

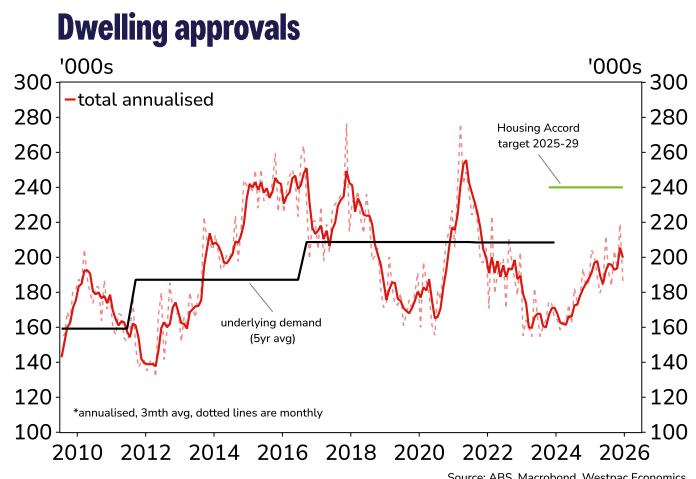
3 February 2026

AUSTRALIAN DWELLING APPROVALS BULLETIN

All segments fall

Key points

- Total dwelling approvals fell -14.9% mth in December, softening the annual pace to 0.4% yr. Q4 approvals rose 3.6% qtr, which should support activity in the quarter.
- Private units were again the main source of volatility (-29.8% mth), with weakness spanning both high-rise and low-mid-rise. Detached home approvals were broadly steady, rising 0.4% mth.
- By state, WA, Qld and SA are posting strong gains while NSW and Vic lag. NSW has seen a recent slowdown owing to volatility in high-rise approvals.
- The total value of residential approvals fell -16% mth to \$9.5bn. Non-residential approvals also fell, bringing total building values down -12.3% mth.
- For 2025, 195.7k dwellings were approved, the strongest post-COVID year, though still below 2017–18 levels. The supply-demand balance is improving with around one dwelling approved per 2.2 persons added (vs 3.2 a year ago).



**Total dwelling approvals
 -14.9% mth,
 0.4% yr**

Upward trend remains a bumpy one



Neha Sharma
Economist

Total dwelling approvals fell -14.9%mth in December, with November revised lower to 13.1%mth. These volatile monthly moves softened the annual pace to just 0.4%yr. The result came in well below both our expectation (-4.0%mth) and the market's (-6.4%mth). Across Q4, approvals rose 3.6%qtr, an improvement on the 0.3%qtr gain in Q3, which should provide support to economic activity in the quarter.

Note that most figures in the charts and table are presented on a rolling-three month basis to smooth out monthly volatility.

Private unit approvals were again the key swing factor in December, dropping -29.8%mth and unwinding the 29.6%mth surge recorded in November. On a 3mth rolling basis, momentum remains firm at 13.8%yr. Falls were recorded across both the 'high-rise' and 'low-mid-rise' categories. Unsurprisingly, the weakness was concentrated in high-rise approvals, which declined -31.4%mth and were -0.7%yr lower on a smoothed basis. Low-mid-rise approvals also eased -3.7%mth. However, after two steady months of gains, the sub-segment remained 18.7%yr higher.

Private detached home approvals were broadly steady in December, lifting 0.4%mth. This followed a modest 0.8%mth rise in November and a -0.6%mth decline in October. On a rolling 3mth basis, the annual pace stands at 3.7%yr.

Approvals also appear to be showing a state divide. On a 3mth rolling basis, the strongest gains are concentrated in the states experiencing the sharpest price growth: WA (18.7%yr), Qld (17.0%yr) and SA (14.8%yr). These states are outperforming both NSW (5.1%yr) and Vic (-12.9%yr). For NSW, however, the softer headline result appears to be a more recent development, driven primarily by volatility in high-rise approvals. In contrast, detached home and low-mid-rise approvals in the state continue to grow at a healthy ~7-12%yr pace.

The total value of residential approvals fell -16.0%mth to \$9.5bn. This was driven by a -17.8%mth decline in the value of new residential approvals and a -1.4%mth fall in renovation activity. The value of non-residential approvals also declined for a second consecutive month, down -6.4%mth. Overall, the total value of building approvals eased -12.3%mth.

There were 195.7k dwellings approved in 2025, the highest calendar year total in the post-COVID period, though still below the peaks seen in 2017-18. Assessing this in terms of shifts in the supply-demand balance (annual population increases vs dwelling approvals) one dwelling was approved for every 2.2 additional persons. While this remains above the pre-COVID decade average of around 1.9, it represents a notable improvement from the 3.2 ratio recorded a year earlier.

