1 September 2026

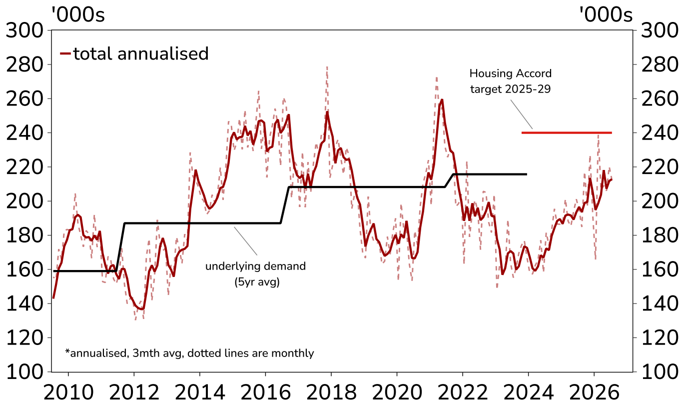
AUSTRALIAN DWELLING APPROVALS BULLETIN

Detached dwelling approvals pull back

Key points

- Total dwelling approvals fell 3.6%mth in July, with the annual pace easing to 9.0%yr. Weakness in detached dwelling approvals was the primary drag on the headline result.
- Private detached dwelling approvals fell 4.2%mth, while private unit approvals also eased, declining 0.4%mth, with divergent outcomes across high-rise and low-mid-rise segments.
- Victoria recorded the strongest result, while South Australia also posted gains. In contrast, WA, NSW and Queensland recorded declines.
- The value of residential building approvals fell 4.9%mth. However, a rise in non-residential approvals, led by the data centre-dominated ‘other commercial buildings’ segment, saw the total value of building approvals increase 3.3%mth.
- Recent RBA cash rate increases, together with ongoing elevated construction costs, continue to present risks to the outlook.

Dwelling approvals



Source: ABS, Macrobond, Westpac Economics

Total dwelling approvals –3.6%mth, 9.0%yr

Approvals remain elevated despite the fall

Luka Belobrajdic
Economist

Total dwelling approvals fell 3.6%mth in July, with the annual pace easing to 9.0%yr. The result was broadly in line with both Westpac's and the market's expectation for a 5.0%mth decline. While approvals remain elevated, both private detached dwellings and units weighed on the headline result, potentially reflecting the impact of higher interest rates following the strength seen earlier in the year.

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 fell 4.2%mth in July, following a 0.4ppt upward revision to June's 0.8%mth increase. The decline was the largest since October 2024, although a series of solid outcomes through 2026 has kept the annual pace elevated at 6.0%yr. Despite the fall, private detached dwelling approvals remained above 10,000 for a seventh consecutive month, extending a run not seen since late 2021.

Private unit approvals fell 0.4%mth in July, only partly reversing June's 15.7%mth gain, which was revised down by 2.1ppts. As a result, the annual pace strengthened to 19.9%yr. Divergence across segments remained pronounced. Westpac seasonally adjusted estimates across both private and public sectors show high rise approvals falling 11.9%mth, while low mid rise approvals increased 14.5%mth.

Victoria recorded the strongest result, with private approvals rising 16.7%mth, driven by an 88.0%mth increase in unit approvals. South Australia also posted unit-led growth, with private approvals increasing 0.9%mth. In contrast, WA (–2.1%mth), NSW (–6.9%mth) and Queensland (–13.3%mth) recorded declines, with weakness across both detached dwellings and units contributing to softer outcomes.

In value terms, residential building approvals fell 4.9%mth, driven by a 5.0%mth decline in new residential approvals and a 3.9%mth fall in renovation activity. The value of non residential approvals rose 14.4%mth. Volatility continues to be driven by the data centre dominated 'other commercial buildings' segment, which rose 370%mth on a non seasonally adjusted basis. The total value of building approvals increased 3.3%mth in July.

