



Queensland
Government

QUEENSLAND TREASURY

ECONOMIC POLICY BRANCH

BUILDING APPROVALS: AUGUST 2004

ABS 8731.0

Released: 1 October 2004, 11:30am EST

Summary

Monthly % Change (Trend):

Queensland ↑ 0.5%
Australia ↓ 1.4%

Analysis

The total number of dwelling approvals (trend) in Queensland rose 0.5% in August 2004, and has now increased for the third month in a row, after previously declining for eight consecutive months to May 2004. The slight decline in private sector house approvals (down 0.3%) was more than offset by the increase in approvals for other residential construction (units, townhouses, etc), which rose 2.0% in the month. In comparison, the total number of building approvals in Australia fell 1.4% in August 2004.

The further growth in building approvals in August builds on a historically very high number of building approvals in recent months. Trend data show that 3,400 residential buildings were approved in Queensland in August, accounting for 24.3% of all dwellings approved nationally, well above Queensland's population share of around 19%.

The trend number of building approvals in Queensland over the year to August 2004 was 10.7% below the level recorded a year earlier. The decline over the year was driven by private house approvals (down 16.3%), which was partially offset by a slight rise in other residential building approvals (up 0.7%). Nationally, total trend approvals were 7.2% lower over the year, largely due to a decline in private house approvals (down 11.4%), whereas other residential buildings remained largely unchanged (down 0.1%).

Chart 1: Dwelling Approvals (trend)

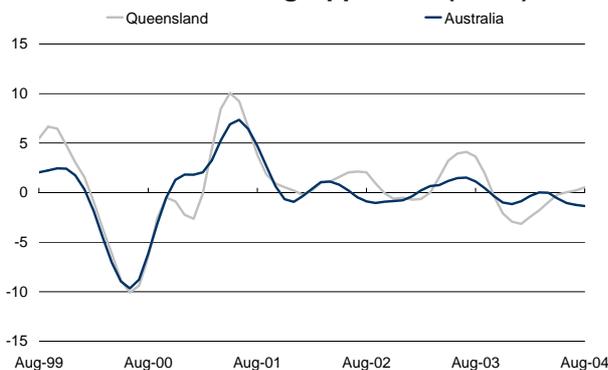


Table 1: Dwelling Approvals, August 2004

	Monthly % change	
	Qld	Aust
Trend		
Total No. Residential Approvals:	0.5	-1.4
Private Sector Houses	-0.3	-1.2
Other Residential Buildings	2.0	-1.9
Seasonally Adjusted		
Total No. Residential Approvals:	-0.3	-5.9
Private Sector Houses	3.8	-0.8
Other Residential Buildings	-6.8	-14.6
Annual % change		
Trend		
Total No. Residential Approvals:	-10.7	-7.2
Private Sector Houses	-16.3	-12.9
Other Residential Buildings	0.7	3.8
Seasonally Adjusted		
Total No. Residential Approvals:	-10.3	-7.2
Private Sector Houses	-14.6	-11.4
Other Residential Buildings	-0.6	-0.1

Table 2: Dwelling Approvals (trend), States, August 2004

States/Australia	monthly % change	annual % change
Queensland	0.5	-10.7
New South Wales	-4.1	-12.4
Victoria	0.1	-12.9
South Australia	-0.1	-1.5
Western Australia	-0.6	7.5
Tasmania	-5.9	-1.6
Australia	-1.4	-7.2

Implications

Despite moderating over much of late 2003 and early 2004, Queensland building approvals data have recently returned to positive growth (see Chart 1). In comparison, national building approvals continue to decline.

As a result, dwelling investment in Queensland is expected to remain at around its current high level in coming quarters, after a year of strong growth in 2003-04. Dwelling investment continues to be supported by solid population growth and increasing alteration and additions activity, with the latter increasing 3.6% in value terms in August 2004, consolidating the 3.8% growth recorded in July.