

## Economic Analysis

Dwelling approvals fell a seasonally adjusted 6.1% in August, (exp. -4.3%) following an 11.0% increase in July (revised up from 10.4%).

The trend growth estimate, which looks through the monthly volatility, was soft at 0.6%.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-6.1	3.6
Private Dwellings	-5.7	3.3
- Houses	0.5	8.4
- Dwellings Ex Houses	-16.5	-6.1

The decline in the headline number was again driven by private dwellings excluding houses, which fell 16.5% in the month following a 33.0% rise in July. The fall in multi-dwellings was driven by apartment approvals, which are always volatile.

Private sector house approvals, which are more stable than the multi-dwelling segment of the market, rose 0.5% after rising 0.9% in July, to be up a solid 8.4% YoY.

However, trend private house approvals were flat in August, having lost steam in recent months after climbing to a solid 1.9% monthly rate in April.

Monthly trend growth in multi-dwellings has slowed to 1.8% from a peak of 3.8% in May.

### States

Total dwelling permits fell in seasonally adjusted terms across all states, led by 11.5% falls in New South Wales and South Australia, after double-digit increases in those states in July.

Annual growth in approvals has been strongest in Queensland and Western Australia.

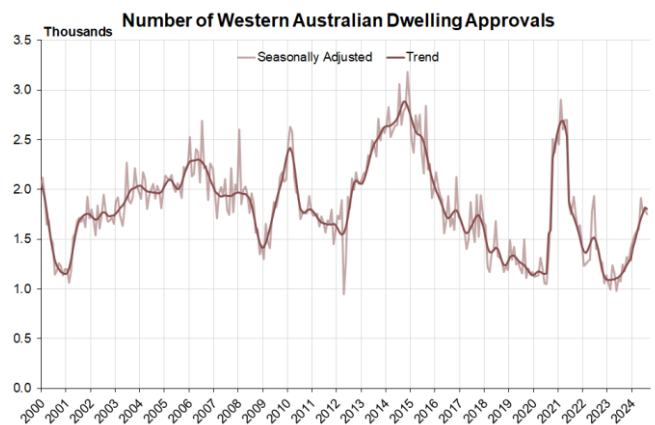
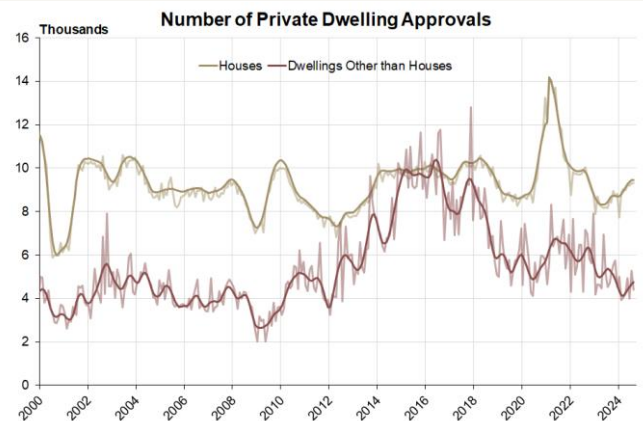
Trend growth was positive in all states but New South Wales.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-3.3	39.9
New South Wales	-11.5	-9.7
Victoria	-3.0	-3.9
Queensland	-3.9	44.2
South Australia	-11.5	14.7
Tasmania	-4.4	-10.9

Private sector house approvals were up in New South Wales (3.9%), Western Australia (1.9%) and Victoria (1.4%) in seasonally adjusted terms but down in South Australia (-4.0%) and Queensland (-3.9%).

Western Australia saw far and away the biggest annual rise in private sector house approvals, of 37.5%, followed by an 11.4% increase in Queensland, a 3.1% gain in South Australia and a 2.2% rise in Victoria, while approvals were down 2.1% YoY in New South Wales.

## Dwelling Approvals August 2024



### Comment

The fall in dwelling approvals in August was driven by a sharp drop in high-rise approvals after a six-month high in July (unadjusted).

Dwelling approvals in Western Australia have been on an uptrend since early 2023. However, monthly trend growth has slowed to 0.6% in August, from a peak of 5.6% in March.

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

Although housing remains in short supply, the CoreLogic home value index suggests that high house prices and mortgage rates are having an impact, with September seeing a further slowdown in dwelling price growth. The national home value index was up a modest 0.4% in August, with the 1.0% rise over Q3 the slowest since Q1 2023.

The slowdown in dwelling price growth continued to be led by Melbourne, which saw a 0.1% decline in the month (-1.4% YoY), and Sydney where prices rose just 0.2% (4.5% YoY). Perth continues to lead the way in price growth with 1.6% for the month and 24.1% YoY.

1 OCTOBER 2024

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