

# Dwelling Approvals October 2025

Total dwelling approvals fell a seasonally adjusted 6.4% in October, (mkt exp -4.5%). This followed an 11.1% rise in September (revised from 12.0%).

Approvals were down 1.8% from a year earlier.

Monthly trend growth, which looks through the monthly volatility, eased to 0.6%, and was up 3.4% from a year ago.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-6.4	-1.8
Private Dwellings	-6.8	-0.6
- Houses	-2.1	1.3
- Dwellings Ex Houses	-13.1	-3.3

The seasonally adjusted decline in approvals was broad-based. Private dwellings excluding houses (multi-dwellings) fell by 13.1% in the month, after a 25.0% rise in September. The 2.1% fall in private sector house approvals followed a 3.2% rise in the previous month.

Trend growth in private sector house approvals was flat, while the trend in private multi-dwellings was negative at -1.2%.

## States

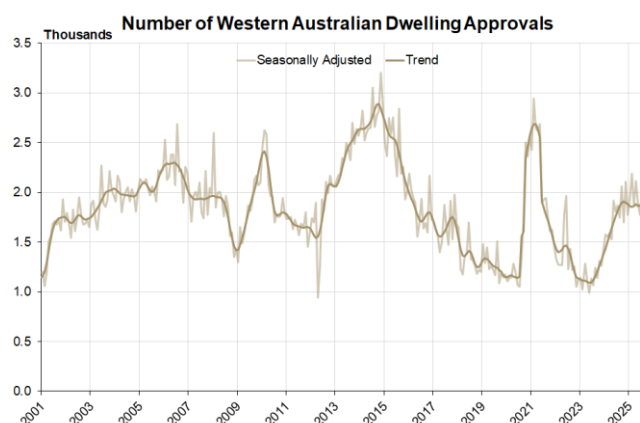
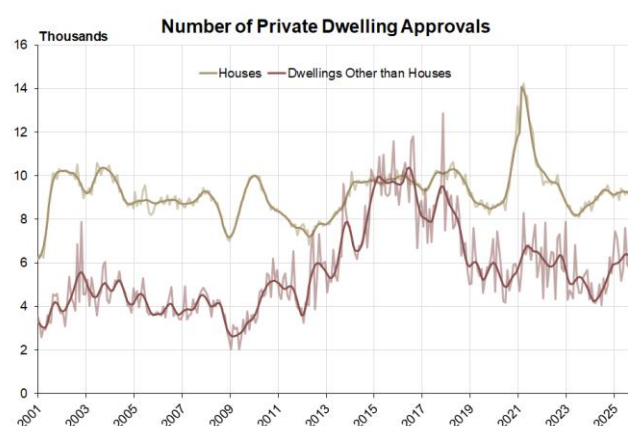
Total dwelling approvals were mixed across states in September. There were strong gains in Western Australia (28.1%) and South Australia (11.2%), and a positive result in Queensland (2.4%). However, they were offset by big falls in Victoria (-24.7%), New South Wales (-20.6%) and Tasmania (-15.0%).

Trend growth was positive in Tasmania (3.2%) and Victoria (1.2%) but negative elsewhere. Trend growth was weakest in New South Wales (-3.2%) and almost flat in Western Australia (-0.1%).

Seasonally Adjusted (%)	MoM	YoY
Western Australia	28.1	40.7
New South Wales	-20.6	-10.6
Victoria	-24.7	-25.3
Queensland	2.4	5.3
South Australia	11.2	12.6
Tasmania	-15.0	0.0

Seasonally adjusted private sector house approvals climbed by 2.7% in Queensland but were negative in the other mainland states. Victoria saw the biggest fall (-6.6%), followed by New South Wales (-2.2%) and South Australia (0.5%). Private sector house permits were almost unchanged in Western Australia (-0.1%), after a 6.2% increase in September.

Trend growth in private sector house approvals was the strongest in Western Australia at 1.9%, followed by New South Wales (0.2%), and South Australia (0.2%). At the same time, growth rates were negative in Victoria (-1.1%) and Queensland (-0.7%).



## Comment

Dwelling approvals are off their lows from 2023 and early 2024. However, they remain at levels suggesting it will be a slow process to close the supply gap that has helped drive house prices and rents to record highs in most capital cities.

The tight housing market continues to be highlighted by sharp increases in home prices.

The Cotality home value index for the combined capitals rose another 1.0% in November. While this was slower than the 1.1% rise in October, it was the third monthly increase in a row of more than 1.0%. The gain pushed annual home price inflation to 7.1%. The numbers were even higher for Perth, which saw a 2.4% rise in November, to be up 13.1% YoY.

On a positive note, the Q3 report on the total value of dwellings – also released today – shows that the number of residential dwellings in Australia increased by 53.8k in the quarter, to be up 169.6k from a year ago. The quarterly rise marks an acceleration after the very small QoQ gains of 34.0k and 36.2k in Q1 and Q2.

The recent turnaround in cash rate expectations – with it looking increasingly likely that the RBA easing cycle might be over – suggests that the housing market could face increasing headwinds in 2026.

**02 December 2025**