



**Summary**

**Monthly % Change (Trend):**

Queensland                      ↓            0.1%  
Australia                         ↓            3.0%

**Analysis**

The total number of dwelling approvals (trend) in Queensland was virtually unchanged in October 2004 (down 0.1%) (see Chart 1 and Table 1). The number of approvals in trend terms has declined gradually over the past 12 months, to be 14.7% lower over the year to October. The data indicate that private sector house approvals made a slight recovery in October (up 0.8%), while approvals of other residential buildings (units, townhouses, etc) declined a further 2.0% in October.

The more volatile seasonally adjusted data shows that total approvals rose 3.2% in October, with private house approvals rising 10.1% and other residential dwellings falling 9.1%. While this is a positive result, the recent volatility of building approvals data suggests that the October data should not be interpreted as any definite sign of a recovery in dwelling approvals.

Australia as a whole recorded a much larger fall in building approvals in October. Total approvals declined 3.0%, driven primarily by a 6.3% fall in approvals of other residential buildings. Approvals in all states declined in October, with New South Wales recording the largest decline (down 6.9%). Queensland recorded the smallest decline in October (down 0.1%) (see Table 2).

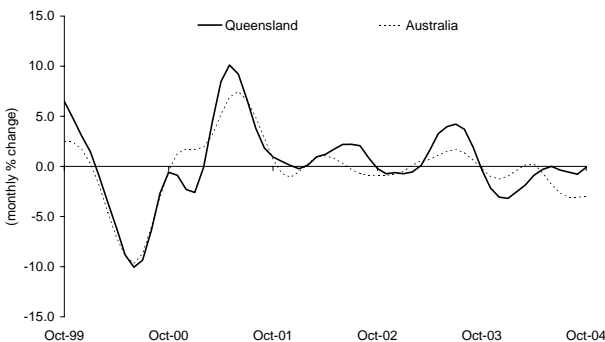
**Table 1: Dwelling Approvals, October 2004**

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-0.1	-3.0
Private Sector Houses	0.8	-1.3
Other Residential Buildings	-2.0	-6.3
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	3.2	-2.4
Private Sector Houses	10.1	1.1
Other Residential Buildings	-9.1	-7.6
<b>Annual % change</b>		
<b>Trend</b>		
Total No. Residential Approvals:	-14.7	-16.2
Private Sector Houses	-16.6	-16.2
Other Residential Buildings	-11.5	-17.3
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-9.6	-20.9
Private Sector Houses	-4.5	-15.2
Other Residential Buildings	-18.7	-31.6

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

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-0.1</b>	<b>-14.7</b>
New South Wales	-6.9	-26.1
Victoria	-1.4	-18.0
South Australia	-4.0	-20.3
Western Australia	-1.2	4.4
Tasmania	-4.0	-11.2
<b>Australia</b>	<b>-3.0</b>	<b>-16.2</b>

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



**Implications**

Although the October building approvals data are a positive result, caution should be used in their interpretation. The number of monthly dwelling approvals in the State has declined gradually for more than a year, a trend which could continue in the coming months. However, the number of dwelling approvals in Queensland still remains at a strong level by historical standards.

Despite the moderation in approvals, there is a large volume of residential building work still in the pipeline. Dwelling investment continues to be supported by strong population growth in Queensland, low borrowing costs and continuing growth in renovation activity.