



Summary

Monthly % Change (Trend):

Queensland ↓ 2.6%
Australia ↑ 0.6%

Analysis

- The total number of dwelling approvals (trend) in Queensland decreased by 2.6% in February 2005. The number of approvals in trend terms has been generally falling for almost a year and a half, to be 15.4% lower over the year to February. The fall has been driven solely by a decline in private sector house approvals, which have been falling over the past 15 months, to be 21.4% lower over the year to February. Approvals of other residential buildings (apartments, townhouses, etc.) fell by 3.2% in February, following similar falls over the previous six months, but remain at the same level as they were in February 2004.
- Queensland dwelling approvals remain at fairly high levels historically (see Chart 1), but the pace of decline has increased slightly in recent months. In the four months to February 2005, total dwelling approvals fell by an average of 2.5% in each month, compared with an average fall of 0.9% in the previous four month period to October 2004.
- Building approvals (trend) for Australia as a whole increased by 0.6% in February 2005. The rise was driven largely by a strong increase in building approvals in New South Wales (up 5.3%) and Western Australia (up 2.2%). Building approvals in all other states fell in February. In seasonally adjusted terms, building approvals in Australia fell by 0.5% in February, weaker than market expectations of a rise of around 1.0%.

Chart 1: Queensland Dwelling Approvals (trend)

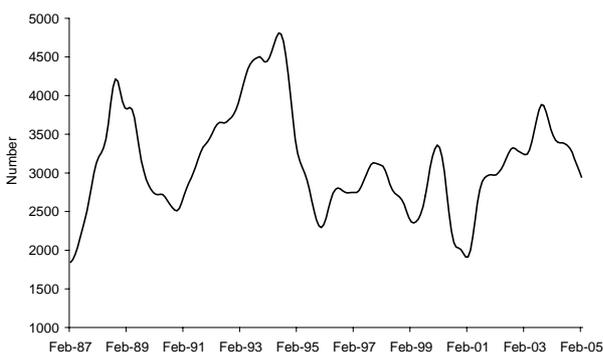


Table 1: Dwelling Approvals, February 2005

	Monthly % change	
	Qld	Aust
Trend		
Total No. Residential Approvals:	-2.6	0.6
Private Sector Houses	-2.2	-0.1
Other Residential Buildings	-3.2	2.6
Seasonally Adjusted		
Total No. Residential Approvals:	-8.0	-0.5
Private Sector Houses	-3.6	-3.4
Other Residential Buildings	-17.6	5.2
	Annual % change	
Trend		
Total No. Residential Approvals:	-15.4	-12.6
Private Sector Houses	-21.4	-12.0
Other Residential Buildings	0.0	-13.6
Seasonally Adjusted		
Total No. Residential Approvals:	-12.3	-10.1
Private Sector Houses	-18.0	-10.6
Other Residential Buildings	6.8	-8.9

Table 2: Dwelling Approvals (trend), States, February 2005

States/Australia	monthly % change	annual % change
Queensland	-2.6	-15.4
New South Wales	5.3	-15.1
Victoria	-1.8	-16.8
South Australia	-0.2	-9.4
Western Australia	2.2	2.4
Tasmania	-1.7	-11.5
Australia	0.6	-12.6

Implications

- Monthly dwelling approvals in Queensland have been generally falling for almost a year and a half. Although the level of building approvals remains quite high, the pace of monthly declines has increased slightly. With official interest rates having been increased in March, dwelling approvals are likely to continue to fall over coming months.
- However, there remains a large volume of residential building work still in the pipeline, which is maintaining construction activity at a high level. Furthermore, continued strong population growth in Queensland should provide underlying support for housing construction over the medium term.