



Summary

Monthly % Change (Trend):

Queensland ↓ 3.2%
Australia ↓ 0.4%

- Total dwelling approvals in Queensland fell 3.2% in January 2006, to be 11.4% lower over the year.
- In seasonally adjusted terms, national dwelling approvals fell 1.9% in January, well below the market expectation of a slight (0.3%) rise for the month.

Analysis

A decline in approvals for both private houses and other residential buildings drove total approvals lower in the State in January 2006. The trend number of private house approvals fell 1.8% in January, the sixth consecutive monthly decline. The fall in private house approvals was compounded by a sustained decline in private other residential approvals (units, townhouses, etc.), which fell 4.9% in January, the ninth consecutive monthly decline.

Total Queensland dwelling approvals fell by 11.4% (in trend terms) over the year to January 2006 (Chart 1). Private sector house approvals (down 3.3%) have largely stabilised after declining sharply over the past 18 months, whereas private other residential approvals (down 27.9%) have continued to fall. In comparison, total dwelling approvals have declined further over the year in New South Wales (down 15.8%) and by a similar rate in Victoria (down 11.3%).

Nationally, dwelling approvals declined marginally (down 0.4%) in January, to be 6.0% lower compared with a year earlier.

Looking ahead, housing construction in Queensland should be supported through a combination of solid population growth and a large volume of construction work yet to be completed. Despite building approvals moderating from the high levels of 2003-04, the total value of residential building work yet to be done has remained above \$3 billion since June quarter 2004.

Further, recent ABS housing finance data show the number of finance approvals for the construction of new dwellings in Queensland in December quarter 2005 was 1.6% higher annually, suggesting the number of dwelling approvals should remain relatively stable over the near term.

Table 1: Dwelling Approvals, January 2006

	Monthly % change	
	Qld	Aust
Trend		
Total No. Residential Approvals:	-3.2	-0.4
Private Sector Houses	-1.8	-1.0
Private Other Residential Buildings	-4.9	1.0
Seasonally Adjusted		
Total No. Residential Approvals:	-7.7	-1.9
Private Sector Houses	-5.2	-0.9
Private Other Residential Buildings	-17.3	-11.5
	Annual % change	
Trend		
Total No. Residential Approvals:	-11.4	-6.0
Private Sector Houses	-3.3	-4.2
Private Other Residential Buildings	-27.9	-11.2
Seasonally Adjusted		
Total No. Residential Approvals:	-21.7	-12.5
Private Sector Houses	-7.2	-7.7
Private Other Residential Buildings	-46.7	-24.5

Table 2: Dwelling Approvals (trend), States, January 2006

States/Australia	monthly % change	annual % change
Queensland	-3.2	-11.4
New South Wales	-1.3	-15.8
Victoria	-0.1	-11.3
South Australia	-0.6	5.6
Western Australia	3.6	18.7
Tasmania	-1.0	-17.2
Australia	-0.4	-6.0

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