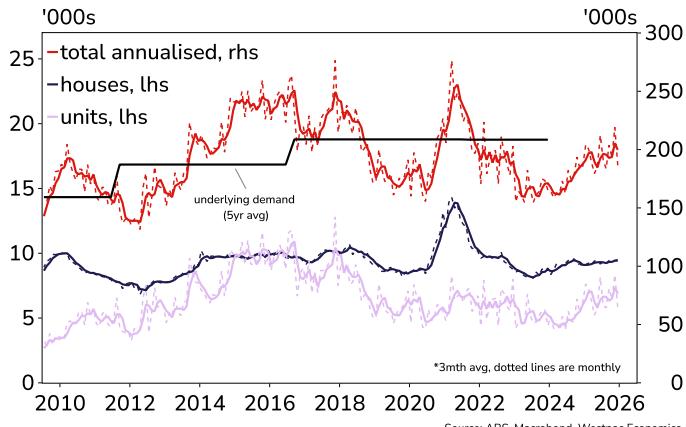
Building approvals – December 2025

| 3mth avg | latest | 3mth %chg* | | %yr | |
|-------------------------|--------|------------|-------|-------|-------|
| | | Nov | Dec | Nov | Dec |
| Private houses | 9,438 | 1.9 | 1.2 | 1.3 | 3.7 |
| Private units | 6,875 | 10.8 | 8.4 | 33.3 | 13.8 |
| Public dwellings | 334 | -18.3 | -16.9 | -40.7 | -32.3 |
| Total dwellings | 16,647 | 5.0 | 3.6 | 11.1 | 6.5 |
| Total dwellings, mthly* | 15,542 | 13.1 | -14.9 | 19.4 | 0.4 |
| – units in 'high rise'^ | 3,603 | 15.3 | 1.3 | 30.3 | -0.7 |
| – units in 'low rise'^ | 3,208 | -5.5 | 0.3 | 17.1 | 18.7 |
| Renovations, \$bn | 1.208 | -0.8 | 2.0 | 2.3 | 4.4 |
| Non-res., \$bn | 7.186 | -3.1 | 2.6 | 21.3 | 8.5 |

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

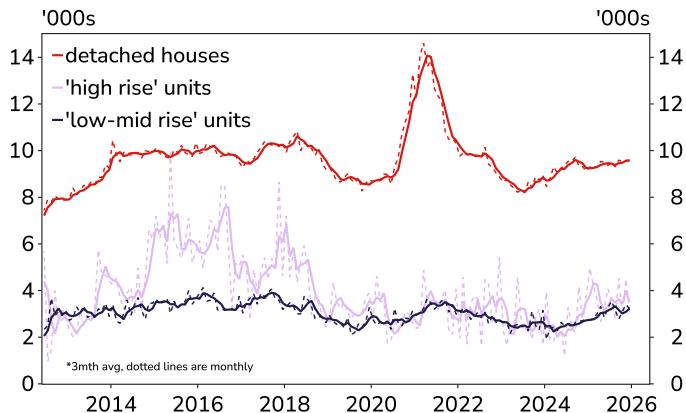
Sources: ABS, Westpac Economics

Dwelling approvals: major segment



Source: ABS, Macrobond, Westpac Economics

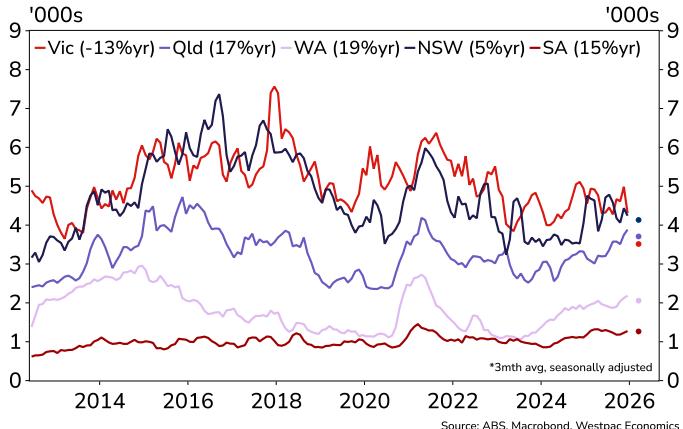
Dwelling approvals: detailed segment



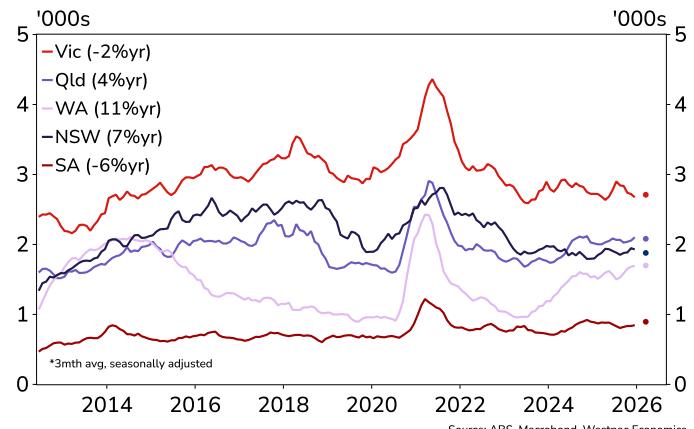
Source: ABS, Macrobond, Westpac Economics

