

Dwelling Approvals August 2025

Dwelling approvals dropped a seasonally adjusted 6.0% in August, missing market expectations of a 2.6% gain. This followed downwardly revised figures for July (-10.0%, against the originally estimated -8.2%).

The annual growth rate in dwelling approvals declined to 3.0%, which is the lowest since mid-2024.

Monthly trend growth, which looks through the month-to-month volatility, turned more negative (-1.0%; unseen since late 2023). Annual trend growth slowed to a one-year low of 5.8%.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	-6.0	3.0
Private Dwellings	-4.7	3.1
- Houses	-2.6	-3.5
- Dwellings Ex Houses	-8.1	16.3

The decline in approvals was broad-based.

Private sector house approvals declined by 2.6%, following a 1.3% gain in the previous month, with the annual growth rate falling at the fastest pace since November 2023.

Dwellings other than houses saw an 8.3% decline, which followed a 25.8% drop in July and solid gains in the previous two months. The annual rate of growth remained significantly positive, at 16.3%.

In trend terms, monthly growth remained negative for both private houses (-0.5%) and dwellings other than houses (-2.0%). Annual trend growth was still positive for dwellings other than houses (20.5%), but remained negative for private sector houses (-1.9%).

States

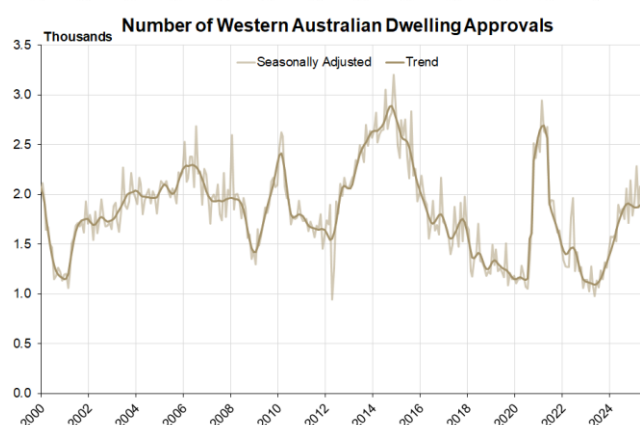
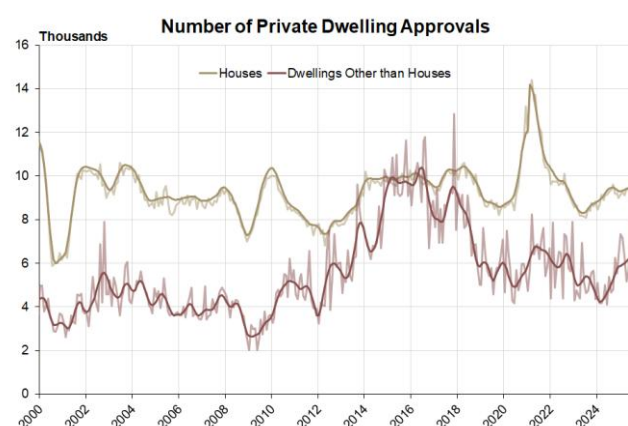
Total dwelling permits declined in almost all mainland states, both in seasonally adjusted and trend terms, with Queensland being the only exception.

Western Australian dwelling approvals declined by 7.3% in August, but were up 4.0% through the year. Trend approvals ebbed by just 0.1%, to be up by 0.9% YoY.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-7.3	4.0
New South Wales	-11.4	3.6
Victoria	-11.8	-17.0
Queensland	3.7	19.7
South Australia	-10.0	7.1
Tasmania	14.4	12.0

Private sector house approvals declined in Victoria (-8.3%), New South Wales (-6.2%) and South Australia, but rose in Queensland (+2.9%) and Western Australia (+1.7%).

Trend private house approvals rose only in Victoria (+0.5%) and were flat in Queensland. Other states saw declines, led by a 2.3% drop in South Australia and 1.5% fall in New South Wales. Western Australia registered a relatively moderate trend decline in trend private sector house approvals in August, of 0.9%.



Comment

Following some tentative signs of revival in the first half of 2025, particularly in high-rise activity, dwelling approvals appear to have temporarily peaked.

The signs of weakening dwelling approvals followed a slight acceleration in input prices in the construction sector in Q2, to 0.9% from 0.5% in the previous two quarters, partly due to a rise in global supply chain uncertainty. Output prices in construction also rose at a solid pace in Q2, driven by increasing labour costs.

The somewhat weaker dwelling approvals come at a time of a revival in demand, sparked by the RBA rate cuts. Cotality home prices rose by 1.8% nationwide over three months to August, to be 4.1% up through the year and at fresh record highs.

While the Cotality home value figures for September will be released tomorrow morning, today we received a fresh set of data on private sector credit for August, including housing credit. Growth for this credit category accelerated to 0.6% MoM (the most since mid-2022) and 6.1% YoY (unseen since early 2023).

The RBA decision is due later today, with no changes to the cash rate expected. Markets will be looking for signs of forward guidance on a November cut, following the recent upside surprise to the [August CPI indicator](#).

30 September 2025