, NSW remains the clear outperformer, with total dwelling approvals up **33%^{yr}**. But again this is centred on high rise, with detached home approvals remaining soft and second weakest to Vic. Low-and-mid-rise units also look to be gaining traction in NSW. This segment has been a key focus of the state's housing policy agenda and one we'll continue to monitor closely. Elsewhere, annual growth is ranging between 3-9%^{yr} for total approvals (although notably SA has seen a big 25%^{yr} rise for detached houses approvals).

Renovations activity lost momentum in June, rising just **0.7%^{mt}** after a robust, but a bit of an outlier, **4.2%^{mt}** lift in May. The trend remains unclear, but generally appears to be flat lining. On the non-residential side, approvals continue to show strength. The three-month trend has accelerated to its highest rate in two years, with the annual growth trend also firming.

Taking all of this together, the total value of building approvals, including residential and non-residential, is up **8.4%** over the past three months (**24.1%^{yr}**) and has been firming since March. NSW, SA and Vic are leading, each continuing to see annual growth tracking at above a 30%^{yr} rate. In contrast, Qld and WA remain softer, with growth rates below 20%.

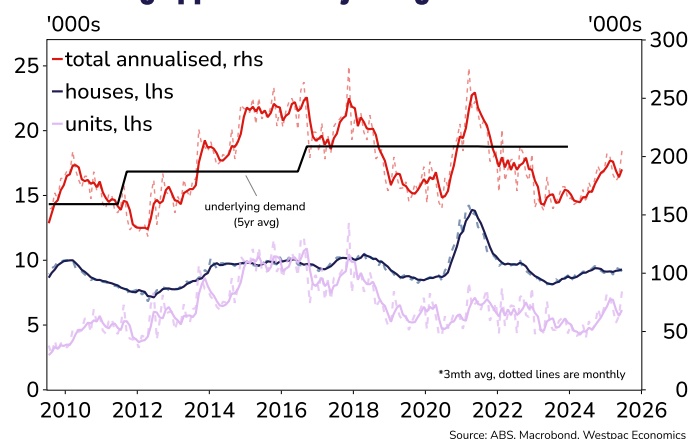
The growth momentum in dwelling approvals has eased since the start of the year. That said, market conditions are more constructive for the outlook. Interest rate cuts should start to feed through, home buyer sentiment looks to be [lifting](#), turnover is [firming](#), and capacity constraints in the construction sector are gradually easing.

Building approvals – June 2025

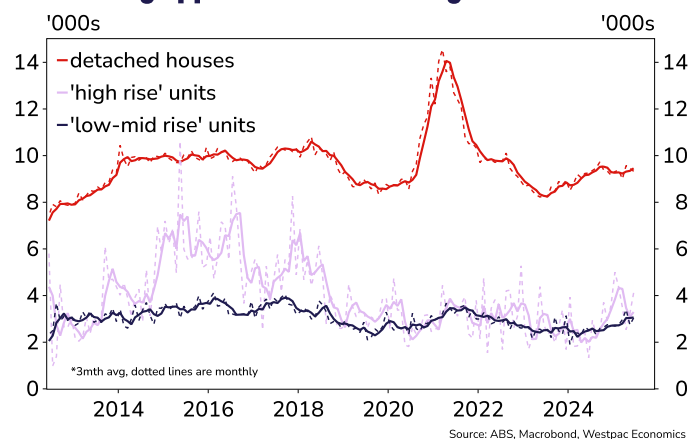
3mth avg	3mth %chg*			%yr	
	latest	May	Jun	May	Jun
Private houses	9,299	0.8	2.3	2.0	2.8
Private units	6,157	-18.3	-11.4	26.1	37.2
Public dwellings	298	7.5	10.6	32.8	30.5
Total dwellings	15,754	-7.2	-3.4	10.4	14.5
Total dwellings, mthly*	17,076	2.2	11.9	6.6	27.4
– units in 'high rise'^	3,192	-28.3	-24.6	38.6	59.9
– units in 'low rise'^	2,949	8.2	3.2	21.0	16.9
Renovations, \$bn	1.199	1.8	0.9	7.7	5.0
Non-res., \$bn	7.202	20.7	23.6	22.9	32.4

