

Dwelling Approvals March 2025

Dwelling approvals dropped a seasonally adjusted 8.8% in March, while the market consensus was for a more measured 1.5% decline.

This was the largest drop in dwelling approvals since mid-2023 and followed a slight upward revision for the previous month (-0.2% against the originally estimated -0.3%).

The annual growth rate halved to 13.4%.

Monthly trend growth, which looks through the monthly volatility, remained negative, with the pace of the decline accelerating to -0.5% from -0.1% in the previous month.

Annual trend growth rate slowed to a three-month low of 14.7%.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	-8.8	13.4
Private Dwellings	-9.1	12.5
- Houses	-4.5	-3.3
- Dwellings Ex Houses	-15.1	47.1

The drop in dwelling approvals was broad-based. Private house approvals fell by 4.5%, the most in over a year, while multi-dwelling private approvals plunged by 15.1%, the most since mid-2024.

Despite the significant decline in March, trend growth rate for dwellings other than houses remained positive at 0.4%. Trend growth for private sector house approvals was negative (-0.6%).

States

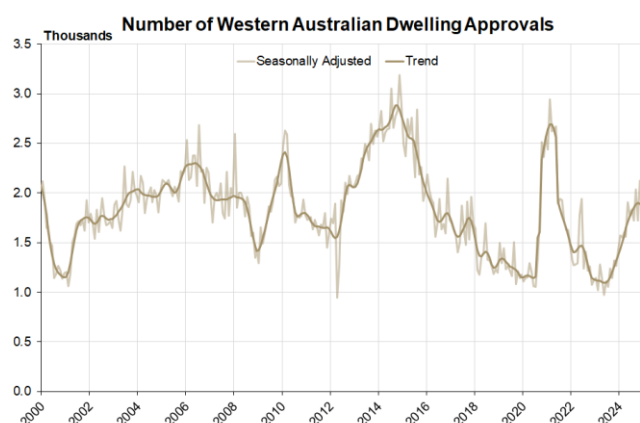
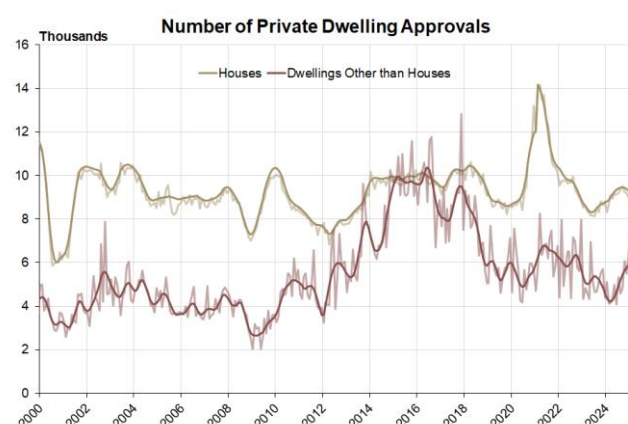
Total dwelling consents were mixed across states, with gains in New South Wales and Queensland, and declines in the rest of the states. South Australia was the only state that saw a rise in total approvals in trend terms.

Western Australian total dwelling approvals dropped by 20.5% in March but were up 12.9% YoY. Total trend dwelling approvals fell by 2.2% MoM but were 12.4% higher than a year before.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-20.5	12.9
New South Wales	19.6	10.1
Victoria	-31.6	-0.8
Queensland	5.8	29.9
South Australia	-11.9	38.2
Tasmania	-42.2	-22.0

Western Australia was one of two states that saw a gain in private sector house approvals in March (+10.3%). The other was South Australia, where growth was more moderate at 4.6%. The strongest fall in private sector house approvals was registered in Victoria (-10.0%).

Trend private sector house approvals fell in all states except for New South Wales, which saw a 0.7% gain. Western Australia saw only a marginal decline of 0.1%, while Queensland recorded the largest fall of 1.8%.



Comment

The March dwelling approvals report saw renewed weakness in private sector house approvals, following back-to-back increases in January and February.

Over the last year, there have been some encouraging signs on multi-dwelling approvals, with the trend on a steady rise. While the March report showed a drop for this category, it is important to bear in mind that these approvals are very volatile. The falls in February and March came after multi-dwelling approvals hit a two-year high in January driven by a sharp rise in high-rise approvals.

That said, dwelling approvals are too low even accounting for a slowdown in population growth. Over the year to September 2024, estimated total population picked up by another 484k. While this is less than the 663k registered in the year to September 2023, this is still well above the number of dwellings approved over the same period (168k).

This imbalance is reflected in the renewed growth in home prices across Australia, following a temporary stagnation at the turn of 2024 and 2025. According to CoreLogic, house prices rose by another 0.2% across the capital cities in April, with a 0.3% gain nationwide. Gains were registered for all capital cities, including Perth that saw gains of 0.4% MoM and 10.0% YoY.

06 May 2025