

3 March 2026

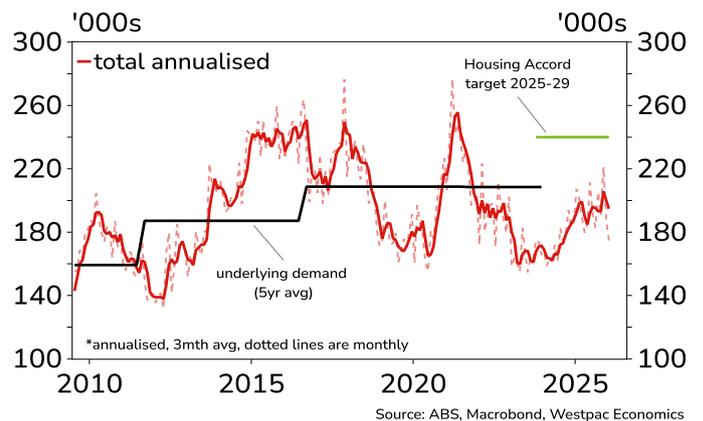
# AUSTRALIAN DWELLING APPROVALS BULLETIN

## A shaky start to 2026

### Key points

- Dwelling approvals fell for a second consecutive month in January (-7.2%*mth*), undershooting expectations, with the annual pace dropping to -15.7%*yr* – the weakest outcome since December 2023. As always, housing data needs to be treated with more caution over the December-January low period.
- Private units continued to drive headline volatility, recording sharp declines across both high-rise and low-mid-rise. Private detached houses are showing clearer positive momentum, revisions lifting the three-month pace to 3.0%*qtr* – the fastest since late-2024.
- A pronounced state divergence persists, with approvals strong in Qld, WA and SA, while NSW and Vic continued to weaken.
- Looking ahead, higher interest rates and softer dwelling price growth are expected to temper the approvals outlook, with approvals forecast to lift slightly to around 200k in 2026.

### Dwelling approvals



**Total dwelling approvals  
-7.2%*mth*,  
-15.7%*yr***

# Private houses revised higher



**Neha Sharma**  
Economist

Total dwelling approvals fell for a second consecutive month, down  $-7.2\%$  in January. The result was weaker than both ours and the market's expectation. The annual pace dropped to  $-15.7\%$ yr, the weakest result since December 2023. As always, housing data needs to be treated with more caution over the December-January low period.

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 continue to drive the volatility, down  $-25\%$  in January following a  $-31\%$  decline in December. The segment accounted for just over 30% of private approvals in the month, the lowest share since mid-2024. Declines were evident across both 'high-rise' and 'low-mid-rise' segments. High-rise approvals dropped  $-35\%$  mth, while low-mid-rise approvals fell  $-13.6\%$  mth, with both segments also down over the year. On a rolling three-month basis, however, trends appear firmer at  $22.7\%$ yr and  $18.8\%$ yr respectively.

Private detached house approvals have shown solid momentum in recent months. January recorded a  $1.1\%$  mth lift, but more notably there have been upward revisions to the previous three months. December was revised to  $1.2\%$  mth (+0.8ppt), while November rose  $1.4\%$  mth (+0.6ppt). On a rolling three-month basis, house approvals were up  $3.0\%$  qtr, the fastest pace since late-2024 with a more discernible uptrend since mid-2025.

The state divide in approvals persists. On a three-month rolling basis, the strongest gains are concentrated in states experiencing the fastest price growth: Qld ( $23.9\%$ yr), WA ( $15.9\%$ yr) and SA ( $3.8\%$ yr). WA is recording a particularly robust  $18\%$ yr increase in house approvals, while unit approvals are driving growth in the latter two states. In contrast, approvals are falling in both NSW ( $-10.9\%$ yr) and Vic ( $-12.9\%$ yr), reflecting declines in unit approvals running at a  $20-30\%$ yr pace.

The total value of residential approvals fell  $-1.2\%$  mth, driven by a  $-1.6\%$  mth decline in new residential approvals, partly offset by a  $1.6\%$  mth lift in renovation activity. The value of non-residential approvals jumped  $19.1\%$  mth. Other commercial buildings — including data centres — accounted for around 14% of total non-residential approvals over the past 12 months, up from 5% a year ago. Education and entertainment & recreation buildings have also recorded solid growth. Overall, the total value of building approvals rose  $7.3\%$  mth.