*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

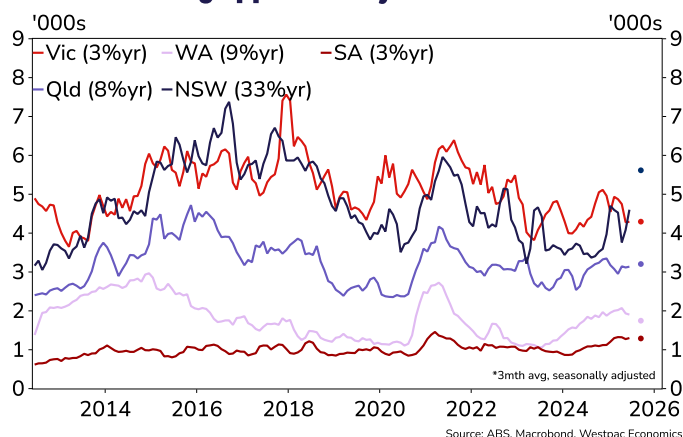
Dwelling approvals: major segment



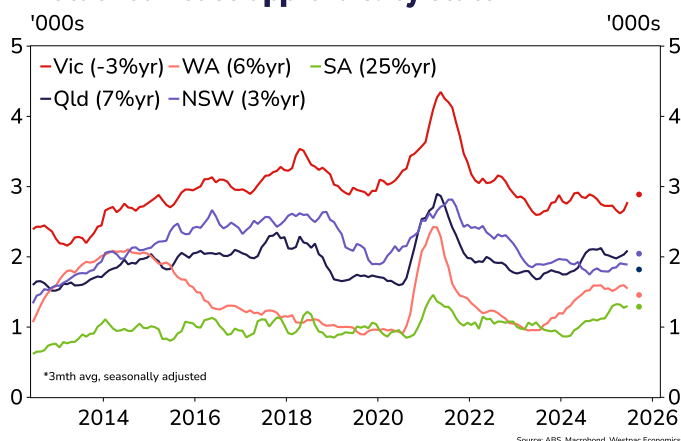
Dwelling approvals: detailed segment



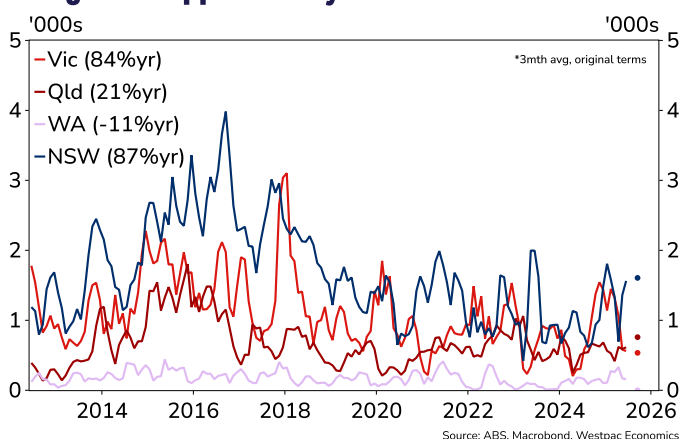
Total dwelling approvals: by state



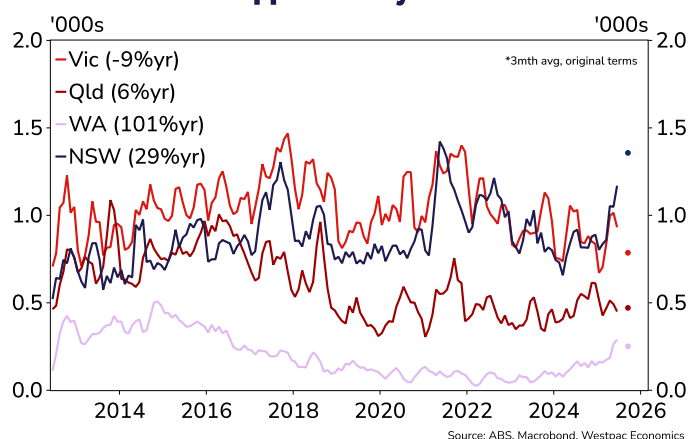
Detached house approvals: by state



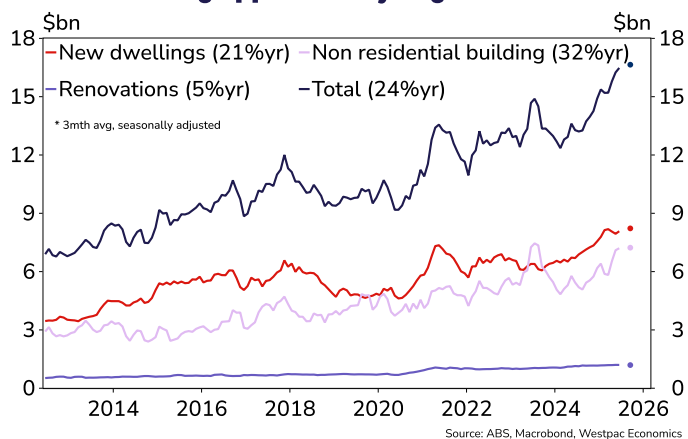
'High rise' approvals: by state



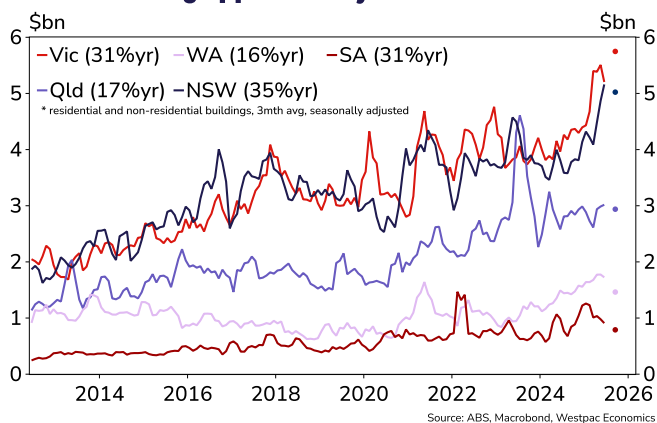
'Low-mid rise' approvals: by state



Total building approvals: by segment



Total building approvals: by state





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