

Dwelling Approvals January 2026

Dwelling approvals fell a seasonally adjusted 7.2% in January, against market expectations of a 5.0% gain. This followed a 14.9% drop in the final month of 2025.

The annual rate of dwelling approvals growth turned negative, to -15.7%, a level unseen since late 2023.

Monthly trend growth, which looks through the monthly volatility, improved to -0.1%, compared to -0.4% in December.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	-7.2	-15.7
Private Dwellings	-8.6	-16.7
- Houses	1.1	7.1
- Dwellings Ex Houses	-24.5	-44.2

The decline in approvals was driven by dwellings other than houses, which saw another plunge of 24.5% in January, with the pace of the trend decline easing to 1.1%.

Private sector house consents picked up by 1.1%, roughly the same as in the previous month, but trend growth slowed to a four-month low of 0.6%.

States

Total dwelling approvals fell in all mainland states except for Western Australia, which saw a strong 13.7% gain to the highest level since May 2021.

The largest decline in total dwelling approvals was recorded in Victoria (-11.0%).

Monthly trend growth was positive in all states but Victoria (-2.3%) and Queensland (-0.3%). The strongest trend growth, at 2.5%, was recorded for Western Australia.

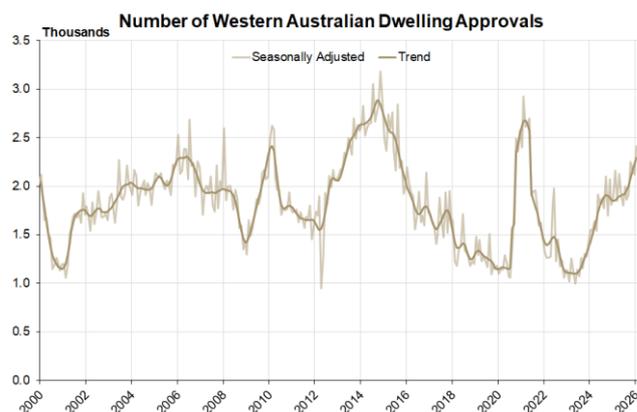
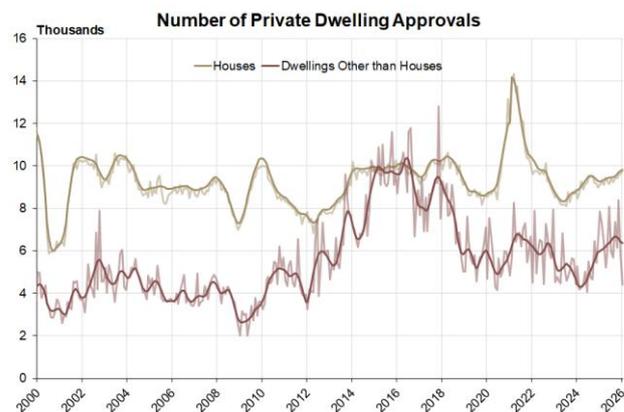
Seasonally Adjusted (%)	MoM	YoY
Western Australia	13.7	27.8
New South Wales	-5.1	-40.2
Victoria	-11.0	-28.6
Queensland	-6.0	29.8
South Australia	-9.3	-14.2
Tasmania	14.1	54.0

Western Australia also led other states with regards to private sector house approvals, with a 11.5% gain. Similar to total approvals, private sector house consents in this State reached the highest level since May 2021.

New South Wales (+1.9%) and Queensland (+1.8%) saw more moderate gains in January.

At the same time, private sector house approvals declined in Victoria (-3.8%) and South Australia (-8.9%).

Victoria was the only state that saw a decline in trend private sector house approvals in January, at 0.7%. Trend growth varied from 0.2% in New South Wales to 2.6% in Western Australia.



Comment

The January report on dwelling approvals was almost an exact copy of the previous month's report. The slight gain in private sector house approvals was insufficient to offset another plunge in unit and townhouse approvals.

Western Australia has emerged as a bright spot in terms of building consents. Dwelling approvals in the State have reached their highest levels since 2021, when they were inflated by the cumulative impacts of new home building incentives and lower interest rates.

There were 25k dwellings approved in Western Australia over the year to January, while the State's population growth was 66k in the 2024-25 financial year (latest data available).

The ongoing housing supply shortage means that, while home price growth stalled in Sydney and Melbourne following the cash rate hike in February, Perth saw another strong gain of 2.4%. Brisbane (+1.6%), Adelaide (+1.3%) and Hobart (+1.2%) also recorded strong increases.

Overall, home values rose by 0.6% across the capital cities in February, only marginally less than the 0.7% recorded in January, while regions saw a 1.1% gain. Another cash rate hike, which looks increasingly probable, would put some dent in housing market demand, but is unlikely to alter the underlying fundamentals.

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