2 November 2026

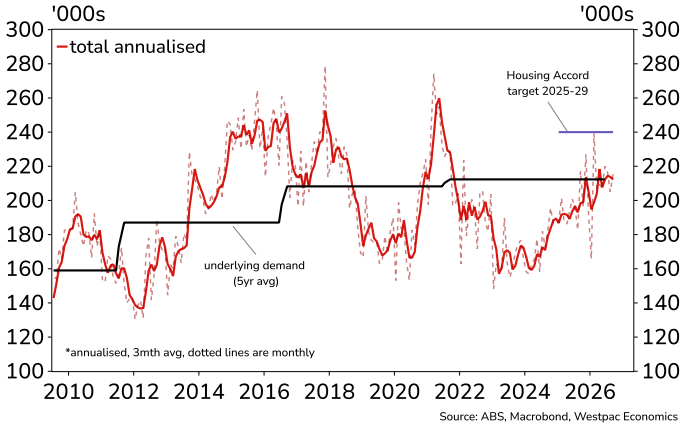
AUSTRALIAN DWELLING APPROVALS BULLETIN

Units lift the headline

Key points

- Total dwelling approvals rose 5.1%mth in September, although the annual pace moved into contraction at –0.8%yr with the detail suggesting the underlying cycle is starting to turn down.
- The headline increase was driven by another volatile rise in private unit approvals (+16.6%) which more than offset a significant decline in private detached house approvals (–5.3%).
- Units drove gains in NSW and Queensland. WA, SA and Victoria all recorded declines. Detached dwelling approvals fell across all states.
- The total value of residential approvals fell 2.8%mth but a sharp rise in non-residential approvals – led by the data centres – saw the total value of building approvals rise 13%mth.
- Interest rate increases, weakness in established housing markets, rising costs and pessimistic consumer sentiment are likely to remain headwinds.

Dwelling approvals



Source: ABS, Macrobond, Westpac Economics

Total dwelling approvals +5.1%mth, –0.8%yr

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Detached approvals point to softer momentum



Luka Belobrajdic
Economist

Total dwelling approvals rose 5.1%mth in September, while the annual pace moved into contraction at –0.8%yr. The result was well above both Westpac's expectation for a 7.0%mth decline and the market expectation for a 2.0%mth rise. Unit approvals continued to drive headline volatility, surging in September, while detached dwellings, which provide a better read on the underlying trend, recorded a sizeable decline.

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 5.3%mth in September, unwinding August's upwardly-revised 5.4%mth rise (+1.7ppts). Recent resilience has kept the segment elevated, with approvals remaining above 10,000 and the annual pace at 9.6%yr. However, the quarterly profile provides a clearer read on the underlying trend and suggests detached dwelling approvals are beginning to respond to recent interest rate increases (see here). Approvals rose just 0.9%qtr in September vs 3.1%qtr in June and 5.9%qtr in March.

Private unit approvals remained volatile, rising 16.6%mth in September following 21.7%mth decline in August. Strength was led by high-rise approvals, while low-mid-rise approvals recorded a more modest increase. Despite the monthly rise, the annual pace fell further into contraction at –20.5%yr.

Among the states, NSW recorded the strongest result, with private approvals rising 35.3%mth led by a surge in private unit approvals. Queensland also recorded an increase (+9.3%mth), while WA (–2.9%mth), SA (–3.5%mth) and Victoria (–29.0%mth) all declined.

In value terms, residential building approvals fell 2.8%mth, driven by a 3.3%mth decline in new residential approvals, partially offset by a 0.8%mth rise in renovation activity. Non-residential approvals once again reversed sharply, rising 45.9%mth, as the data centre-dominated 'other commercial' segment recorded an 8-fold increase on a non-seasonally adjusted basis. The total value of building approvals rose 13.0%mth in September. On a non-seasonally adjusted basis, the value of building approvals rose 8.3%mth overall, but declined 3.0%mth when excluding the 'other commercial' segment.

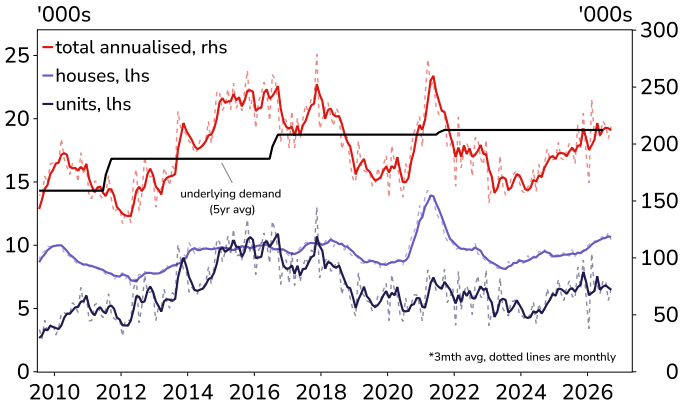
September's result reinforces the importance of looking through headline volatility in unit approvals. While total approvals rose in the month, detached dwelling approvals slowed on a quarterly basis and fell across all states, pointing to softer underlying momentum. The annual pace of total approvals also moved into contraction for the first time since January. Interest rate increases, the sharp downturn in established housing markets and rising costs are likely to weigh on further growth, with pessimistic consumer sentiment an additional headwind (see here).

