



Queensland  
Government

**QUEENSLAND TREASURY**  
**ECONOMIC POLICY BRANCH**  
**BUILDING APPROVALS: MAY 2004**

ABS 8731.0

Released: 2 July 2004, 11:30am EST

**Summary**

**Monthly % Change (Trend):**

Queensland                      ↓        2.9%  
Australia                         ↑        0.5%

**Analysis**

The total number of dwelling approvals (trend) in Queensland eased further in May 2004, declining 2.9%. Monthly approvals have fallen each month since October 2003. Approvals of private sector houses declined 3.7% during the month while approvals of other residential buildings declined modestly (down 0.9%). The number of approvals in the rest of Australia rose 1.5% in May 2004.

Although the trend number of building approvals continued to decline in May, the number of building approvals remains at a strong level by historical standards. In trend terms, 3,249 dwellings were approved in Queensland during May. Over the past year, Queensland has accounted for 24.1% of total dwellings approved nationally, reflecting the State's substantially stronger population growth.

The total number of building approvals was 5.1% lower in May 2004 compared with a year earlier. Both private house approvals and other residential building approvals (units, townhouses, etc) declined over the year, falling 6.1% and 2.7% respectively. In the rest of Australia, total approvals were 1.5% higher over the year to May, with approvals of private houses down 2.8%, but other residential buildings up 11.3% over the year.

**Table 1: Dwelling Approvals, May 2004**

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-2.9	0.5
Private Sector Houses	-3.7	-0.6
Other Residential Buildings	-0.9	2.8
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-8.6	1.5
Private Sector Houses	-9.0	-3.4
Other Residential Buildings	-8.0	10.5
<b>Annual % change</b>		
<b>Trend</b>		
Total No. Residential Approvals:	-5.1	-0.1
Private Sector Houses	-6.1	-3.6
Other Residential Buildings	-2.7	8.0
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-5.2	3.4
Private Sector Houses	-8.3	-3.0
Other Residential Buildings	2.6	17.1

**Table 2: Dwelling Approvals (trend), States, May 2004**

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-2.9</b>	<b>-5.1</b>
New South Wales	0.1	-2.4
Victoria	1.4	-2.3
South Australia	-0.1	0.6
Western Australia	-0.2	9.1
Tasmania	3.4	36.2
<b>Australia</b>	<b>0.5</b>	<b>-0.1</b>

**Implications**

Until May, the easing in monthly dwelling approvals in Queensland had proceeded at a modest pace. However, this month's data suggests that the rate of easing has increased. However, the overall level of building approvals in Queensland remains at a strong level.

The high level of dwellings approved in Queensland has caused an accumulation of approved building work in the pipeline, suggesting that the lag between the easing in approvals and any easing in dwelling investment may be longer than normal. This is supported by the fact that dwelling investment rose a further 4.0% in March quarter 2004, despite dwelling approvals beginning their recent easing in October 2003.

**Chart 1: Dwelling Approvals (trend)**

