

Dwelling Approvals July 2025

Dwelling approvals dropped by a seasonally adjusted 8.2% in July, more than the 5.0% decline expected by markets. The July drop came after a 12.2% surge in the previous month (revised slightly upwards, from the initial estimate of +11.9%).

The annual rate of dwelling approvals growth declined to 6.6%, which is the lowest since November 2024.

Trend approvals, which look through month-to-month volatilities, rose by 1.2% MoM and 12.1% YoY. This was the slowest annual trend growth since October 2024.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	-8.2	6.6
Private Dwellings	-9.5	4.7
- Houses	1.1	0.3
- Dwellings Ex Houses	-22.3	12.5

The drop in seasonally adjusted dwelling approvals in July was due to a 22.3% plunge in the volatile dwellings excluding houses category, which however continued to rise in trend terms (+2.4% MoM).

The less volatile private sector house approvals increased by a seasonally adjusted 1.1% in July, but trend was flat in monthly terms.

States

Dwelling approvals were mixed across the states in July.

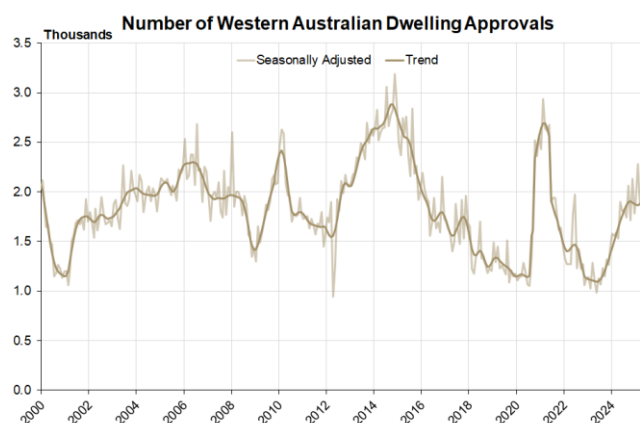
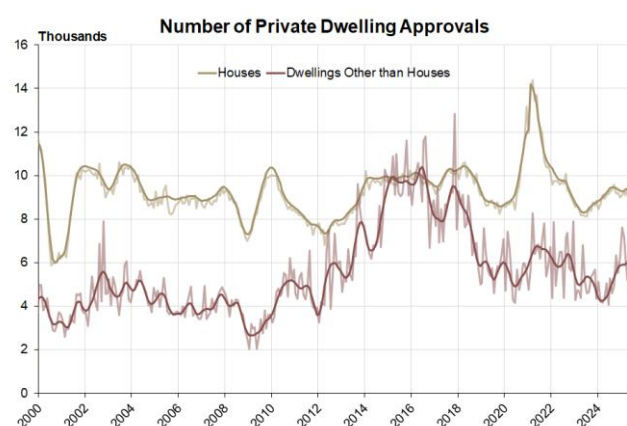
In seasonally adjusted terms, there was a significant drop in dwelling approvals in New South Wales (-24.6%), while South Australia saw a more measured decline of 1.3%. Other states, including Western Australia, saw gains in July, with Western Australian approvals rising the most of all mainland states (+11.8% MoM).

In trend terms, dwelling approvals declined in Victoria (-1.5% MoM) and South Australia (-1.6% MoM), but rose in other states. The strongest increase was registered in New South Wales (+3.9% MoM). Western Australia saw a 0.2% gain in trend dwelling approvals in July.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	11.8	8.8
New South Wales	-24.6	14.1
Victoria	0.7	-7.0
Queensland	5.9	12.7
South Australia	-1.3	6.3
Tasmania	12.2	4.1

Private sector house approvals rose in all states, with the notable exception of South Australia (-6.1% MoM). The strongest increases were recorded in Western Australia and New South Wales (+3.0% MoM in both states). Victoria and Queensland saw more moderate gains, of 1.3% MoM and 0.8% MoM, respectively.

Trend private sector approvals declined in all states except for Victoria (+2.1% MoM). South Australia registered the strongest fall of 1.8% MoM, while the decline was the smallest in New South Wales (-0.4% MoM). In Western Australia, private sector house approvals declined by 1.5% MoM in July.



Comment

Despite a decline in seasonally adjusted terms caused by the volatile 'buildings other than houses' category, trend dwelling approvals continued to climb in July. However, they remain insufficient to satisfy the ongoing demand for housing in Australia, which received an additional boost from the start of the easing cycle by the RBA in recent months.

A separate set of data released by Cotality (formerly CoreLogic) showed that home price growth accelerated in August, at least across the capital cities. Home prices rose by 0.7% nationwide, 0.1ppts faster than in the previous month, and by 0.8% across the capital cities (+0.2ppts). The annual growth rates accelerated to 4.1% and 3.6%, respectively. Regional home price growth slowed 0.1ppts to 0.5% MoM, but remained 6.0% higher than a year ago.

Perth home prices rose by 1.1% MoM and 6.6% YoY in August, surpassed only by Brisbane (+1.3% MoM and +7.9% YoY). Perth median home price reached a new record of A\$842k, but this is still way off the median for all capital cities (A\$932k).

The RBA is expected to continue its rate cuts, while labour market conditions remain solid despite the recent easing. Coupled with persistent supply-side challenges, this implies further upward pressure on home prices in Australia in the coming months.

01 September 2025