

Dwelling Approvals November 2024

Dwelling approvals fell a seasonally adjusted 3.6% in November (exp. -1.0%), following an upwardly revised 5.2% increase in October (revised from 4.2%). The annual growth rate decelerated to 3.2% from 6.8%.

Monthly trend growth, which looks through the monthly volatility, eased to 1.2% from 1.5%, the slowest rate of trend growth since March.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-3.6	3.2
Private Dwellings	-5.3	-0.2
- Houses	-1.7	3.8
- Dwellings Ex Houses	-10.8	-6.4

The decline in approvals was broad-based with private sector house approvals falling for the second month in a row following a 4.0% decline in October. The recent weakness has seen the monthly trend growth rate fall to into negative territory at -0.5%.

Private dwellings excluding houses, which are often choppy, dropped 10.8% driven by big declines in apartment approvals in New South Wales and Victoria, after sharp increases in those states drove a 24.7% rise in October.

Multi-dwelling monthly trend growth slowed to a still solid 2.9%, from 3.6% in October.

States

Total dwelling permits fell in most states, led by big declines in apartment approvals in New South Wales and Victoria.

Western Australia and Queensland were the only states to see an increase in the month, rebounding after sharp falls in October.

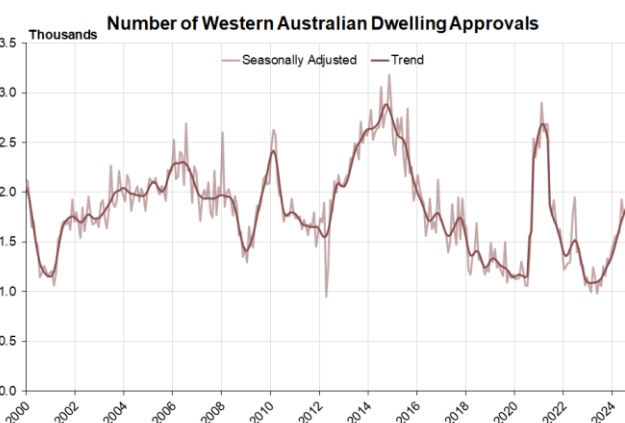
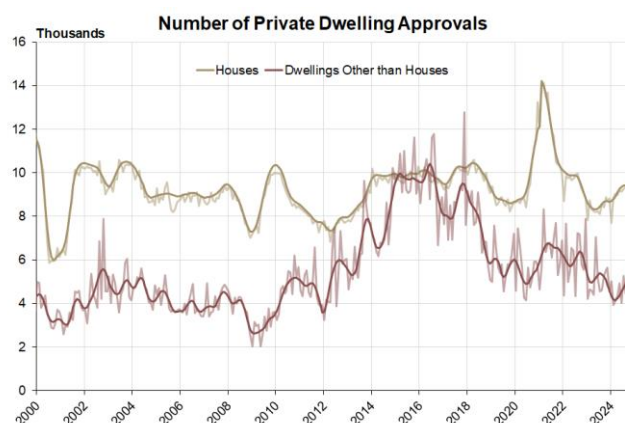
Monthly trend growth was positive in all states but was strongest in Western Australia at 1.6%.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	18.1	63.0
New South Wales	-9.9	3.4
Victoria	-12.9	-4.0
Queensland	7.3	23.4
South Australia	-1.6	15.2
Tasmania	-4.2	9.5

Private sector house approvals decreased in all mainland states except for a 4.3% rise in Queensland, where permits climbed after a sharp fall in October. New South Wales (-4.0%) and Victoria (-3.9%) saw the biggest declines.

Western Australian private sector house approvals slipped 2.1% after a 5.7% fall in October, although earlier strong rises see Western Australian house approvals up 34.3% YoY.

Trend growth in private house approvals was 2.2% in South Australia and 0.3% in Western Australia but negative in the other mainland states.



Comment

The fall in private dwelling approvals in November followed solid increases of more than 5% in each of the previous two months.

The decline in November was largely the result of a correction in apartment approvals in New South Wales and Victoria, after big rises in those states in October drove apartment approvals of four storeys or more to the highest level since May 2023.

However, if the past two months are anything to go by, there appears to be some emerging weakness in private sector house approvals, with back-to-back falls following a run of three consecutive increases between July and September that saw house building permits rise to a 17-month high.

Even with the improvement in dwelling approvals through most of 2024, the number of new building permits remains subdued, especially considering the increase in population.

While supply issues added to the upward pressure on prices over the past two years, price growth appears to be running out of steam, with the CoreLogic national home value index posting its first monthly fall in two years in December with a 0.1% decline. Home prices fell in Sydney and Melbourne over the final quarter of 2024. Perth home prices were up 1.9% in Q4 and 19.1% YoY.

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