

Dwelling Approvals April 2025

Dwelling approvals dropped a seasonally adjusted 5.7% in April (mkt exp +3.0%), following a revised 7.1% fall in March (originally -8.8%).

This decline saw the annual growth rate fall to 7.6% YoY from 15.4% YoY in March.

Monthly trend growth, which looks through the volatility and is a better indicator of the underlying pulse, remained negative, although the pace of the decline eased to -0.5% from -0.6% in March.

Annual trend growth was 12.0% YoY.

Seasonally Adjusted, %	MoM	YoY
Total Dwelling Approvals	-5.7	7.6
Private Dwellings	-5.8	7.8
- Houses	3.1	4.6
- Dwellings Ex Houses	-19.0	14.3

Private house approvals rebounded 3.1%, after a 1.9% fall in March, to post the third increase in the past four months, which pushed the annual growth rate back into positive territory.

The fall in the headline was driven by another big fall in private dwellings excluding houses, again led by a slump in apartment approvals, which have fallen for three months in a row after hitting a two-year high in January.

While monthly trend growth in private sector house approvals is positive at 0.4%, the recent slide in multi-dwelling approvals has pushed monthly trend growth in that segment to -1.7%.

States

Growth in approvals was mixed across states, with permits up sharply in Western Australia, South Australia and Tasmania but down in the other states, where approvals were held back by falls in multi-dwellings.

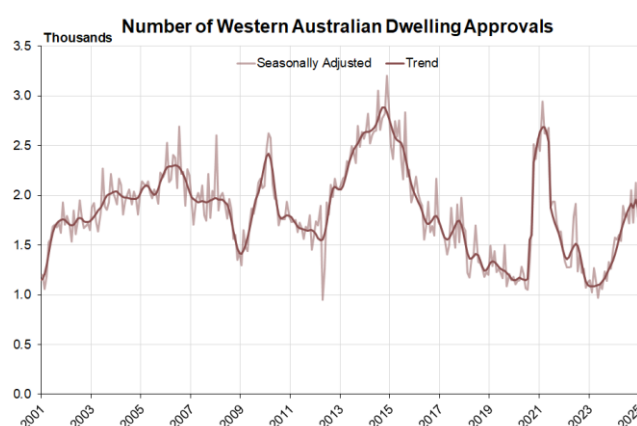
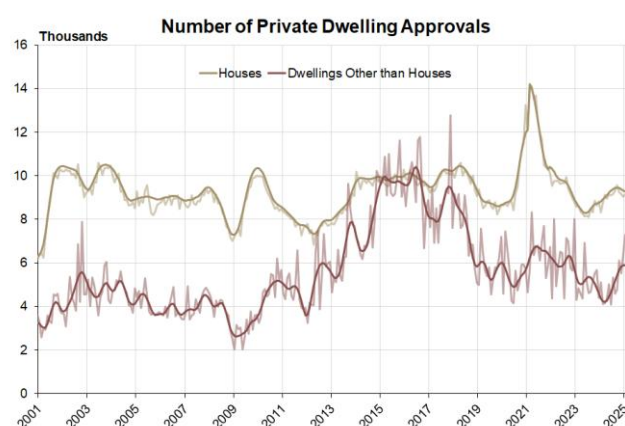
Annual growth was positive in most states, led by a 32.3% YoY increase in Western Australia. Victoria was the weakest state in annual terms, with approvals down 5.8% YoY.

Monthly trend growth was positive in South Australia (+1.8%), Western Australia (+1.6%) and Queensland (+0.7%), but negative in Victoria (-3.3%), Tasmania (-1.7%) and New South Wales (-0.7%).

Seasonally Adjusted (%)	MoM	YoY
Western Australia	9.6	32.3
New South Wales	-7.8	2.8
Victoria	-6.5	-5.8
Queensland	-1.3	23.8
South Australia	9.5	28.8
Tasmania	12.7	-2.6

Private sector house approvals were up sharply in New South Wales (+7.3%) and Queensland (+7.3%), but Victoria (+0.9%) also saw a small improvement.

Private sector house approvals fell by 0.6% in Western Australia, but this followed an 11.8% increase in March and, despite the slight fall, were up by 18.4% YoY.



Comment

This was the third monthly decline in new dwelling permits in a row. However, this came after approvals hit a two-year high in January amid a strong increase in multi-dwelling approvals in the last quarter of 2024, which extended into January.

High-density approvals have eased from the recent highs. What is encouraging, however, is that there has been a small turnaround in private sector house approvals in recent months, as the RBA starts to ease policy.

Nevertheless, the total amount of approvals is running well below the level needed in a market with a housing supply shortage.

Although approvals remain very subdued, we should not forget that there remains a large number of dwellings under construction, which should help alleviate at least some of the pressure on housing supply, as those projects are completed.

Western Australian dwelling approvals are a standout on a national scale. Outside of the pandemic years of 2020 and 2021 when the market was boosted by record-low interest rates and government homebuilding grants, trend approvals are running at the highest level since 2016.

30 May 2025