

## FLAT UPDATE ON BUILDING APPROVALS

Building approvals were flat in October. This update provides further evidence of a moderate decline in residential building activity continuing throughout next year.

According to the Australian Bureau of Statistics, building approvals held at their September level in October, but were down by 6.3 per cent on a year earlier. Detached house approvals increased by 0.6 per cent to be down by 3.9 per cent on a year earlier. Multi-unit approvals eased by 1.5 per cent and were down a sharper 11.5 per cent on last years October level.

Australia's peak building industry body, HIA, said that the profile for building approvals across the country was generally pointing to a softer but not sharply lower level of building activity in 2006.

HIA's Senior Economist, Harley Dale, said provided interest rates remained steady there was no reason for this outlook to change.

"For the six months to October this year, approvals in Sydney are down over 30 per cent on a year earlier, and that is a very weak situation," Mr Dale said.

"Elsewhere, however, approvals are generally at levels only moderately lower than a year before. Western Australia and Regional Queensland are the exceptions in this regard as they reap the benefit of strong resources demand," he added.

For October, dwelling approvals increased in Western Australia, up 21.1 per cent, South Australia, up 7 per cent, the Northern Territory, up 0.9 per cent, and Queensland, up 0.3 per cent. Approvals were down by 11.5 per cent in Tasmania, 11 per cent in the Australian Capital Territory, 6.4 per cent in New South Wales, and 5.4 per cent in Victoria.

### FURTHER INFORMATION

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