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STEADY CPI PROVIDES FOR STABLE INTEREST RATES

The September 2013 quarter Consumer Price Index (CPI) figures show that the Reserve Bank of Australia's (RBA) consumer price measures of inflation continue to be stable and are well within their target zone.

Real Estate Institute of Australia (REIA) President, Mr Peter Bushby, says the Reserve Bank should maintain the current level of interest rates.

"In the September quarter, the consumer price index rose by 1.2% and annual inflation rate is now 2.2%. These figures are well within the RBA's target zone of 2-3%," Mr Bushby said.

The analytical series of trimmed mean and weighted median increased by 0.7% and 0.6% respectively for the September quarter 2013, compared to increases of 0.6% for both in the June 2013 quarter.

"The annual changes for the trimmed mean and for the weighted median were 2.3% for both and compare to the changes for the twelve months to the June quarter 2013 of 2.3% and 2.5% respectively," Mr Bushby said.

The housing group increased by 2.0% for the September quarter compared to 0.6% in the June 2013 quarter - the annual rate of increase of 4.0% is down from 5.3% for the year to June.

The main increases in the September quarter for the housing group were water and sewerage and property rates which increased by 9.9% and 7.9% respectively. For the year to September 2013, the largest increase in the housing group was for electricity (6.1%). Rents increased by 3.2% for the year.

"With inflation well under control and a subdued economy, it's appropriate that the RBA Board maintains interest rates at their present level when it meets on Melbourne Cup Day," Mr Bushby concluded.

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