

Dwelling approvals fell a seasonally adjusted 9.0% in October (exp. 0.0%), following a 5.6% drop in October (revised from -6.0%).

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-9.0	-15.1
Private Dwellings	-10.2	-16.1
- Houses	-2.5	-13.4
- Dwellings Ex Houses	-22.7	-21.0

Private sector house approvals dropped 2.5%. This was the third monthly decline in a row to be 13.4% lower than a year earlier.

Permits for new private multi-dwelling units fell 22.7% to be down 21.0% YoY

States

Growth in total dwelling approvals was negative across the four largest states, while South Australia and Tasmania saw monthly and annual increases.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-17.5	-33.8
New South Wales	-18.4	-9.3
Victoria	-12.7	-17.4
Queensland	-5.6	-25.5
South Australia	10.0	15.2
Tasmania	75.7	18.9

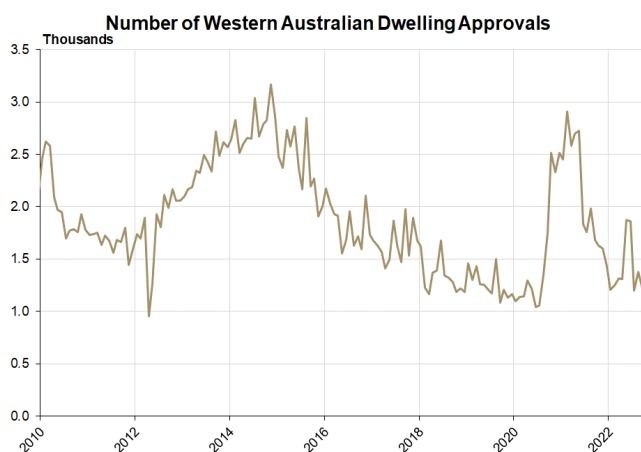
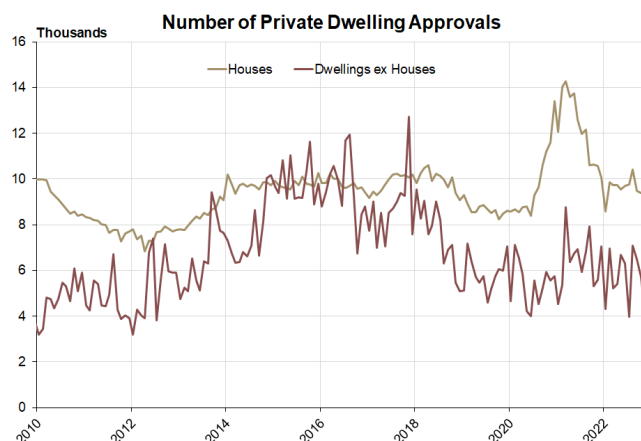
Private house approvals fell in most mainland states, except for New South Wales (1.2%). Victoria saw the biggest fall (-8.0%), followed by Western Australia (-6.1%), South Australia (-2.6%) and Queensland (-1.2%).

Non-Residential Building Approvals (Value)

The value of non-residential building approvals remained strong, rising 2.0% in the month following a 2.3% increase in October to be up 8.8% YoY.

This data is quiet volatile on a state-by-state basis; however, approvals were up in most mainland states in the month, with Western Australia and Queensland the exceptions.

Trend (%)	MoM	YoY
Western Australia	-1.7	-30.5
New South Wales	70.4	58.6
Victoria	6.4	50.2
Queensland	-17.0	-45.4
South Australia	72.0	-11.4
Australia	2.0	8.8



Comment

This was the third consecutive monthly decline in dwelling approvals as demand is weighed down by higher interest rates, and high building costs.

The demand for new dwellings is likely to face further downward pressure in the months ahead as the heat comes out of the labour market.

Even though dwelling approvals have fallen quite sharply, the amount of work already in the pipeline suggests the housing construction industry is likely to remain busy until well into 2023.

9 JANUARY 2023

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