

# Dwelling Approvals September 2024

Dwelling approvals rose a seasonally adjusted 4.4% in September (exp.: 2.1%), following a 3.9% fall in August (revised up from -6.1%). The increase pushed up the annual growth rate to 6.8% from 4.7%.

However, the monthly trend growth estimate, which looks through the volatility, eased to 1.2% from 1.4%.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	4.4	6.8
Private Dwellings	3.0	5.5
- Houses	2.2	16.7
- Dwellings Ex Houses	4.7	-12.2

Private sector house approvals rose for the fifth month in a row (counting the marginal growth in June), to the highest level since August 2022.

Monthly trend growth in private sector house approvals was steady at 1.1%, having slowed in recent months from a peak of 1.9% in April and May.

Private multi-dwellings, which are often choppy, rose 4.7% after a 13.5% fall in August and were down 12.2% from September 2023. The increase in September 2024 was led by high-rise approvals.

Multi-dwelling monthly trend growth slowed to a six-month low of 0.8%.

## States

Total dwelling permits were up in all states except for New South Wales, with Queensland and Western Australia seeing the strongest increases.

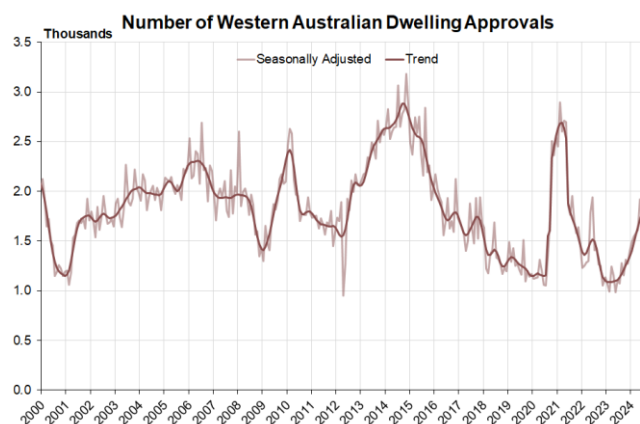
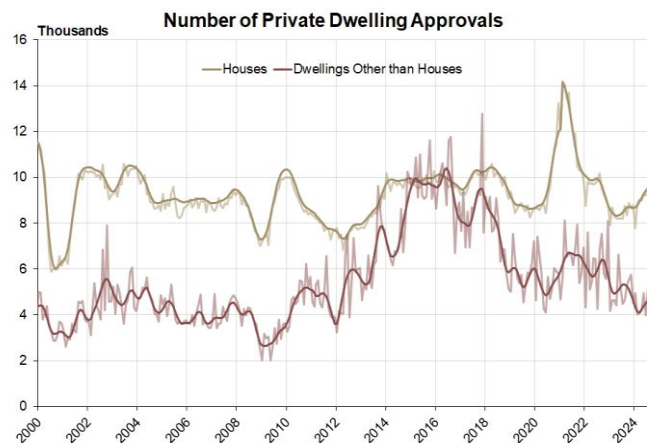
Western Australia has seen by far the strongest annual growth; however, the picture is mixed across the nation, with approvals in half the states lower than in September 2023.

Monthly trend growth remained positive in all states but New South Wales.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	11.4	73.0
New South Wales	-14.8	-20.3
Victoria	6.0	-0.8
Queensland	14.3	25.5
South Australia	8.2	14.4
Tasmania	0.5	-21.8

Private sector house approvals were up in South Australia (10.3%), Queensland (6.4%) and Western Australia (5.9%), but fell in Victoria (-3.1%) and New South Wales (-1.1%).

Private house building consents were up 64.8% YoY in Western Australia, which was easily the strongest annual growth of the mainland states. Approvals were also up in annual terms in South Australia (28.4%), Queensland (21.3%) and Victoria (12.3%), but down in New South Wales (-8.4%).



## Comment

Private sector house approvals remained in a solid uptrend in September. However, the multi-dwelling segment of the market remains depressed and is still sitting around the levels of over a decade ago when the population was much smaller.

The housing construction sector continues to be troubled by persistent cost pressures and labour shortages, resulting in supply growth remaining too slow compared to the rise in population.

Although the overall number of dwelling approvals continues to be relatively subdued, the number of homes under construction remains elevated as the building industry continues to work its way through the sharp increase in new projects during the pandemic.

Western Australian approvals remain in the solid uptrend they have been in since early 2023, with private sector house approvals climbing to the highest levels since May 2021. However, completion rates continue to be very low, particularly compared to the large number of dwellings currently under construction and ongoing strong population growth.

**31 October 2024**