

1 July 2026

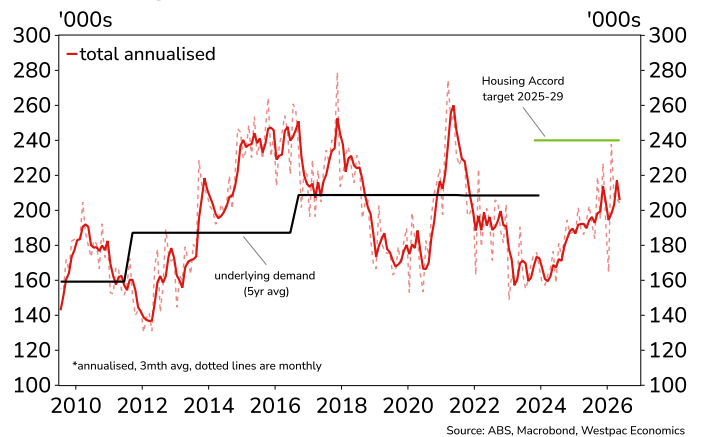
AUSTRALIAN DWELLING APPROVALS BULLETIN

Detached dwellings remain resilient

Key points

- Total dwelling approvals fell 1.1%*mt*h in May, with the annual pace easing to 5.3%*yr*. Approvals continue to normalise from the elevated levels reached in February.
- Private detached dwelling approvals returned to growth, rising 2.8%*mt*h. In contrast, private unit approvals fell 10.4%*mt*h, led by high-rise projects.
- SA and NSW recorded growth, while WA and Victoria posted modest declines. Queensland recorded the weakest outcome.
- The value of residential building approvals fell 5.7%*mt*h, although a sharp rise in non-residential approvals, led by data centre-related projects, saw the total value of building approvals increase 14%*mt*h.
- Further softening appears likely amid a higher rate environment and elevated construction costs, while tax changes add uncertainty to the outlook.

Dwelling approvals



Total dwelling approvals -1.1%*mt*h, 5.3%*yr*

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Total approvals continue to soften



Luka Belobrajdic
Economist

Total dwelling approvals fell 1.1%*mth* in May, with the annual pace easing to 5.3%*yr*. The result was in line with Westpac’s expectation for a 1.0%*mth* decline, although weaker than market expectations for a flat outcome. Private detached dwelling approvals continued to show resilience, while unit approvals further unwound the sharp gains recorded in February.

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

Private detached dwelling approvals returned to growth in May, rising 2.8%*mth* and more than offsetting April’s decline. The April result was revised higher, with approvals now estimated to have fallen 0.4%*mth* (+0.6*pp*ts) in the month. As a result, the annual pace strengthened to 13.2%*yr*, the strongest outcome since September 2024, suggesting detached housing approvals have remained relatively resilient despite higher interest rates.

Private unit approvals continued to unwind from February’s surge, declining 10.4%*mth* in May. This follows an upwardly revised 4.0%*mth* increase in April, compared with an initial estimate of a 3.6%*mth* decline. The annual pace has moved into contraction at –8.6%*yr*, with approvals in the month sitting below the average level recorded across 2025. High rise unit approvals again drove the headline move, with the Westpac seasonally adjusted estimate across both sectors falling 35%*mth*, while low mid rise approvals declined 6.9%*mth*.

Across the states, SA was the strongest performer, with private dwelling approvals rising 8.4%*mth*, driven by unit approvals, while detached dwellings declined. NSW also recorded growth, with private dwelling approvals increasing 1.4%*mth*. WA recorded a modest decline of 0.2%*mth*, while Victoria fell 2.2%*mth*. Queensland was the weakest performer, with approvals falling 14.2%*mth* as both segments retreated.

In value terms, residential building approvals fell 5.7%*mth* in May, with a 0.1%*mth* rise in renovation activity outweighed by a 6.6%*mth* decline in new residential approvals. Non-residential approvals rose 41%*mth*, led by the data centre-dominated ‘other commercial’ segment, up +254%*mth*. As a result, the total value of building approvals increased 14%*mth*.