Building approvals – September 2026

		3mth %chg*		%yr	
3mth avg	latest	Aug	Sep	Aug	Sep
Private houses	10,633	2.7	0.9	15.3	12.9
Private units	6,478	2.8	-3.6	5.3	-3.1
Public dwellings	574	12.3	35.4	-5.3	30.1
Total dwellings	17,684	2.9	flat	10.7	6.9
Total dwellings, mthly*	17,948	-5.2	5.1	12.1	-0.8
– units in 'high rise'^	3,748	11.1	0.1	16.3	4.9
– units in 'low rise'^	3,185	-2.7	3.7	-7.7	-1.4
Renovations, $bn	1.314	-3.4	-3.5	8.3	9.1
Non–res., $bn	7.805	-5.0	-12.8	9.1	10.3

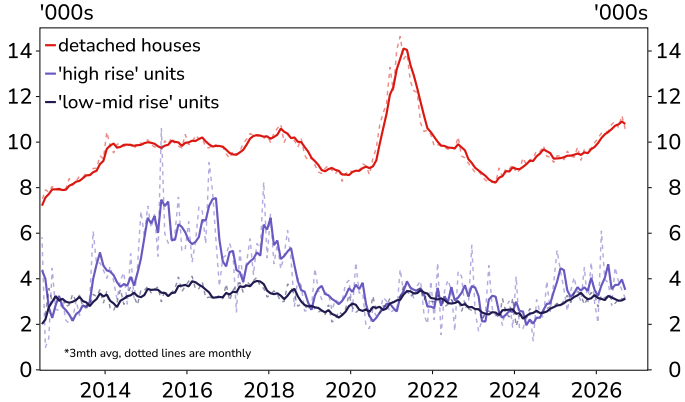
*figures for 'total dwellings mthly' are monthly and mthly%ch, all others are rolling 3mth avg and 3mth%ch; ^all sectors, Westpac estimates
Sources: ABS, Westpac Economics

Dwelling approvals: major segment



Source: ABS, Macrobond, Westpac Economics

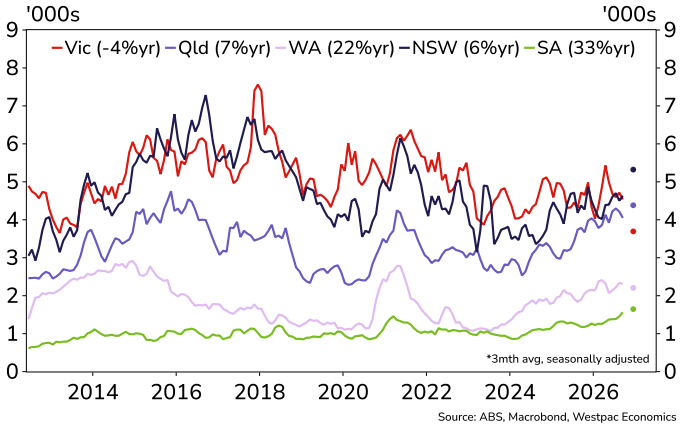
Dwelling approvals: detailed segment



Source: ABS, Macrobond, Westpac Economics

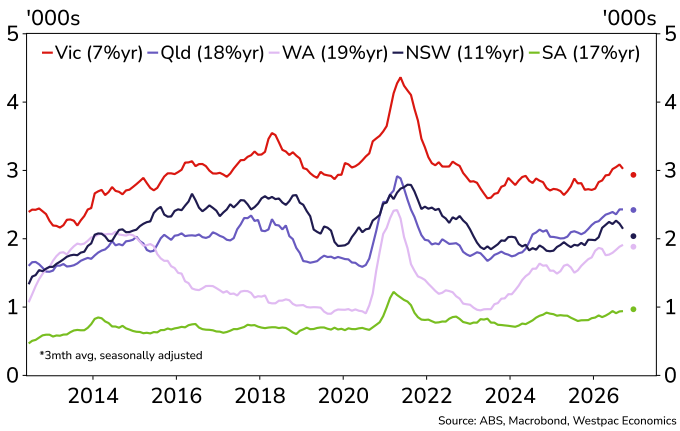
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Total dwelling approvals: by state



