

Dwelling approvals rebounded a seasonally adjusted 7.5% in October (exp +1.4%) following a revised 4.0% fall in September (originally -4.6%).

The number of dwelling approvals remains low, and overall trend growth is soft.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	7.5	-6.1
Private Dwellings	8.4	-6.0
- Houses	2.2	-8.1
- Dwellings Ex Houses	19.5	-2.7

Both new house and multi-dwelling approvals picked up after falling in September, although annual growth remains negative.

However, the trend estimate, which looks through the monthly volatility is suggesting a gentle upswing in private sector house approvals, while trend growth in multi-dwelling approvals has been virtually flat in recent months.

States

New dwelling permits remain mixed across the states. Approvals rebounded strongly in Western Australia and New South Wales following big falls in September, while Queensland saw back-to-back double-digit increases.

The declines in South Australia and Tasmania, followed solid increases in September. Approvals have fallen in three of the past four months in Victoria.

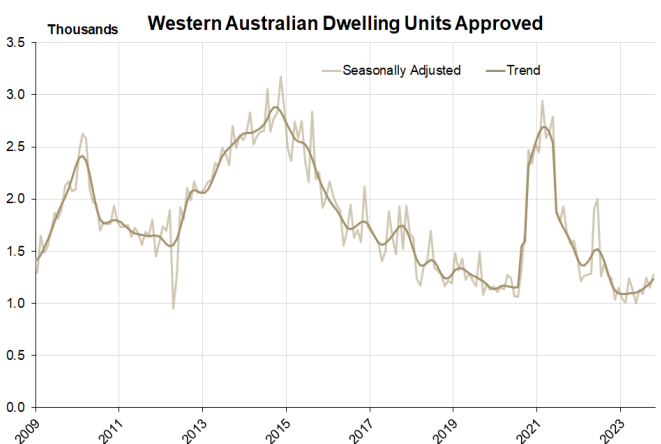
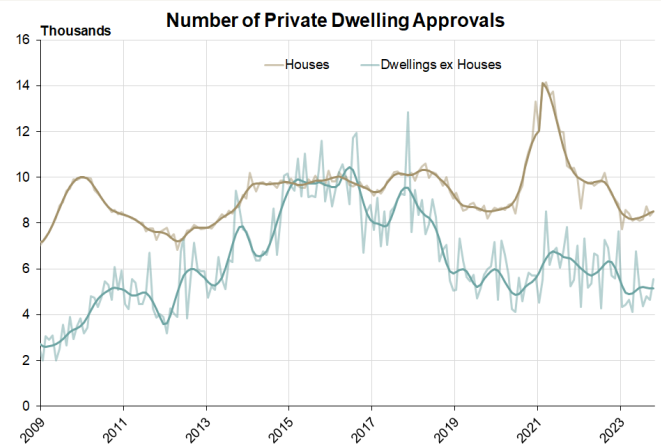
Trend growth is positive in all states and territories, except for New South Wales and South Australia. Of the states, trend growth is strongest in Western Australia.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	11.0	3.2
New South Wales	9.6	-7.8
Victoria	-1.4	-18.8
Queensland	10.7	11.5
South Australia	-7.2	-15.2
Tasmania	-14.4	9.2

Seasonally adjusted growth in private sector house approvals was also strongest in Western Australia, which saw an 11.7% rebound after a 9.9% fall in September, to be at the highest level since August 2022.

Private house approvals fell heavily in New South Wales and Queensland and were up in Victoria and South Australia (there are no figures for Tasmania).

Trend growth in private sector house approvals was positive in all mainland states except South Australia. Western Australia had the strongest trend growth of 2.5%.



Comment

Dwelling approvals picked up in October, however the trend remains subdued, and suggests that once the current pipeline of work is completed there is not much coming through.

While high levels of immigration are supporting the strong demand for housing, high house prices and a sharp increase in interest rates are a barrier to many getting into the market, and rentals remain in very short supply.

RBA credit data showed that housing credit outstanding increased 0.4% in October, with the annual growth rate steady at a 2½-year low of 4.2%.

In other data released today, real private sector capital spending increased 0.6% in Q3 following a 3.4% rise in Q2, to be up 10.7% YoY. Mining sector investment rose 5.6%, driven by iron ore and battery-related mineral projects, while non-mining capex fell 1.3% in the quarter. Western Australia saw the biggest quarterly rise of the states and territories of 7.5%.

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