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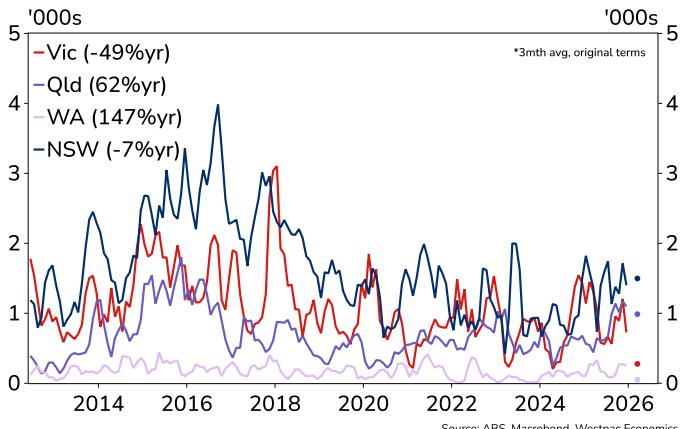
Total dwelling approvals: by state



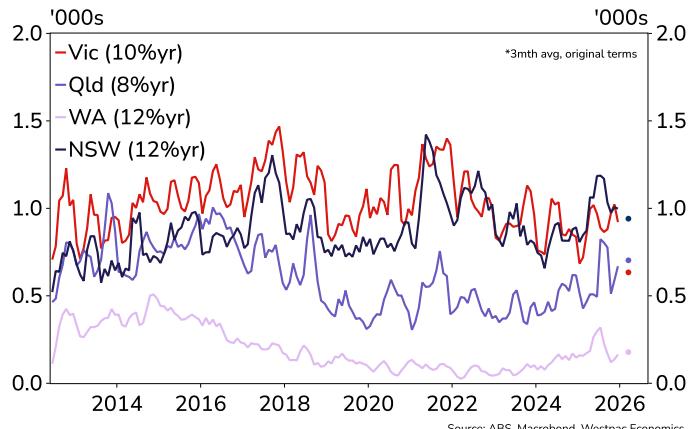
Detached house approvals: by state



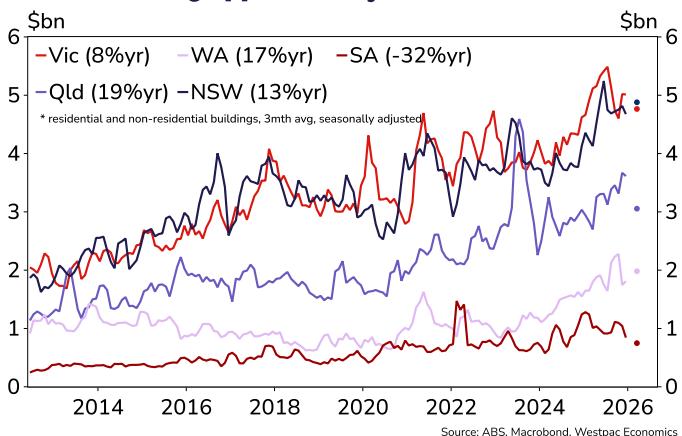
'High rise' approvals: by state



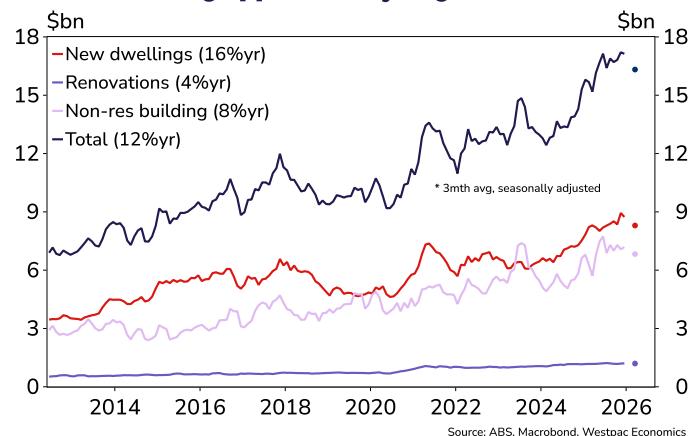
'Low-mid rise' approvals: by state



Total building approvals: by state



Total building approvals: by segment





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