

Dwelling approvals rose a seasonally adjusted 1.6% in November (exp -2.0%) following a revised 7.2% increase in September (originally 7.5%).

The trend growth estimate, which looks through the monthly volatility, remained soft at 0.3%.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	1.6	-4.6
Private Dwellings	1.6	-3.5
- Houses	-1.7	-6.2
- Dwellings Ex Houses	6.7	0.8

Headline growth was driven by apartment approvals, which pushed the dwellings excluding houses category up 6.7% in the month, after a 17.4% increase in October.

Private sector house approvals slipped 1.7% in November, after rising 2.9% in October, and were down 6.2% YoY.

States

Dwelling permits fell in all states except for Victoria and South Australia in November, with the increase in those states mainly driven by multi-dwellings.

Trend growth is positive in Western Australia (2.1%) and Victoria (1.4%) but negative in the other states.

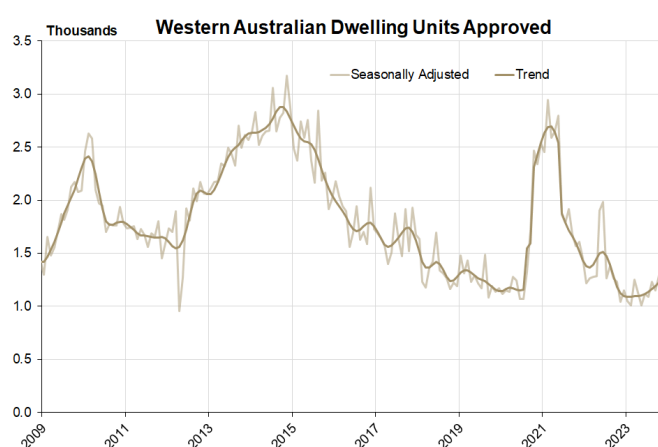
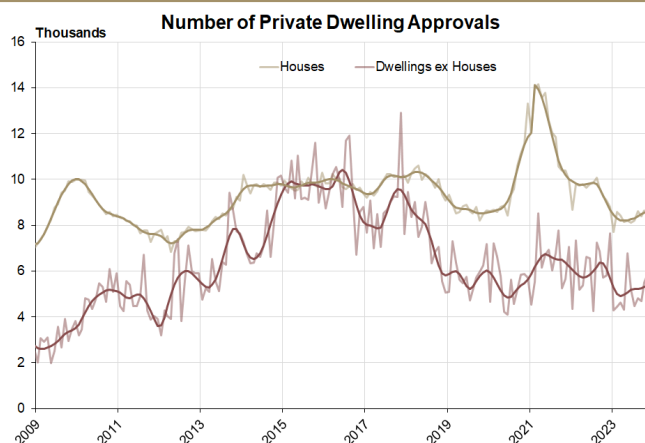
Seasonally Adjusted (%)	MoM	YoY
Western Australia	-5.5	16.4
New South Wales	-6.9	-3.5
Victoria	7.8	0.3
Queensland	-14.6	-24.1
South Australia	6.0	-22.3
Tasmania	-22.6	-52.4

Private sector house approvals increased 0.6% in New South Wales and 0.8% in South Australia in seasonally adjusted terms but were down in other mainland states.

Private sector house approvals were down 2.3% in Victoria, 0.4% in Queensland and 2.8% in Western Australia, although the fall in WA followed a 12.4% increase in October.

Trend growth in private sector house approvals was positive in all mainland states except Queensland and New South Wales.

Western Australia had the strongest trend growth of 2.5%.



Comment

Dwelling approvals increased for the third time in four months in November, although the level of approvals remains low, and the trend growth rate is soft.

While high levels of immigration are supporting the strong demand for housing, the subdued dwelling approvals, and low completion rates of houses already under construction, suggest that the housing demand and supply imbalance is likely to be with us for some time.

It is this imbalance that helped drive a rebound in home prices in 2023, despite the sharp rise in mortgage interest rates. Although, there are signs that the increase in home prices began to run out of steam toward the end of the year in Sydney and Melbourne, where house prices are at extreme levels.

9 JANUARY 2024

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