

## Economic Analysis

Dwelling approvals fell a seasonally adjusted 7.7% in June (exp. -8.0%), following a 20.5% increase May.

Approvals were down 18.0% from a year earlier.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-7.7	-18.0
Private Dwellings	-10.1	-19.0
- Houses	-1.3	-17.4
- Dwellings Ex Houses	-21.0	-21.4

The fall was mainly driven by multi-dwelling approvals which dropped 21% after jumping a whopping 60.4% in May and were down 21.4% from June 2022.

Private sector house approvals slipped 1.3% after a 0.8% rise in May to be down 17.4% YoY.

Monthly trend growth in total dwelling approvals, which looks through monthly volatility, was steady at 0.8%.

### States

Dwelling approvals were higher in all states but New South Wales and Tasmania, both of which saw very large increases in May. Approvals remain lower than they were a year ago in all states but South Australia.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	8.7	-44.6
New South Wales	-44.9	-20.0
Victoria	26.4	-9.2
Queensland	28.3	-10.8
South Australia	0.8	8.3
Tasmania	-35.6	-46.4

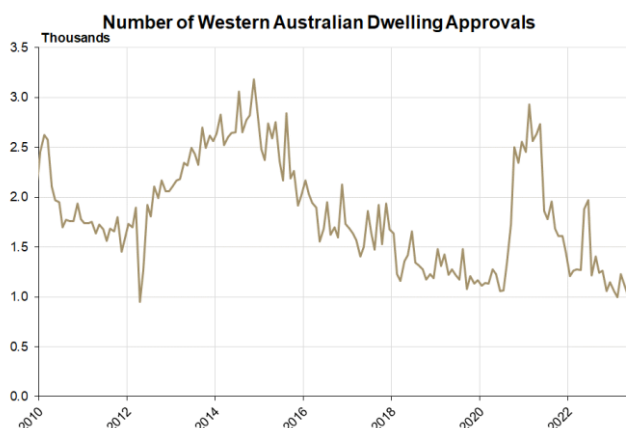
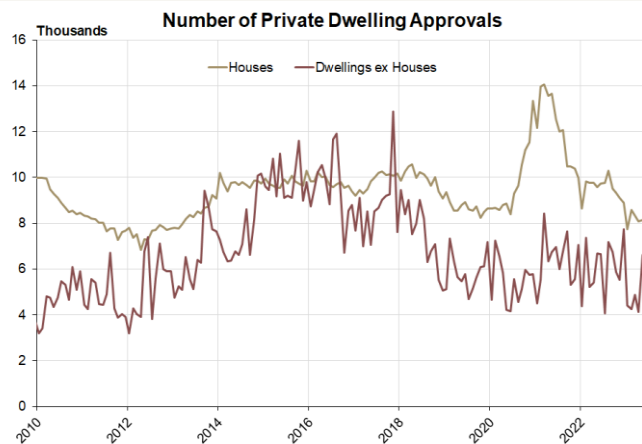
Private sector house approvals were higher in most mainland states, with increases in South Australia (4.6%), Queensland (3.6%) and New South Wales (2.3%). However, these increases were offset by falls in Western Australia (-5.5%) and Victoria (-2.7%).

### Non-Residential Building Approvals (Trend Value)

The value of non-residential building approvals hit a record high, rising 5.9% in trend terms, to be up 48.5% through the year.

Trend (%)	MoM	YoY
Western Australia	0.8	-2.5
New South Wales	3.3	29.8
Victoria	-3.5	-6.3
Queensland	21.5	177.2
South Australia	-12.0	0.9
Australia	5.9	48.5

## Dwelling Approvals June 2023



### Comment

Dwelling approvals gave up some of the big gains that occurred in May, as the sharp rise in New South Wales apartment approvals was unwound.

Looking through those monthly volatilities, dwelling approvals appear to be stabilising at depressed levels. Trend dwelling consents are 34.2% down from their record high reached in March 2021, but 11.2% up from their decade low from April. This morning also saw a housing finance report, which showed that construction loans have picked up from the record low in June, but remain very low.

Despite the huge number of dwellings currently under construction, the low completion rates and subdued levels of new approvals means housing supply is failing to keep up with demand, particularly given the ongoing surge in immigration. This dynamic continues to underpin the rebound in house prices, as evidenced by another 0.7% increase in CoreLogic home prices in July.

1 AUGUST 2023

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