



Summary

Monthly % Change (Trend):

Queensland ↓ 0.3%
Australia ↓ 0.1%

- Total dwelling approvals in Queensland fell marginally (down 0.3%) in December 2005.
After trending downwards over the previous year, dwelling approvals both in Queensland and nationally remained relatively steady in 2005 (down 3.9% and 4.3% respectively over the year).
In seasonally adjusted terms, national dwelling approvals fell 3.5% in December, weaker than the market expectation of an unchanged outcome for the month.

Analysis

A decline in the trend number of private house approvals (down 0.7% in December), which fell for the sixth consecutive month, drove total approvals lower in the State. However, the decline in private house approvals was partially offset by a turnaround in the more volatile private other residential approvals (such as units and townhouses), which rose 1.9% in December 2005, following seven consecutive monthly falls.

Total Queensland dwelling approvals fell by a modest 3.9% over the year to December 2005 (Chart 1). Private sector house approvals (down 1.0%) have largely stabilised after declining sharply over 2004, whereas private other residential approvals (down 13.5%) have continued to fall.

Nationally, dwelling approvals declined marginally (down 0.1%) in December, to be 4.3% lower compared with a year earlier. This annual fall has been largely influenced by annual declines in New South Wales (down 13.0%) and Victoria (down 11.0%).

Looking forward, housing construction in Queensland should be supported through a combination of solid population growth, falling residential rental vacancy rates and a large volume of construction work yet to be completed.

Further, recent ABS housing finance data show the number of finance approvals for the construction of new dwellings in Queensland over the three months

to November was 2.9% higher when compared with a year earlier. This also suggests the number of dwelling approvals should remain relatively stable, rather than moderate further, over the medium term.

Table 1: Dwelling Approvals, December 2005

Table with 3 columns: Category, Monthly % change (Qld, Aust), and Annual % change (Trend, Seasonally Adjusted).

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

Table with 3 columns: States/Australia, monthly % change, annual % change.

Chart 1: Dwelling Approvals (annual % change, trend)