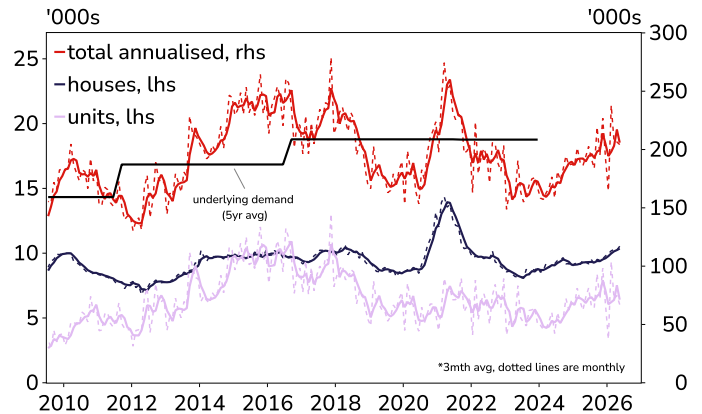
Approvals continue to ease from the elevated levels reached in February, although detached dwellings continue to support the headline result. Looking ahead, downside risks remain, with further possible RBA cash rate increases and elevated construction costs posing headwinds, while tax changes add uncertainty to the outlook. For a full assessment of housing market conditions, see our latest Housing Pulse ([here](#)).

Building approvals – May 2026

3mth avg	3mth %chg*			%yr	
	latest	Apr	May	Apr	May
Private houses	10,356	4.7	3.8	10.3	11.4
Private units	6,412	24.1	3.1	17.6	4.2
Public dwellings	389	-8.7	27.4	-3.4	8.3
Total dwellings	17,157	11.7	3.9	12.9	8.5
Total dwellings, <i>mthly</i> *	17,019	-0.2	-1.1	10.9	5.3
– units in ‘high rise’ [^]	3,516	45.6	-1.5	34.3	10.3
– units in ‘low rise’ [^]	3,132	5.0	1.1	7.5	2.2
Renovations, \$bn	1.344	4.1	2.4	14.0	12.6
Non-res., \$bn	8.193	-4.1	4.1	7.2	9.5

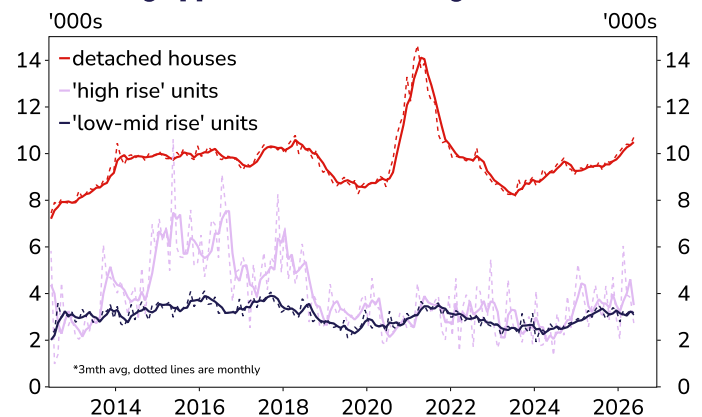
*figures for ‘total dwellings *mthly*’ are monthly and *mthly*%*ch*, all others are rolling 3*mth* avg and 3*mth*%*ch*; [^]all sectors, Westpac estimates
Sources: ABS, Westpac Economics

Dwelling approvals: major segment



Source: ABS, Macrobond, Westpac Economics

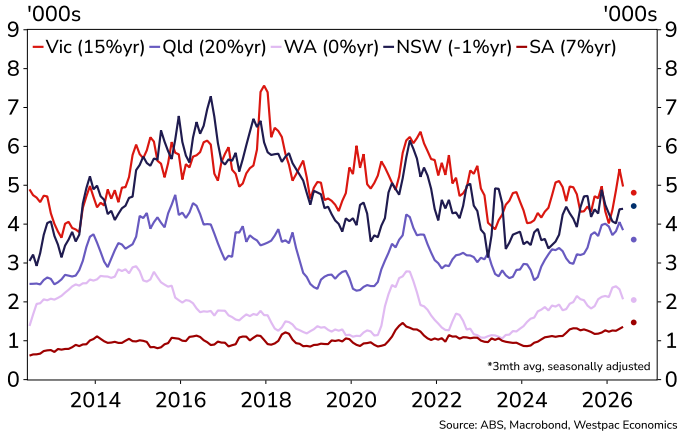
Dwelling approvals: detailed segment



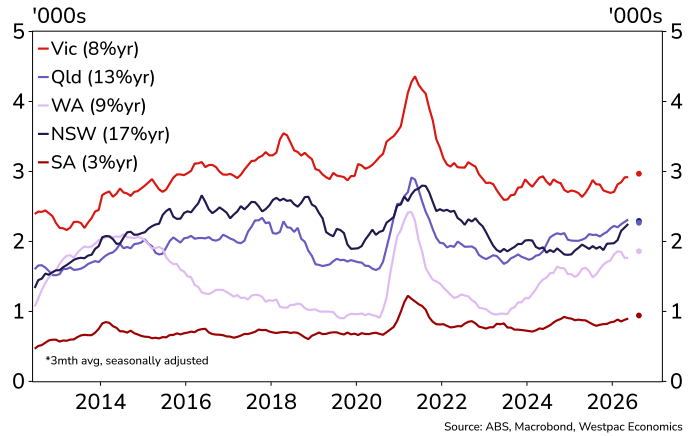
Source: ABS, Macrobond, Westpac Economics

