

Building approvals data another blow to WA's housing crisis

1 October 2025

Western Australia's housing crisis has taken another blow with new data from the Australian Bureau of Statistics (ABS) showing building approvals heading further in the wrong direction.

Approvals for detached houses experienced a slight rebound in August 2025, with a modest 2.7% increase from July – but this was not enough to offset a massive reduction in approvals for apartments and townhouses.

With 23,337 total new home building approvals issued over the 12 months to August 2025 against a National Housing Accord target of 25,940 annually, there is still a chance for Western Australia to meet its obligations – but more needs to be done to increase workforce capacity and overall productivity so we don't get left behind.

Attributable to Master Builders Australia Chief Economist Shane Garrett:

"In WA, the total number of dwellings approved fell by 7.3 per cent in August 2025. This was driven by a significant drop in approvals for apartments and townhouses."

"Detached house approvals experienced a modest increase of 2.7 per cent in August. However, the improvement in detached house building approvals was more than offset by a sharp reduction in higher density dwelling approvals during the month."

"This is deeply concerning, because approvals are the pipeline for tomorrow's housing supply. With apartment approvals in particular now at some of the lowest levels seen over the past 12 months, the industry faces serious challenges in meeting demand."

"The only way out of the housing crisis is to build more higher density housing. Apartments and townhouses must make up at least half of all residential construction if we are to meet demand and give Australians more affordable options in the places they want to live."

"Builders are struggling to make the numbers work. Construction costs have jumped more than 40 per cent since 2019, and rising finance and insurance costs are pushing too many projects off the table."

"Without urgent action to ease pressures and restore confidence, more projects will stall before they even start."

Attributable to Master Builders Western Australia CEO Matt Moran:

"There is a clear gap between policy ambition and reality, with approvals going backwards, not forwards."

“Approvals must be fast-tracked if we have any chance of meeting the National Housing Accord target.”

“Red tape, constant regulatory changes and a crippling skills shortage are draining productivity and making it harder to deliver homes at speed and scale.”

“Offering stronger incentives for employers to take on apprentices is critical to building the workforce we need.”

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About Master Builders WA

Master Builders WA services the needs of the entire building and construction industry, from residential to commercial, and civil engineering businesses, principal contractors to subcontractors, manufacturers and suppliers. We assist members by providing access to a wide range of specialised services, an impressive degree of recognition, as well as representation to government and industry. Master Builders WA also serves the Western Australian public by fostering best practice work standards.

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