



Queensland  
Government

QUEENSLAND TREASURY

ECONOMIC POLICY BRANCH

**BUILDING APPROVALS: MARCH 2005**

ABS 8731.0

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**Summary**

**Monthly % Change (Trend):**

Queensland                   ↓       3.9%  
Australia                     ↑       0.1%

**Analysis**

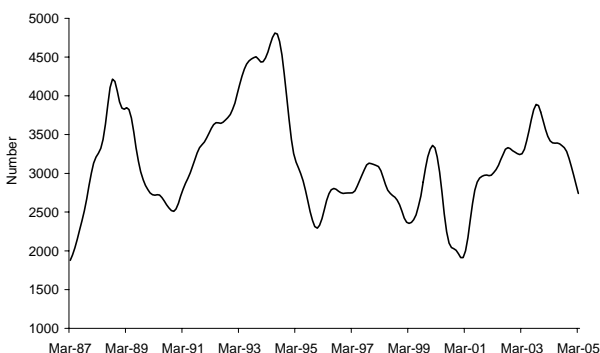
The total number of dwelling approvals (trend) in Queensland decreased by 3.9% in March 2005 (see Table 1). The number of approvals in trend terms has been generally falling for a year and a half, to be 19.8% lower over the year to March. In seasonally adjusted terms, dwelling approvals fell sharply for the third consecutive month, which has steepened the fall in the trend series in recent months (see Chart 1).

The decline in the total trend number of dwelling approvals is being driven by a fall in both private sector house approvals and approvals of other residential buildings (flats, units, apartments, townhouses, etc). Private sector house approvals are currently 21.4% below their level of a year earlier, while approvals of other residential buildings declined by 15.5% over the year to March 2005.

Building approvals (trend) for Australia as a whole increased by 0.1% in March 2005. The rise was a result of solid increases in building approvals in Western Australia (up 2.6%), New South Wales (up 1.9%) and South Australia (up 1.4%), offsetting declines in Queensland and Tasmania (see Table 2).

In seasonally adjusted terms, building approvals in Australia fell by 6.8% in March 2005, weaker than market expectations of no change from February 2005. The fall was largely the result of a 29.1% fall in seasonally adjusted terms in New South Wales.

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



**Table 1: Dwelling Approvals, March 2005**

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-3.9	0.1
Private Sector Houses	-2.3	0.0
Other Residential Buildings	-6.9	0.5
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-6.5	-6.8
Private Sector Houses	-4.7	0.3
Other Residential Buildings	-9.9	-20.7
	Annual % change	
<b>Trend</b>		
Total No. Residential Approvals:	-19.8	-13.5
Private Sector Houses	-21.4	-10.8
Other Residential Buildings	-15.5	-18.5
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-41.1	-19.1
Private Sector Houses	-23.6	-11.5
Other Residential Buildings	-61.6	-33.1

**Table 2: Dwelling Approvals (trend), States, March 2005**

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-3.9</b>	<b>-19.8</b>
New South Wales	1.9	-19.2
Victoria	0.3	-14.0
South Australia	1.4	-0.9
Western Australia	2.6	6.9
Tasmania	-3.2	-21.7
<b>Australia</b>	<b>0.1</b>	<b>-13.5</b>

**Implications**

Queensland dwelling approvals have been generally falling for a year and a half, with the pace of decline picking up in recent months. However, a large volume of residential building work in the pipeline is maintaining construction at a high level. As a result, the *Queensland State Accounts* indicate that the volume of dwelling investment in Queensland rose by 7.0% over the year to December quarter 2004.

Strong levels of renovation activity should also provide support to total residential construction. Furthermore, continued strong population growth in Queensland should provide underlying support for housing construction over the medium term.