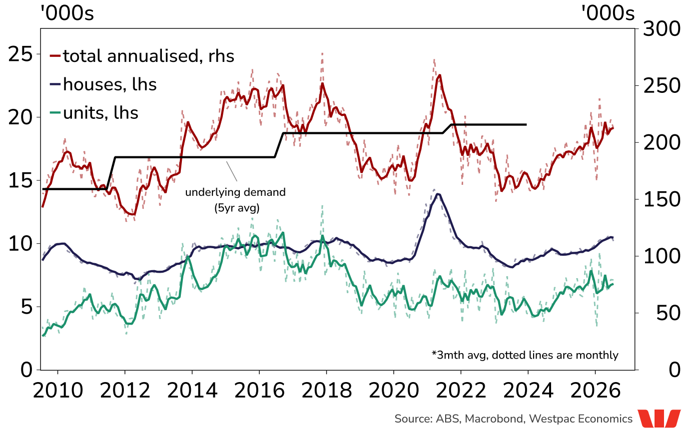
July's moderation across both detached dwellings and units suggests interest-rate effects may be beginning to emerge, although approvals remain elevated following the strength recorded earlier in the year. Improving homebuyer sentiment (see here) and recently announced tax measures may provide some support for new dwelling construction. However, recent RBA cash rate increases, together with elevated residential construction costs (see here), continue to present risks to the outlook.

Building approvals – July 2026

		3mth %chg*		%yr	
3mth avg	**latest**	**Jun**	**Jul**	**Jun**	**Jul**
Private houses	10,468	2.9	1.6	13.4	12.2
Private units	6,813	5.4	-9.4	3.4	3.1
Public dwellings	455	10.1	31.0	16.9	2.9
Total dwellings	17,736	4.0	-2.4	9.5	8.3
Total dwellings, mthly*	17,687	6.9	-3.6	9.5	9.0
– units in 'high rise'^	3,738	-5.4	-19.4	11.7	3.4
– units in 'low rise'^	3,024	-1.0	-7.5	-3.4	-7.3
Renovations, $bn	1.335	0.8	-1.7	12.9	8.4
Non–res., $bn	9.711	13.0	24.9	16.2	42.3

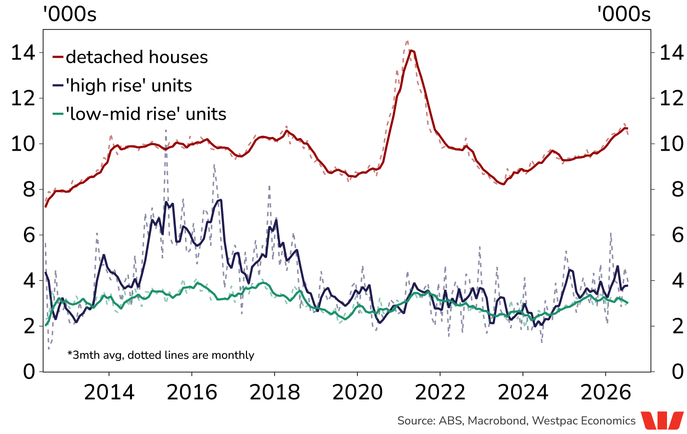
*figures for 'total dwellings mthly' are monthly and mthly%ch, all others are rolling 3mth avg and 3mth%ch; ^all sectors, Westpac estimates
Sources: ABS, Westpac Economics

Dwelling approvals: major segment



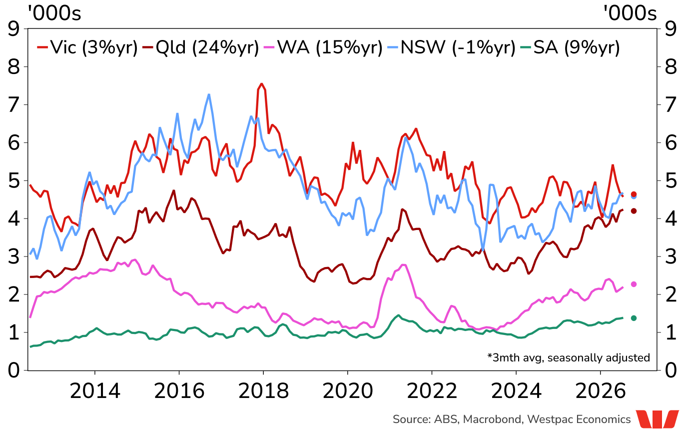
Source: ABS, Macrobond, Westpac Economics

