



**Summary**

**Monthly % Change (Trend):**

Queensland                      ↓ ↓      2.4%  
Australia                         ↓ ↓      2.3%

**Analysis**

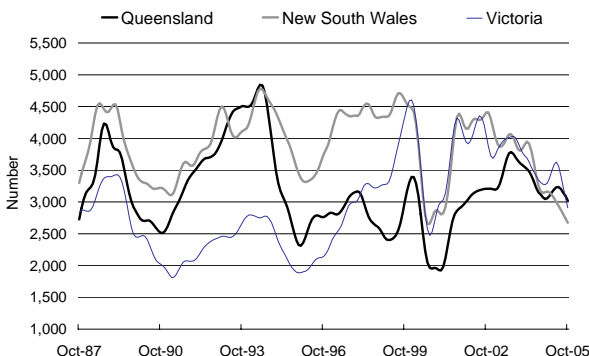
The recent decline in dwelling approvals continued in both Queensland and nationally in October 2005. The total number of dwelling approvals (trend) in the State fell 2.4% in October, representing the fourth consecutive monthly fall. Total building approvals in Queensland rose each month between January and June 2005, after declining in each of the previous 15 months.

Falls in both private house approvals (down 1.5% in October), which fell for the fourth consecutive month, and private other dwelling approvals, which fell for the sixth consecutive month (down 6.0%), drove total approvals lower in the State. This current slowdown is not restricted to Queensland, with Victoria (down 5.1%), New South Wales (down 2.4%) and Tasmania (down 1.9%) all recording falls in (at least) each of the last five months.

Over the year to October 2005, total dwelling approvals in Queensland fell by 3.1% (private house approvals down 4.3%, private other residential approvals down 9.2%).

Nationally, dwelling approvals declined 2.3% in October, to be 6.5% lower compared with a year earlier. New South Wales continues to be the main source of weakness in national housing activity (see Chart 1 and Table 2), where building approvals fell by 15.7% over the year to October 2005, while Victoria recorded a 12.0% fall over the same period.

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



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

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	-2.4	-2.3
Private Sector Houses	-1.5	-1.8
Private Other Residential Buildings	-6.0	-4.4
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	0.3	0.0
Private Sector Houses	3.5	-0.2
Private Other Residential Buildings	2.5	-1.5
<b>Annual % change</b>		
<b>Trend</b>		
Total No. Residential Approvals:	-3.1	-6.5
Private Sector Houses	-4.3	-2.4
Private Other Residential Buildings	-9.2	-18.3
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-3.3	-6.3
Private Sector Houses	-5.9	-4.9
Private Other Residential Buildings	18.5	-10.8

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

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>-2.4</b>	<b>-3.1</b>
New South Wales	-2.4	-15.7
Victoria	-5.1	-12.0
South Australia	1.0	6.2
Western Australia	1.3	5.8
Tasmania	-1.9	-12.2
<b>Australia</b>	<b>-2.3</b>	<b>-6.5</b>

**Implications**

According to the latest trend data, the recovery in dwelling approvals growth recorded over the first half of 2005 appears to have subsided. Both private sector house approvals and private other residential building approvals are lower compared with levels a year ago. However, the recent downturn in building approvals in Queensland is relatively modest when compared with the other major States as well as previous housing cycles in Queensland.

Continued strong population growth, low interest rates and robust labour market conditions will continue to support housing construction activity in the medium term. Also, a substantial amount of residential construction work yet to be done is likely to alleviate the impact of the current moderation in building approvals in coming months.