



**Summary**

**Monthly % Change (Trend):**

Queensland                      ↓            1.3%  
Australia                         ↓            1.8%

**Analysis**

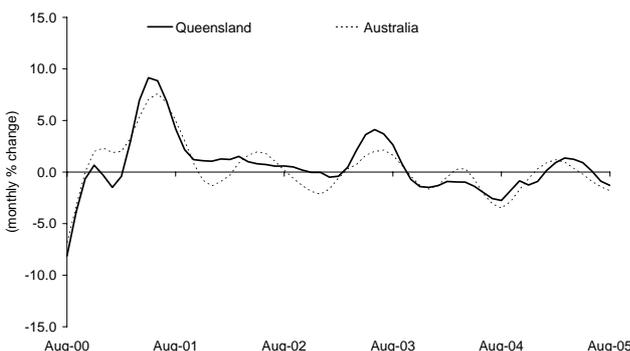
The total number of dwelling approvals (trend) in Queensland fell in August 2005. Total approvals declined by 1.3% in August, following a 0.9% fall in July. Total building approvals in Queensland rose each month between January and June 2005, after declining in each of the previous 15 months.

The decline in August was driven entirely by a decline in other dwelling approvals (apartments, townhouses, etc.), which fell by 6.1%. Private sector house approvals continued to rise in trend terms in August (up 1.1%) and have risen each month since March 2005.

The August building approvals data indicates a pause in steady upward trend in total approvals in Queensland through much of 2005. Other dwelling approvals represent around one third of total approvals, and the monthly volatility of other dwelling approvals remains high. As such, short-term trends in approvals of other dwellings have a strong influence on the short-term path of total approvals. In August 2005, the number of other dwelling approvals was 7.5% lower than a year earlier while private house approvals were around the same level as a year ago.

Nationally, total dwelling approvals declined by 1.8% in August, with approvals falling in all states except South Australia.

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



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

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-1.3	-1.8
Private Sector Houses	1.1	0.3
Other Residential Buildings	-6.1	-6.7
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-14.6	-8.0
Private Sector Houses	-1.9	-3.5
Other Residential Buildings	-35.6	-17.8
	Annual % change	
<b>Trend</b>		
Total No. Residential Approvals:	-2.3	-5.8
Private Sector Houses	0.1	1.5
Other Residential Buildings	-7.5	-19.9
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-11.0	-11.7
Private Sector Houses	-4.3	-4.6
Other Residential Buildings	-24.3	-26.1

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

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-1.3</b>	<b>-2.3</b>
New South Wales	-2.8	-21.2
Victoria	-3.3	-0.7
South Australia	0.5	-0.9
Western Australia	-0.7	2.8
Tasmania	-1.4	-7.0
<b>Australia</b>	<b>-1.8</b>	<b>-5.8</b>

**Implications**

Despite residential housing construction reaching very high levels over the past four years, monthly dwelling approvals remain at strong levels, with no signs of any major correction. The upward trend in approvals through 2005 paused in July and August. However, this pause may simply be the product of short-term volatility. Finance approvals data suggest that dwelling approvals may continue to rise over the coming months. The number of finance approvals for the construction of new dwellings rose 11.1% in the three months to July 2005, to be 4.6% higher over the year.