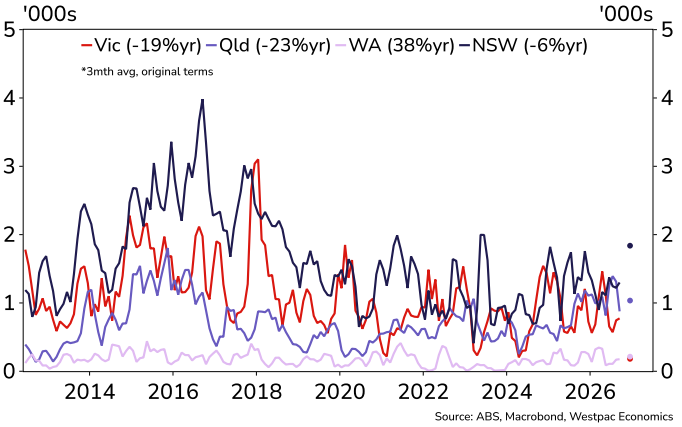
Source: ABS, Macrobond, Westpac Economics

Detached house approvals: by state



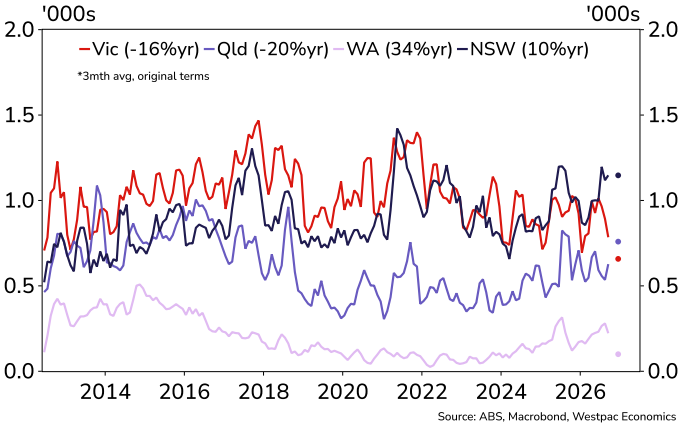
Source: ABS, Macrobond, Westpac Economics

'High rise' approvals: by state



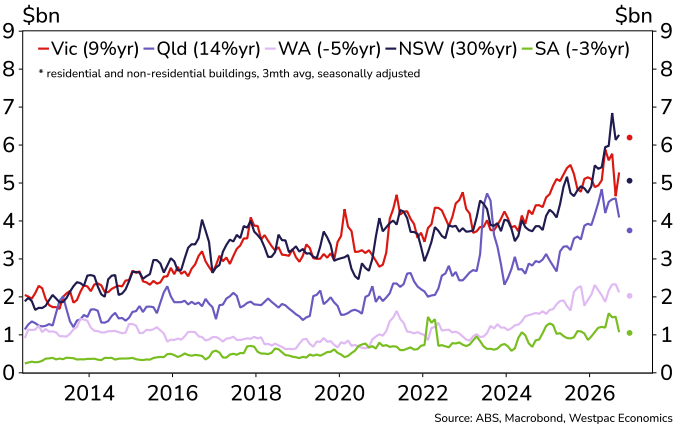
Source: ABS, Macrobond, Westpac Economics

'Low-mid rise' approvals: by state



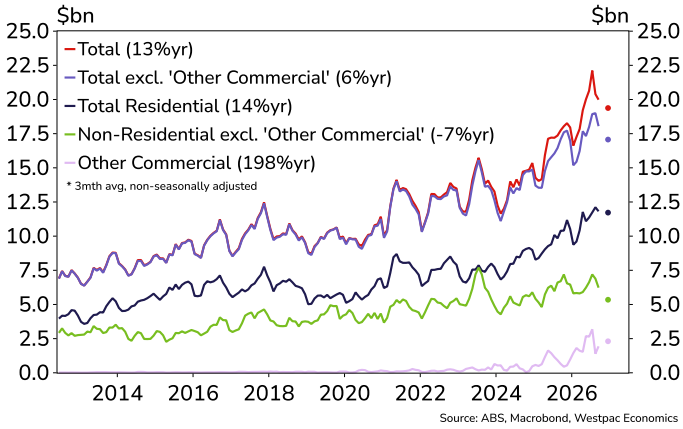
Source: ABS, Macrobond, Westpac Economics

Total building approvals: by state



Source: ABS, Macrobond, Westpac Economics

Total building approvals: by segment



Source: ABS, Macrobond, Westpac Economics

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