

## KEY POINTS

### Number of dwelling units approved

- The seasonally adjusted number of dwelling units approved fell by 6.6% to 12,143 in September, following a 4.8% decline in the previous month.
- The annual rate of growth in dwelling approvals moderated from 4.2% in August to -11.6% in September, the lowest annual rate of growth registered since June 2009.
- A 15.7% fall in private sector 'other dwellings' approvals (which largely comprising apartments) was the main driver of the sharp fall in dwelling approvals recorded in the month. Private house approvals also fell by 2.3%.
- The trend number of dwelling approvals fell by 3.7% in the month, the seventh consecutive month of decline.

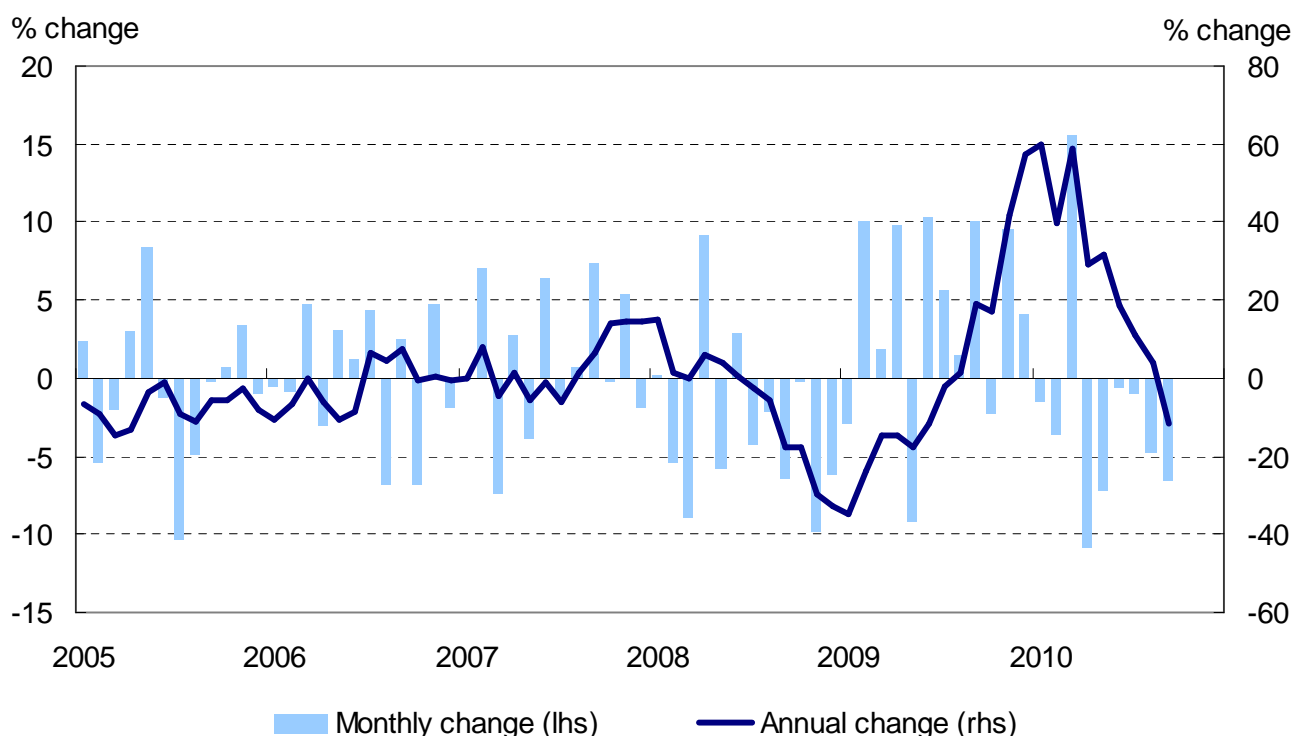
### Value of building

- The seasonally adjusted value of total building approvals fell by 3.2% in September, following a 4.5% decline in August.
- The seasonally adjusted value of new residential building approvals fell by 5.4%, while the value of approved alterations and additions increased by 1.0%.
- The seasonally adjusted estimate for the value of non-residential building fell by 0.7%, following a 3.4% rise in August.

### The states

- The trend number of dwelling units approved declined in all mainland states; New South Wales (-5.7%), Victoria (-1.1%), Queensland (-7.6%), South Australia (-3.7%) and Western Australia (-2.9%).

**Chart: Monthly & annual growth in number of dwelling units approved**



## Policy implications

- The decline in dwelling approvals in September, which was well below market expectations, reflected a 15.7% fall in the volatile “other dwellings” component which includes apartments.
- Private sector housing approvals (which account for almost two-thirds of total dwelling unit approvals) continue to exhibit weakness in line with higher mortgage rates, low levels of demand from first home buyers and stretched affordability. Due to these influences, which were further compounded by the RBA’s decision to raise interest rates yesterday, housing approvals are likely to remain subdued in coming months.