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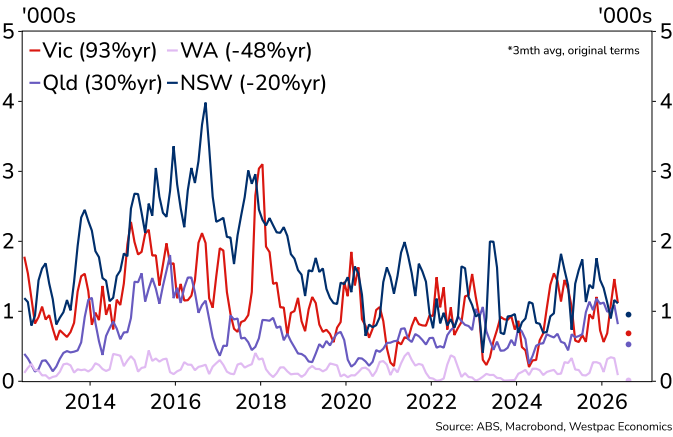
Total dwelling approvals: by state



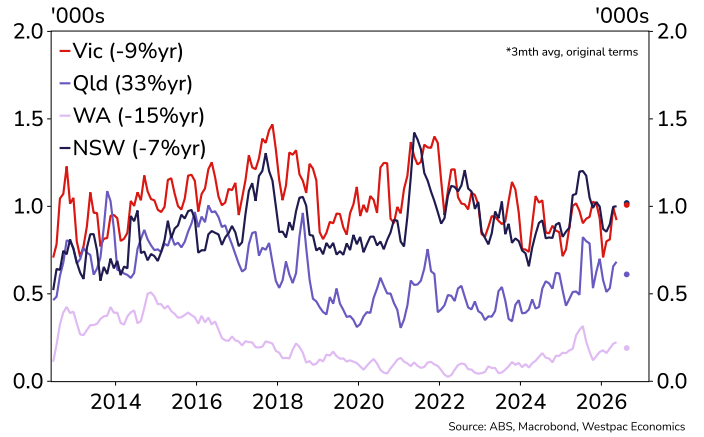
Detached house approvals: by state



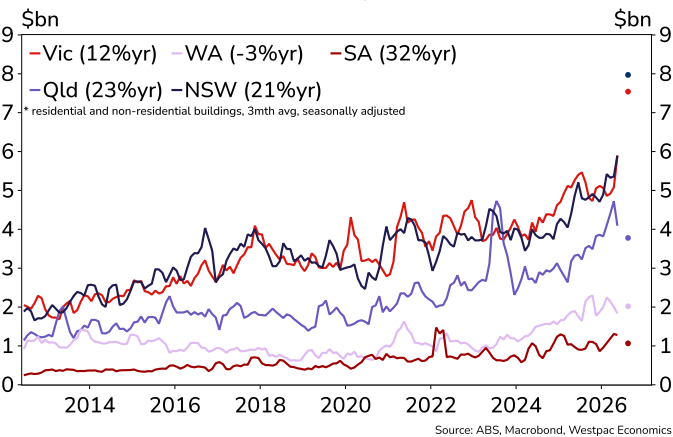
'High rise' approvals: by state



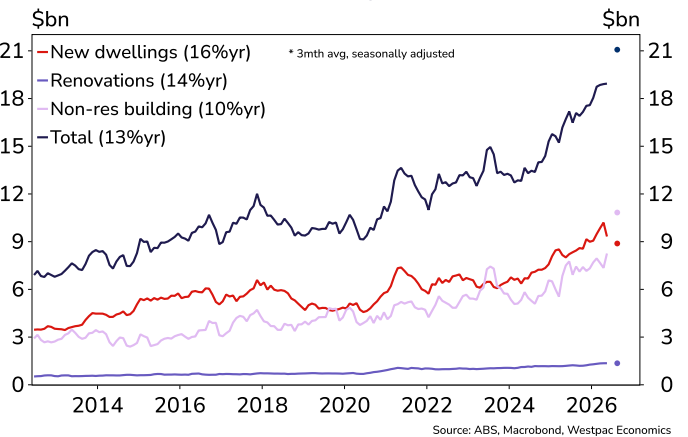
'Low-mid rise' approvals: by state



Total building approvals: by state



Total building approvals: by segment



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