



Summary

Monthly % Change (Trend):

Queensland ↓ 0.4%
Australia ↓ 2.1%

Analysis

The total number of dwelling approvals (trend) in Queensland was down 0.4% in November 2004. The number of approvals in trend terms has declined gradually over the past 12 months, to be 13.2% lower over the year to November. The data indicate that private sector house approvals have risen modestly over the past four months (up 1.3% in November), while approvals of other residential buildings (units, townhouses etc) continued to fall (down 3.5% in November).

Despite monthly declines over most of the past year, the overall number of approvals remains at a high level. Trend data shows that 3,291 residential buildings were approved in November, with Queensland comprising 26.4% of all dwellings approved nationally, well above Queensland's population share of around 19%.

Australia as a whole recorded a larger fall in building approvals in November. Total approvals declined 2.1%, driven primarily by a 6.0% fall in approvals of other residential buildings. Approvals in all other mainland States declined in November, with New South Wales recording the largest decline (down 4.5%). Queensland recorded the smallest decline in November (down 0.4%), equal to the decline in Victoria (down 0.4%, see table 2).

Table 1: Dwelling Approvals, October 2004

	Monthly % change	
	Qld	Aust
Trend		
Total No. Residential Approvals:	-0.4	-2.1
Private Sector Houses	1.3	-0.3
Other Residential Buildings	-3.5	-6.0
Seasonally Adjusted		
Total No. Residential Approvals:	-2.5	-0.3
Private Sector Houses	-1.8	0.9
Other Residential Buildings	-3.9	-5.3
Annual % change		
Trend		
Total No. Residential Approvals:	-13.2	-17.2
Private Sector Houses	-14.3	-14.4
Other Residential Buildings	-11.0	-23.8
Seasonally Adjusted		
Total No. Residential Approvals:	-18.2	-12.8
Private Sector Houses	-15.7	-13.5
Other Residential Buildings	-23.2	-13.4

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

States/Australia	monthly % change	annual % change
Queensland	-0.4	-13.2
New South Wales	-4.5	-28.7
Victoria	-0.4	-15.7
South Australia	-3.5	-21.3
Western Australia	-2.1	-3.9
Tasmania	2.2	-1.3
Australia	-2.1	-17.2

Implications

Monthly dwelling approvals in Queensland have declined gradually over the past year. Despite this building activity in Queensland remains very strong by historical standards. There remains a large volume of residential building work still in the pipeline, which is maintaining construction activity at a high level.

Dwelling investment continues to be supported by strong population and employment growth in Queensland and low borrowing costs. Continuing growth in renovation activity should also help to sustain dwelling investment over the medium term.

Chart 1: Dwelling Approvals (trend)

