

3 February 2026

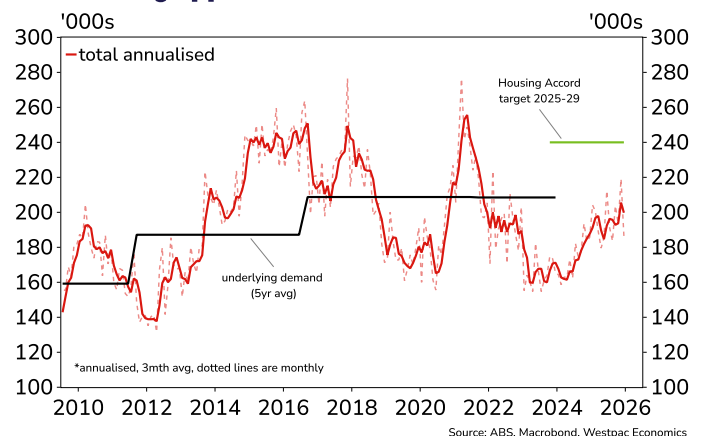
AUSTRALIAN DWELLING APPROVALS BULLETIN

All segments fall

Key points

- Total dwelling approvals fell -14.9% 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).

Dwelling approvals



**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}.

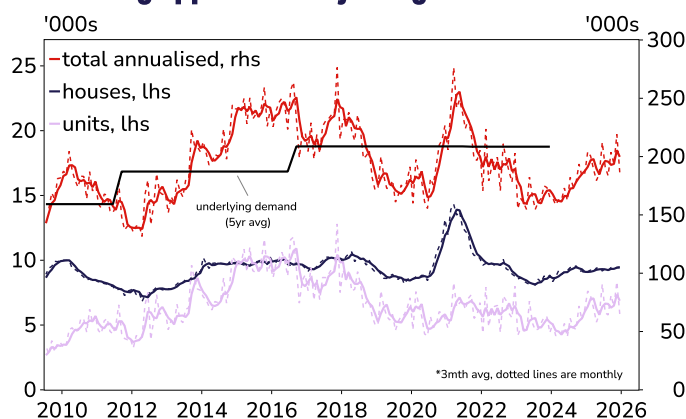
There were 195.7k dwellings approved in 2025, the highest calendar year total in the post-COVID period, though still below the peaks seen in 2017–18. Assessing this in terms of shifts in the supply-demand balance (annual population increases vs dwelling approvals) one dwelling was approved for every 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

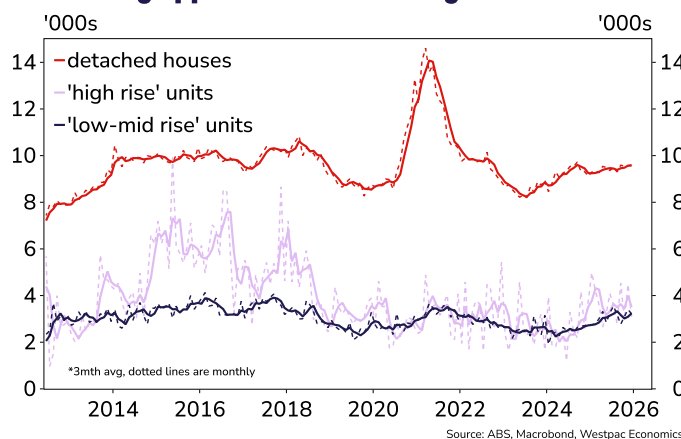
| | 3mth %chg* | | | %yr | |
|-------------------------|------------|-------|-------|-------|-------|
| 3mth avg | latest | Nov | Dec | Nov | Dec |
| Private houses | 9,438 | 1.9 | 1.2 | 1.3 | 3.7 |
| Private units | 6,875 | 10.8 | 8.4 | 33.3 | 13.8 |
| Public dwellings | 334 | -18.3 | -16.9 | -40.7 | -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