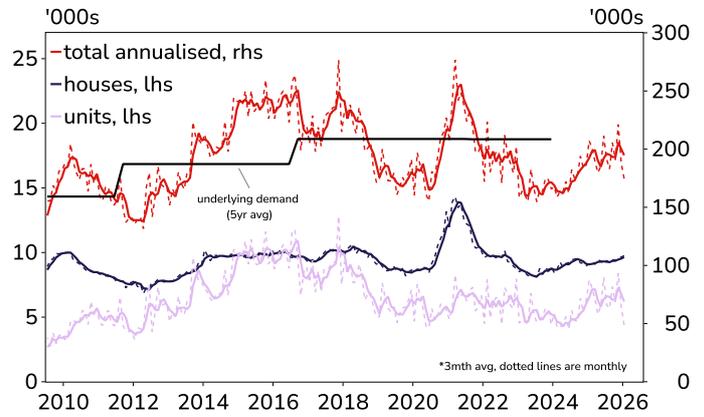
Higher interest rates and softer dwelling price growth are expected to flatten the near-term recovery in dwelling approvals, with approvals forecast to rise only modestly to around 200k in 2026 before re-accelerating to around 220k in 2027 (for a comprehensive view on the supply outlook see [here](#)).

## Building approvals – January 2026

		3mth %chg*			%yr	
3mth avg	latest	Dec	Jan	Dec	Jan	
Private houses	9,644	1.9	3.0	4.5	6.1	
Private units	6,207	7.4	-3.0	12.2	-4.9	
Public dwellings	380	-18.1	13.4	-28.3	-9.5	
Total dwellings	16,231	3.5	0.9	6.5	1.2	
Total dwellings, mthly*	14,564	-14.9	-7.2	1.1	-15.7	
– units in 'high rise'^	3,076	-0.5	-10.3	-1.0	-18.6	
– units in 'low rise'^	3,073	-0.4	4.0	18.7	11.1	
Renovations, \$bn	1.249	4.4	5.5	7.1	6.8	
Non-res., \$bn	7.479	3.5	1.3	11.0	15.1	

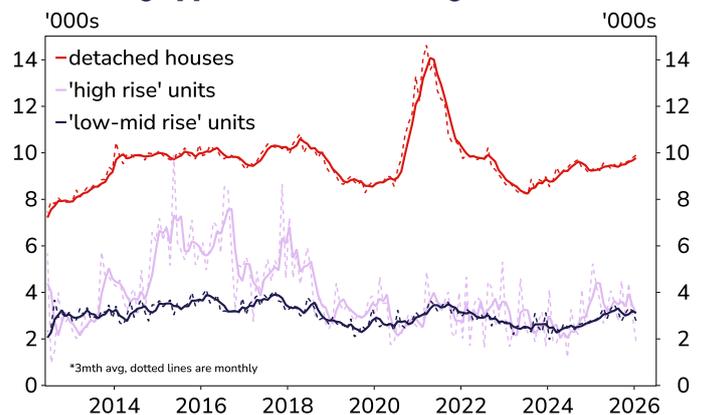
\*figures for 'total dwellings mthly' are monthly and mthly%ch, all others are rolling 3mth avg and 3mth%ch; ^all sectors, Westpac estimates  
Sources: ABS, Westpac Economics

## Dwelling approvals: major segment



Source: ABS, Macrobond, Westpac Economics

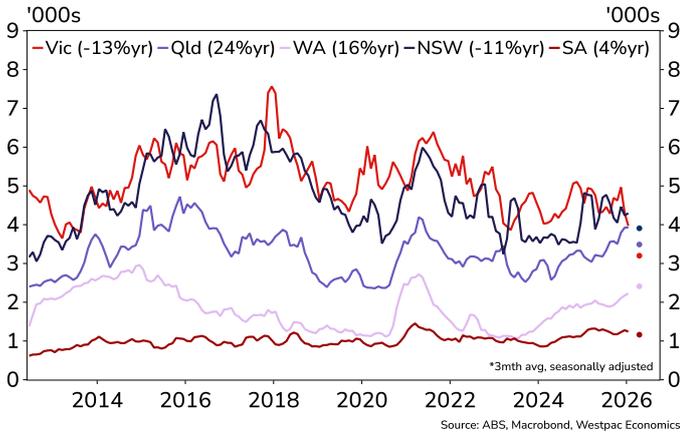
## Dwelling approvals: detailed segment



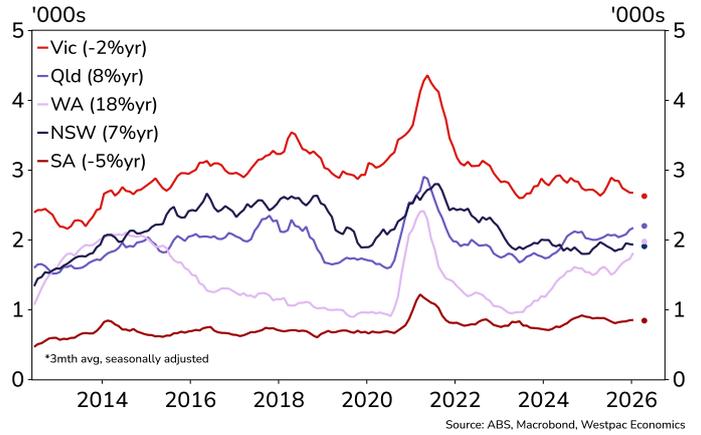
Source: ABS, Macrobond, Westpac Economics

