



**Summary**

**Monthly % Change (Trend):**

Queensland                      ↓            1.3%  
Australia                        ↓            2.4%

**Analysis**

The total number of dwelling approvals (trend) in Queensland declined 1.3% in September 2004. Based on the September data, the total number of approvals in trend terms has declined in each of the past 12 months, to be 15.4% lower over the year to September. The data indicate that private sector house approvals have declined for the past 10 months, while approvals of other residential buildings (units, townhouses, etc) rose steadily between March and August 2004, then declined in September.

While data released over the previous several months indicated a weak rebound in dwelling approvals, the September data suggest that this was not the case, with trend approvals moving gradually lower. The more volatile seasonally adjusted data shows that total approvals fell 6.4% in September, with private houses and other dwellings both declining (down 7.3% and 4.8% respectively).

A similar pattern has occurred nationally, with total approvals declining in 10 of the 12 months to September 2004, and falling 12.2% over the year. In seasonally adjusted terms, total approvals fell 3.8% in September, following a 6.3% fall in August.

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

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-1.3	-2.4
Private Sector Houses	-1.0	-1.9
Other Residential Buildings	-2.1	-3.4
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-6.4	-3.8
Private Sector Houses	-7.3	-4.4
Other Residential Buildings	-4.8	-2.6
<b>Annual % change</b>		
<b>Trend</b>		
Total No. Residential Approvals:	-15.4	-12.2
Private Sector Houses	-19.1	-16.0
Other Residential Buildings	-8.6	-5.6
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-22.6	-24.6
Private Sector Houses	-21.9	-18.4
Other Residential Buildings	-23.9	-35.2

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

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-1.3</b>	<b>-15.4</b>
New South Wales	-2.6	-16.8
Victoria	-2.6	-18.3
South Australia	-2.5	-11.8
Western Australia	0.0	8.3
Tasmania	-8.3	-13.5
<b>Australia</b>	<b>-2.4</b>	<b>-12.2</b>

**Implications**

The September data indicates that approvals have now declined steadily for a year, and suggests that dwelling approvals in the State may continue to moderate in the coming months. However, the number of dwelling approvals in Queensland remains at a strong level by historical standards.

After recording very strong growth of 16.0% in 2003-04, dwelling investment in Queensland is expected to remain at around its current high level over the coming quarters, with a large volume of residential building work still in the pipeline. Dwelling investment continues to be supported by strong population growth in the State. The prospect of interest rate rises now appears less likely, which should also help to sustain confidence among home buyers.

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