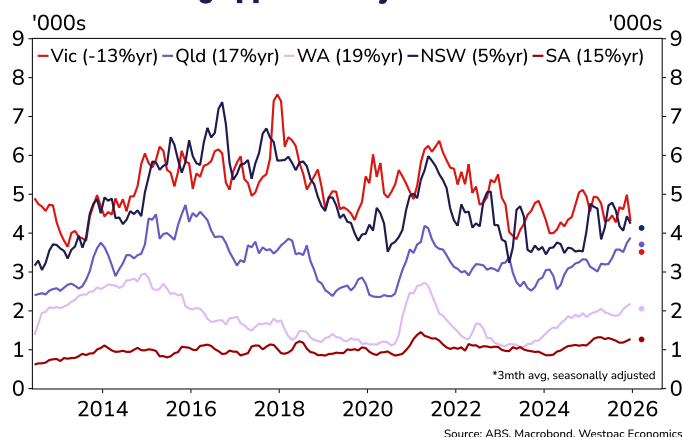
Dwelling approvals: major segment



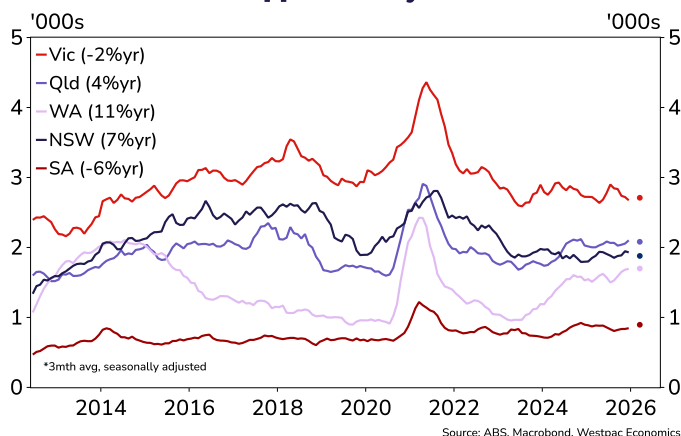
Dwelling approvals: detailed segment



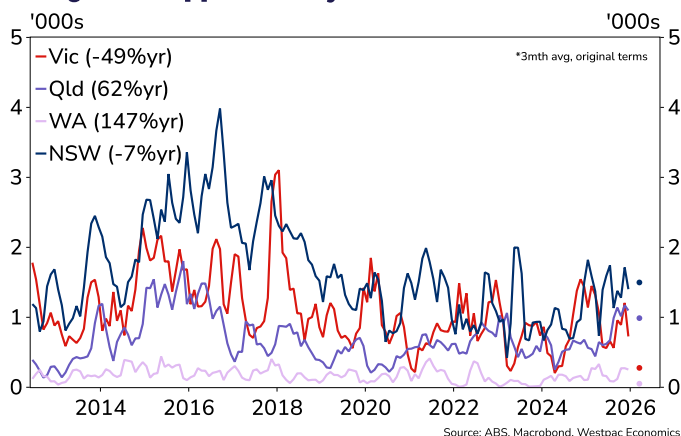
Total dwelling approvals: by state



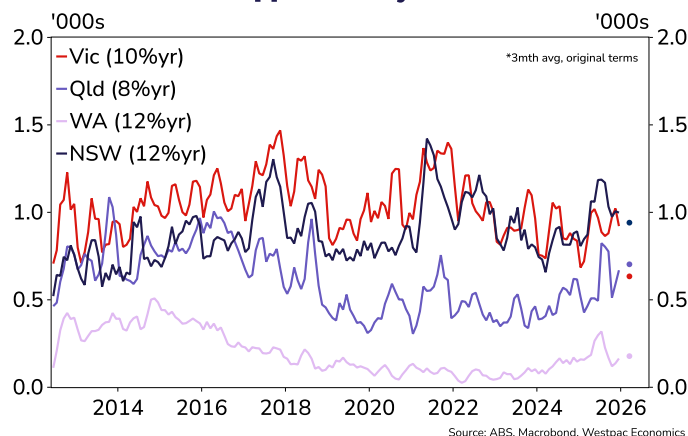
Detached house approvals: by state



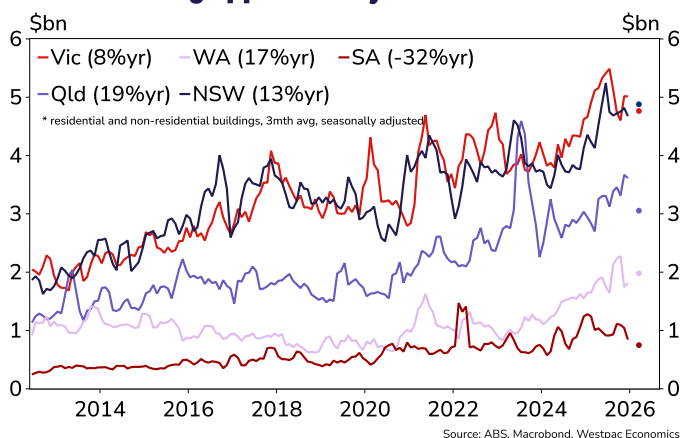
'High rise' approvals: by state



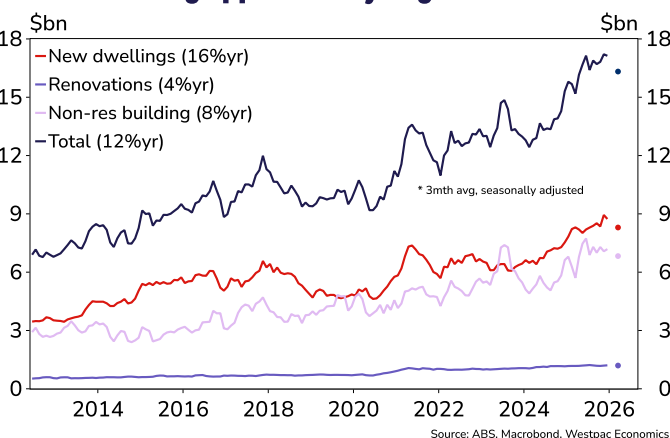
'Low-mid rise' approvals: by state



Total building approvals: by state



Total building approvals: by segment





Corporate Directory

Westpac Economics / Australia

Sydney
Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis
Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan
Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke
Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner
Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk
Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante
Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas
Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells
Economist
E: ryan.wells@westpac.com.au

Illiana Jain
Economist
E: illiana.jain@westpac.com.au

Neha Sharma
Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic
Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland
Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold
Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon
Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs
Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod
Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark
Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva
1 Thomson Street
Suva, Fiji

Shamal Chand
Senior Economist
E: shamal.chand@westpac.com.au



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