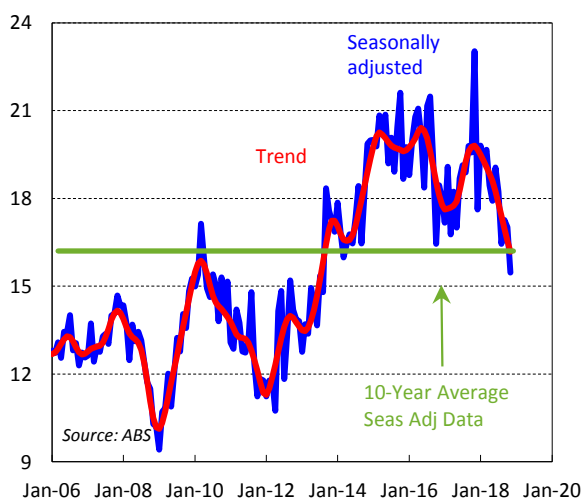


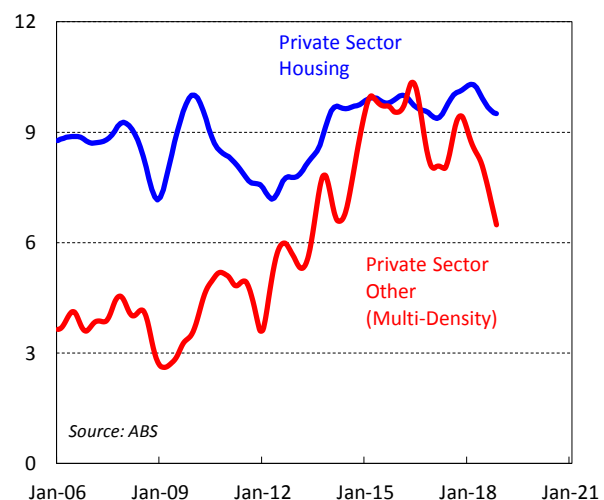
## Building Approvals Slip and Slide

- Building approvals plunged 9.1% in November, providing further evidence the downward trend in dwelling approvals has intensified. Building approvals have declined in eight out of the past 12 months.
- The annual pace of dwelling approvals slumped to a decline of 32.8%, the weakest since January 2009. Building approvals peaked in late 2017 and have been in on a downward trend since. In November, building approvals fell below their long term (10-year) average and were the lowest since August 2013.
- The volatility in building approvals continues to be driven by approvals for 'other' dwellings (including apartments). Approvals for 'other' dwellings slumped 18.4% in November, while approvals for houses fell 2.3%.
- The weakness in building approvals in November was evident in all States, with the exception of Tasmania. The largest declines by State were in Victoria and NSW, reflecting the more advanced slowdown in the Sydney and Melbourne housing markets.
- The downturn in residential building approvals deepened in November. Dwelling approvals are in trend decline, having peaked in late 2017. The ongoing downturn in dwelling prices and other signs of slowing housing demand suggest residential approvals will continue to moderate.

Number of Building Approvals  
(In Thousands)



Number of Building Approvals  
(in 000's, Trend Data)



Building approvals plunged 9.1% in November, providing further evidence the downward trend in dwelling approvals has intensified. Building approvals have declined in eight out of the past 12 months.

The annual pace of dwelling approvals slumped to a decline of 32.8%, the weakest since January 2009.

Building approvals peaked in late 2017 and have been in on a downward trend since. The number of building approvals is now below its long-term (10-year) average and was the lowest since August 2013.

The volatility in building approvals continues to be driven by approvals for 'other' dwellings (including apartments). Approvals for 'other' dwellings slumped 18.4% in November, while approvals for houses fell 2.3%.

The annual pace of decline in approvals for 'other' dwellings deepened, falling to 53.8% in November, a further slowdown from a decline of 22.2% in October. For the year to November, approvals for houses fell 6.5%, down from a decline of 4.8% in the year to October.

Within the private sector, approvals for 'other' dwellings fell 17.9% in November, while approvals for houses slipped 2.6%.

### **By State**

The weakness in building approvals in November was evident in all States with the exception of Tasmania, where building approvals rose 30.6%. Elsewhere the largest fall was in Victoria (-14.6%), followed by NSW (-9.3%), Western Australia (-7.3%), South Australia (-4.6%) and Queensland (-4.3%). In Western Australia, the weakness in building approvals was led by private sector 'other' approvals, which plummeted 67.0% to its lowest since April 2012.

On an annual basis in trend terms, which looks through month-to-month volatility, approvals were lower in the year for most States and territories. They were down in Western Australia (-27.1%), NSW (-20.5%), Victoria and Queensland (both down 20.0%) and South Australia (-18.1%). Over the past year approvals were higher in the ACT (118.6%). The annual pace of approvals has risen in Tasmania (14.0%) and was unchanged in the Northern Territory.

### **Outlook**

The downturn in residential building approvals deepened in November. Dwelling approvals are in trend decline, having peaked in late 2017. The ongoing downturn in dwelling prices and other signs of slowing housing demand suggest a risk of further weakness in residential approvals.

**Jo Horton, Senior Economist**  
Ph: 02-8253-6696

## Contact Listing

**Chief Economist**

Besa Deda

[dedab@stgeorge.com.au](mailto:dedab@stgeorge.com.au)

(02) 8254 3251

**Senior Economist**

Josephine Horton

[hortonj@stgeorge.com.au](mailto:hortonj@stgeorge.com.au)

(02) 8253 6696

**Senior Economist**

Janu Chan

[chanj@stgeorge.com.au](mailto:chanj@stgeorge.com.au)

(02) 8253 0898

The information contained in this report ("the Information") is provided for, and is only to be used by, persons in Australia. The information may not comply with the laws of another jurisdiction. The Information is general in nature and does not take into account the particular investment objectives or financial situation of any potential reader. It does not constitute, and should not be relied on as, financial or investment advice or recommendations (expressed or implied) and is not an invitation to take up securities or other financial products or services. No decision should be made on the basis of the Information without first seeking expert financial advice. For persons with whom St.George has a contract to supply Information, the supply of the Information is made under that contract and St.George's agreed terms of supply apply. St.George does not represent or guarantee that the Information is accurate or free from errors or omissions and St.George disclaims any duty of care in relation to the Information and liability for any reliance on investment decisions made using the Information. The Information is subject to change. Terms, conditions and any fees apply to St.George products and details are available. St.George or its officers, agents or employees (including persons involved in preparation of the Information) may have financial interests in the markets discussed in the Information. St.George owns copyright in the information unless otherwise indicated. The Information should not be reproduced, distributed, linked or transmitted without the written consent of St.George.

---

Any unauthorised use or dissemination is prohibited. Neither St.George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ACL 233714, nor any of Westpac's subsidiaries or affiliates shall be liable for the message if altered, changed or falsified.

---