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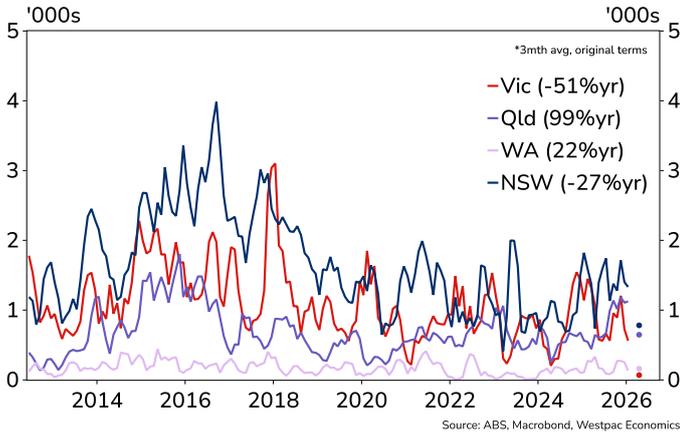
**Total dwelling approvals: by state**



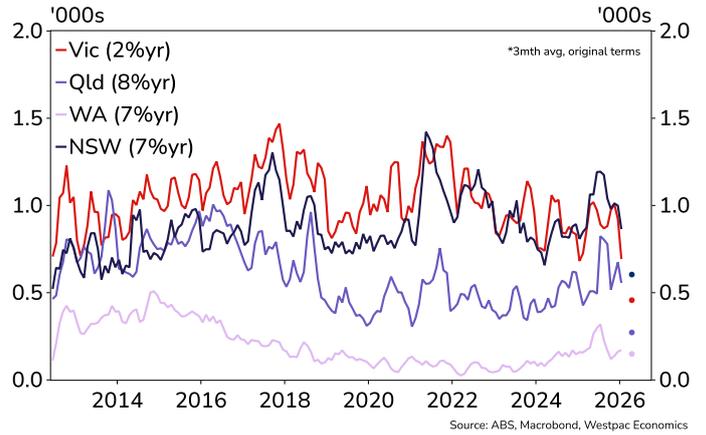
**Detached house approvals: by state**



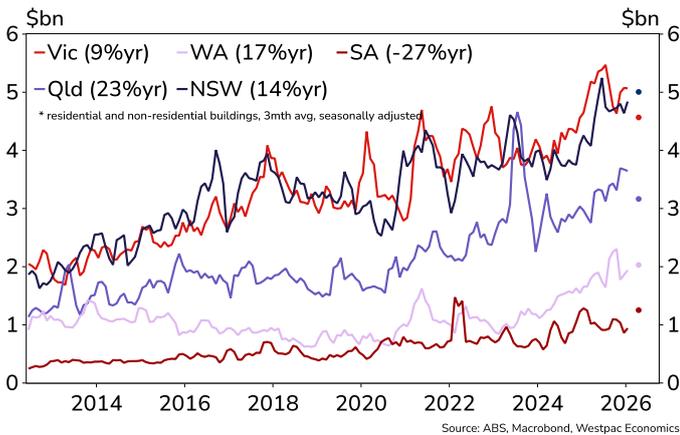
**'High rise' approvals: by state**



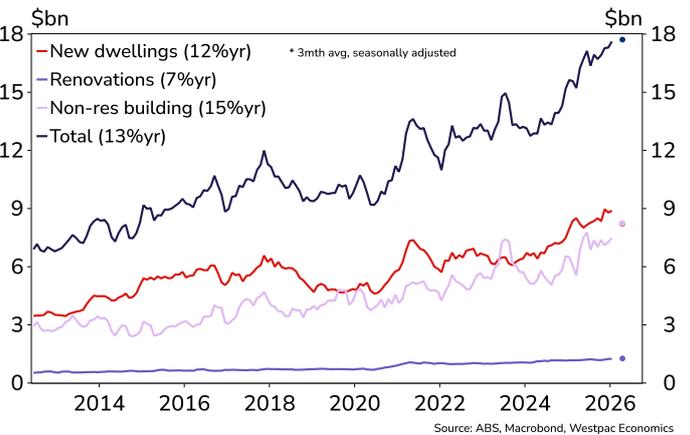
**'Low-mid rise' approvals: by state**



**Total building approvals: by state**



**Total building approvals: by segment**



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