

Dwelling Approvals October 2024

Dwelling approvals rose a seasonally adjusted 4.2% in October (exp. 1.3%), following a 5.8% increase in September (revised from 4.4%). The annual growth rate decelerated to 6.1% from 6.8%.

Monthly trend growth, which looks through the volatility, eased to 1.7% from 1.9%.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	4.2	6.1
Private Dwellings	4.6	4.2
- Houses	-5.2	2.4
- Dwellings Ex Houses	24.8	7.1

Private sector house approvals fell for the first time in four months declining 5.2%, after hitting a two-year high in September.

Monthly trend growth in private sector house approvals slowed to 0.4% from 0.6% growth over the previous three months.

Private multi-dwellings, which can be choppy, rose 24.8%, led by high-rise approvals. This followed a 4.5% rise in September. Multi-dwelling approvals were up 7.1% over the year to October.

Multi-dwelling monthly trend growth was solid at 3.6%.

States

Total dwelling permits were mixed across states, with New South Wales seeing the biggest rise due to a sharp increase in apartment approvals, after falling sharply in the previous two months. Victoria and Tasmania also saw higher approvals in the month.

Queensland and Western Australia experienced the biggest declines after both states saw strong rises in September. Growth was almost flat in South Australia.

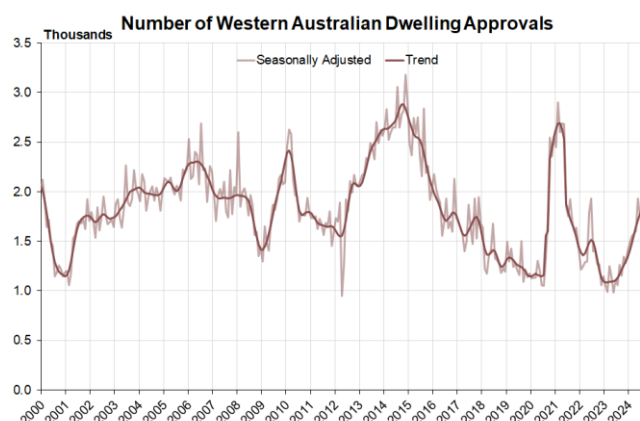
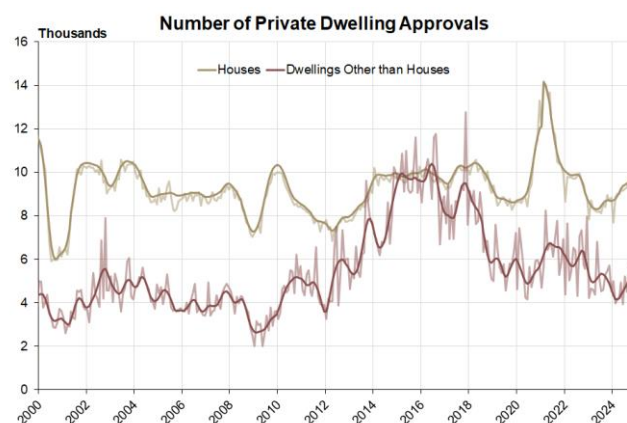
Monthly trend growth was positive in all states.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-11.9	32.2
New South Wales	34.8	7.6
Victoria	8.9	9.6
Queensland	-14.1	-2.3
South Australia	-0.3	22.7
Tasmania	3.9	-6.5

Private sector house approvals were down in all mainland states except for South Australia (+1.0%). Queensland saw the biggest fall of 12.3%, following a 13.1% rise in September.

The 6.1% decline in Western Australia followed three solid increases in a row. This sees Western Australian private house approvals 32.7% higher than in October 2023, despite the decline this month.

Private house building permits fell 4.5% in Victoria, the third decline in four months. The 1.0% fall in New South Wales was its first fall since June.



Comment

Private dwelling approvals continued to rise in October. However, in contrast to recent months, growth was driven by increased apartment approvals in New South Wales and Victoria. Private house approvals posted their biggest monthly decline since January.

While approvals are trending higher, the overall number of dwelling approvals remains relatively subdued, particularly when the increase in population is considered.

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. However, the housing construction sector continues to be plagued by persistent cost pressures and labour shortages, and completion rates remain subdued.

Despite ongoing supply issues, the steam continues to come out of home price growth. The latest CoreLogic home value index, released earlier this morning, indicated national price growth of just 0.1% in November, the weakest result since January 2023. Prices fell in Sydney, Melbourne and Hobart, with growth slowing across the other capital cities. House price growth remained the strongest in Perth with a 1.1% monthly rise, although this was a slowdown from 1.4% in October. The Perth index was up 21.0% YoY compared to the national rise of 6.0% YoY.

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