

# Dwelling Approvals June 2025

Dwelling approvals rose by a seasonally adjusted 11.9% in June (mkt exp.: +1.8%), following a revised 2.2% increase in May (originally 3.2%).

Annual growth jumped to a near four-year high of 27.4% YoY from 6.6% in May, partly driven by base effects.

Monthly trend growth, which looks through the volatility and is a better indicator of the underlying pulse, accelerated to an eight-month high of 1.5%, to be up by 13.8% YoY.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	11.9	27.4
Private Dwellings	11.3	26.9
- Houses	-2.0	0.2
- Dwellings Ex Houses	33.1	87.1

The increase in approvals in May was driven by a 33.1% rise in private multi-dwellings, reaching the highest level since December 2022.

Monthly trend growth in multi-dwelling approvals edged down by 0.2ppts to 3.0%, to be up 39.6% YoY.

Private sector house approvals, which are more stable than the often-volatile multi-dwelling segment, fell by a seasonally adjusted 2.0%, after slipping by 1.0% in May. Annual growth eased by a full 2.0ppts, to just 0.2% YoY.

Monthly trend growth in private sector house approvals was steady at 0.3%, with annual trend growth slipping to just 0.6% YoY.

## States

Dwelling approvals jumped a seasonally adjusted 31.5% in New South Wales, led by multi-dwelling approvals. Monthly growth was also strong in Queensland, Tasmania, and South Australia. Western Australia and Victoria were the only states to record declines.

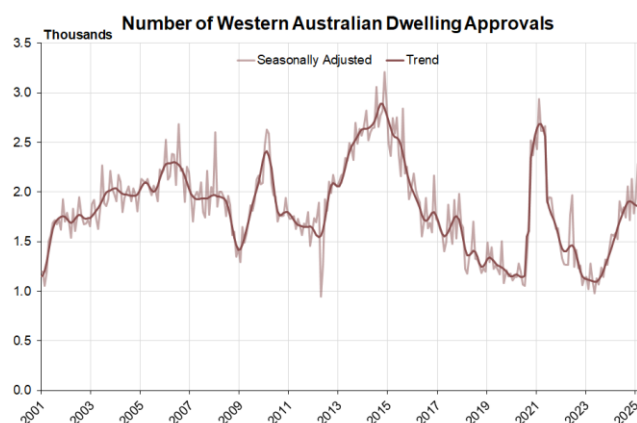
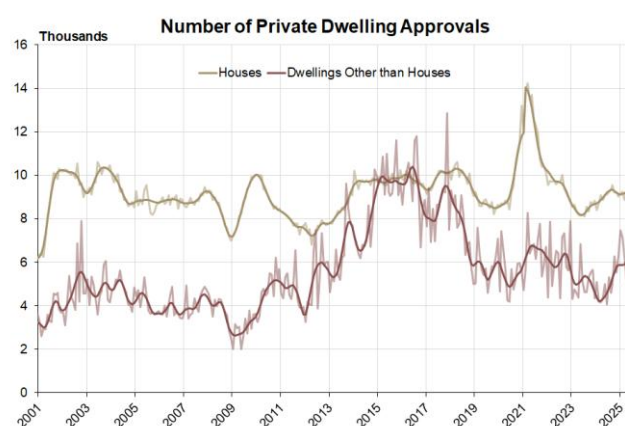
Annual growth was strongest in New South Wales and weakest in Tasmania, while approvals in Western Australia fell 2.6% YoY.

Monthly trend growth was strongest in New South Wales (+6.1%) and weakest in Victoria (-1.9%). The trend estimate for Western Australia rose by 0.4% over the month.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-6.4	-2.6
New South Wales	31.5	86.3
Victoria	-6.1	10.4
Queensland	7.3	-0.6
South Australia	2.5	23.1
Tasmania	7.2	-4.3

Seasonally adjusted private sector house approvals fell across all mainland states in June, except in Victoria (+1.4%). The largest decline was in Queensland (-6.3%), and the smallest in Western Australia (-1.5%).

In trend terms, Victoria saw the strongest growth in private house approvals (+1.6%), while growth was weakest in Western Australia (-1.0%).



## Comment

Dwelling approvals rose in June to their highest level since August 2022. The increase was again driven by new apartment approvals, pushing the trend estimate for dwellings excluding houses to its highest level since November 2021.

Despite this positive trend, the level of dwelling approvals remains underwhelming, particularly considering the rapid rise in population in recent years.

Trend growth in Western Australian dwelling approvals has been flat over much of the past year. However, the level of approvals continues to run at around the highest levels since 2016, excluding the pandemic years, when the market was boosted by record-low interest rates and government homebuilding grants.

The Q1 building activity report, released earlier this month, indicated that the building industry continues to struggle to complete the homes already under construction. Completions remained subdued and fell to a one-year low in Q1, despite the number of dwellings under construction being just 10% below the record high of 244k in Q3 2022.

With recent RBA interest rate cuts and expectations for more breathing fresh life into home price growth, there is a growing need for a pickup in completions to help alleviate the ongoing housing shortage.

**31 July 2025**