

## Economic Analysis

The number of dwelling approvals fell a seasonally adjusted 7.1% in May (mkt exp -5.0%), following a revised 5.7% drop in April (originally -8.6%). Total approvals were 52.7% higher than a year ago.

Seasonally Adjusted (%)	MoM	YoY
Total Dwelling Approvals	-7.1	52.7
Private Dwellings	-6.9	54.7
-Houses	-10.3	55.2
-Dwellings Ex Houses	1.2	53.6

The fall in dwelling approvals in May was driven by a 10.3% slump in private sector houses following a 5.9% rise in April.

Private sector multi-dwelling approvals rose 1.2% after dropping 24% in April.

### States

Total dwelling approvals rose in Victoria and Tasmania but fell sharply in the other states.

Private sector house approvals fell sharply in all the mainland states (no adjusted data for Tasmania). Western Australia saw the biggest fall in private house approvals, with an 18% drop in the month, while New South Wales had the smallest decline of 4.6%

Seasonally Adjusted (%)	MoM	YoY
Western Australia	-8.7	120.3
New South Wales	-10.9	69.3
Victoria	3.2	26.5
Queensland	-13.1	49.5
South Australia	-11.9	41.4
Tasmania	2.0	63.4

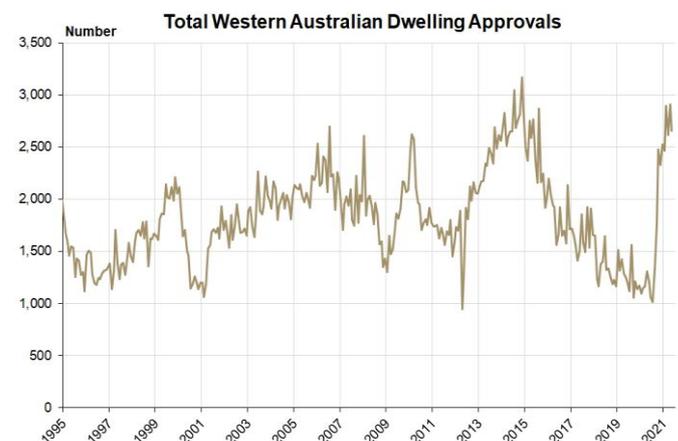
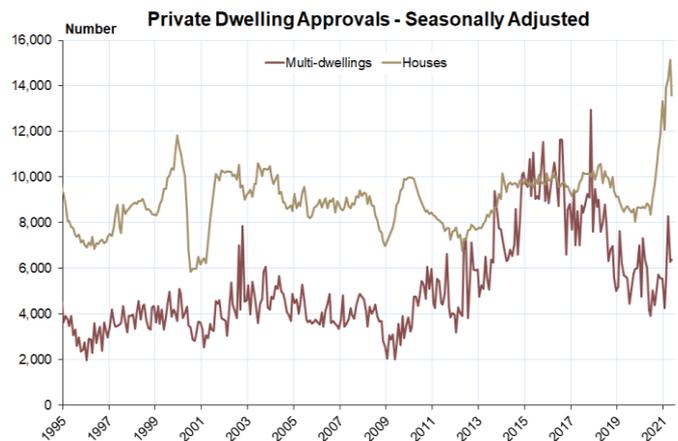
### Non-Residential Approvals

The total value of non-residential building approvals rose 28.5% in May in seasonally adjusted terms. This followed a 38.5% decline in April, after approvals hit a record high in March.

Non-residential approvals are usually extremely volatile and the increase in May was driven by a large rise in public sector approvals.

Seasonally Adjusted (%)	MoM	YoY
Western Australia	142.9	165.9
New South Wales	9.2	39.3
Victoria	52.6	52.7
Queensland	-56.0	-50.3
South Australia	-20.4	-50.9
Australia	28.5	36.4

## Dwelling Approvals May 2021



### Comment

A pullback in private sector house approvals has been expected since the end of the Commonwealth government's HomeBuilder scheme at the end of March.

However, to put things in perspective, even with the sharp drop, the level of private house approvals in May was still well in excess of the pre-COVID record level.

Private house approvals are likely to continue to fall over the coming months, although the surge in approvals since mid-2020 has stored up a huge amount of work that will keep the housing construction sector busy for the next 18 months or so.

5 JULY 2021

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