



## Summary

### Monthly % Change (Trend):

Queensland:  $\updownarrow$  0.9%  
Australia: 0.4%

- Total dwelling approvals in Queensland rose slightly (up 0.9%) in March 2006, but remained 6.6% lower over the year.
- In seasonally adjusted terms, national dwelling approvals rose 2.2% in March. This result was stronger than the market expectation of a 1.0% rise for the month.

## Analysis

A rise in approvals (trend) for private houses and a marginal increase in approvals for other residential buildings (units, townhouses etc.) resulted in a 0.9% increase in overall approvals in March 2006.

Growth in the trend number of private house approvals strengthened to 1.6% in March, the fourth consecutive monthly rise. Following a period of substantial decline in the second half of 2005, the number of private other residential approvals increased marginally (up 0.2%) in March 2006, following revised growth of 0.3% in the previous month.

Over the year to March 2006, total approvals in the State declined 6.6% in trend terms. Growth in private sector house approvals over the year (up 4.9%) was more than offset by a substantial 26.1% decline in private other residential approvals.

The trend outcome in Queensland in March was strongly influenced by a significant rebound in seasonally adjusted (sa) data in February. Despite total (sa) approvals declining slightly (down 1.4%) in March, the 28.4% sa rise in total approvals in the previous month underpinned trend growth in March.

Nationally, the trend number of dwelling approvals was slightly lower (down 0.4%) in March, to be 8.0% lower over the year.

Looking ahead, the total value of residential work yet to be done reached another all-time high of more than \$3.3 billion in December quarter 2005, while the number of finance approvals for the construction of new dwellings in Queensland in the three months to February 2006 was 2.0% higher than a year earlier.

When combined with the strongest annual population growth in Australia and a stabilisation in trend building approvals, these data suggest dwelling construction activity in the State should remain robust over the near term. However, an obvious risk to this outlook is the impact of the recent rise in official interest rates.

**Table 1: Dwelling Approvals, March 2006**

	Monthly % change	
	Qld	Aust
<b>Trend</b>		
Total No. Residential Approvals:	0.9	-0.4
Private Sector Houses	1.6	0.3
Private Other Residential Buildings	0.2	-1.3
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	-1.4	2.2
Private Sector Houses	-6.4	-2.5
Private Other Residential Buildings	8.8	13.8
<b>Annual % change</b>		
<b>Trend</b>		
Total No. Residential Approvals:	-6.6	-8.0
Private Sector Houses	4.9	-2.0
Private Other Residential Buildings	-26.1	-20.1
<b>Seasonally Adjusted</b>		
Total No. Residential Approvals:	22.3	-1.7
Private Sector Houses	10.5	-1.6
Private Other Residential Buildings	54.8	-0.1

**Table 2: Dwelling Approvals (trend), States, March 2006**

States/Australia	monthly % change	annual % change
<b>Queensland</b>	<b>0.9</b>	<b>-6.6</b>
New South Wales	-3.8	-24.6
Victoria	1.1	-8.1
South Australia	-0.8	-4.0
Western Australia	-1.5	6.3
Tasmania	4.9	2.2
<b>Australia</b>	<b>-0.4</b>	<b>-8.0</b>

**Chart 1: Queensland dwelling approvals (number, trend)**

