

Dwelling Approvals December 2024

Dwelling approvals rose a seasonally adjusted 0.7% in December, slightly less than the 1.0% pencilled in by the market consensus. The November decline turned out to be slightly slower than first estimated (3.4% against 3.6%).

Monthly trend growth, which looks through the monthly volatility, decelerated to 1.0%, indicating the slowest rise since March 2024.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	0.7	12.2
Private Dwellings	3.8	12.9
- Houses	-3.0	-1.8
- Dwellings Ex Houses	15.2	42.7

The rise in dwelling approvals was driven by a 15.2% rise in dwellings other than houses, which tend to be volatile, following a 10.4% drop in the previous month. Trend growth for this category eased by 0.3ppts to 4.4%.

Private house approvals declined by 3.0% in December, marking the third consecutive decline, with the trend decline accelerating 0.2ppts to 1.2%.

States

Total dwelling permits were mixed across the states. New South Wales, Queensland and South Australia saw gains, supported by a surge in multi-dwelling approvals.

The other states, including Western Australia, saw declines in dwelling approvals in December.

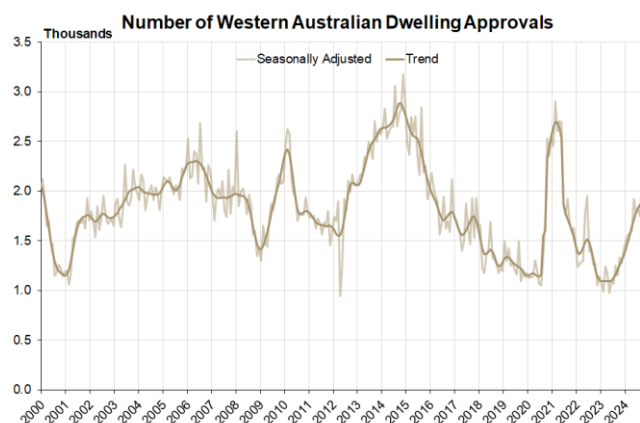
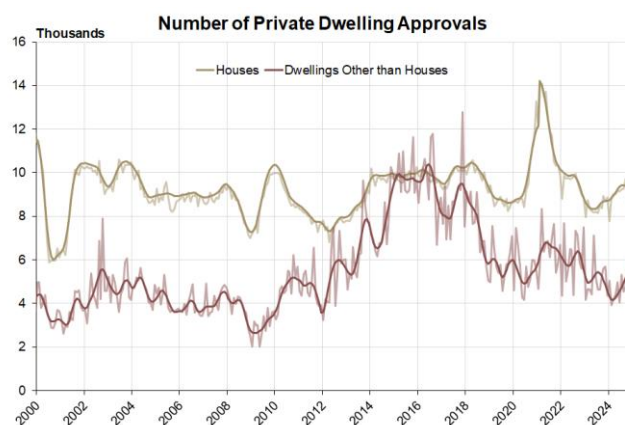
The 12.8% decline in Western Australia was largely driven by a 49.8% drop in dwellings other than houses, after multi-dwelling approvals almost quadrupled in the previous month.

Monthly trend growth was positive in all mainland states except Victoria. In Western Australia, trend growth in approvals slowed substantially to 0.1% MoM, the lowest since May 2023.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-12.8	26.3
New South Wales	19.1	18.4
Victoria	-11.7	-2.7
Queensland	4.2	26.3
South Australia	2.7	32.2
Tasmania	-2.6	3.3

Private sector house approvals decreased in all mainland states except New South Wales, which saw a 2.9% gain. The strongest decline of 5.5% was registered for Victoria. Results were mixed in trend terms; with a rise in New South Wales and South Australia and declines in the other states.

Western Australian private sector house approvals fell 1.3% in December, while their trend decline rate accelerated to -0.7%, the fastest fall in nearly two years.



Comment

The December dwelling approvals report was mixed. The gain in the headline number was driven by volatile apartment approvals, while private sector house approvals fell for the third consecutive month.

Looking through the month-to-month volatilities, approvals continue to climb, albeit at a slowing pace. The driver behind this trend growth are dwellings other than houses, while private house building permits are showing further signs of a downtrend.

The level of approvals remains too low, with only 171k housing approved in 2024. While slightly higher than the 164k approved in the previous year, it is still short of what is needed to meet the rising demand. It is also below the Commonwealth government's housing accord target.

The CoreLogic home value report, released separately today, showed a 0.2% decline in capital city home prices in January, with annual growth slowing to 3.8%.

Prices fell in Melbourne (-0.6%) and Sydney (-0.4%), but continued to climb in Adelaide (0.7%), Perth (0.4%) and Brisbane (0.3%). The home price index was unchanged in Hobart.

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