Dwelling approvals: detailed segment

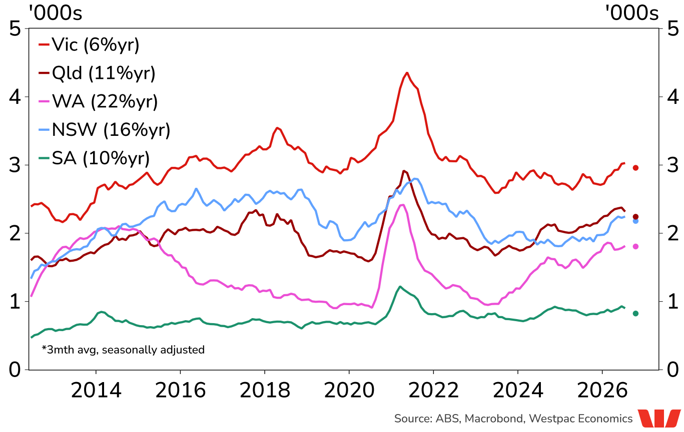


Source: ABS, Macrobond, Westpac Economics

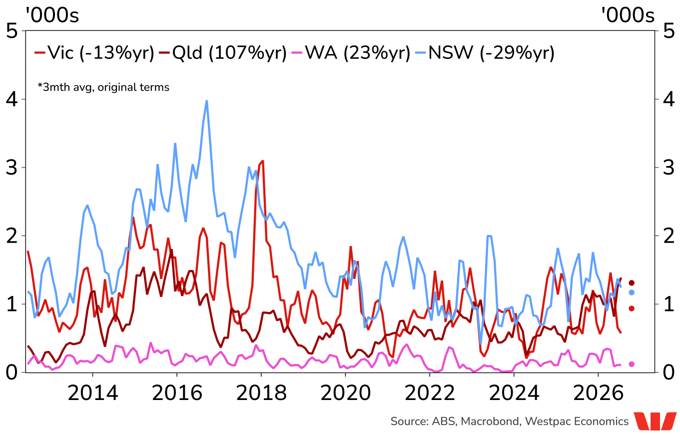
Total dwelling approvals: by state



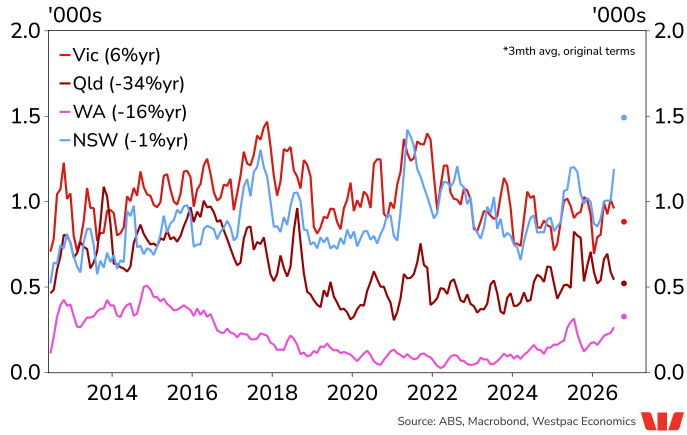
Detached house approvals: by state



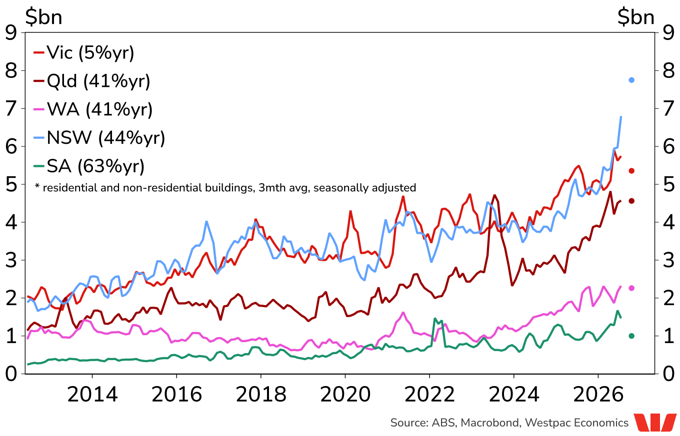
'High rise' approvals: by state



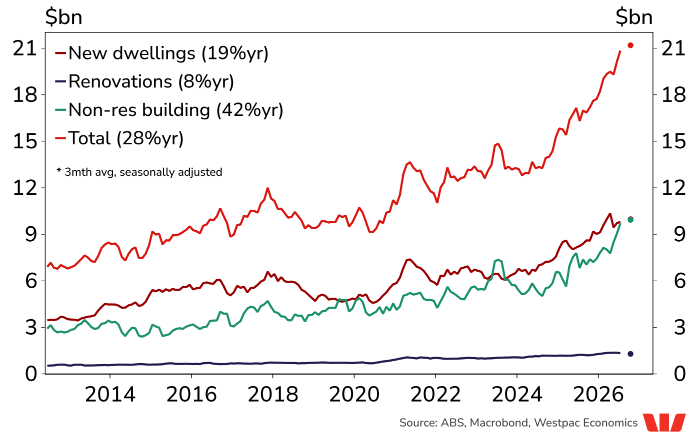
'Low-mid rise' approvals: by state



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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