

**Media Release
For Immediate Release**
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CPI figures suggest interest rates to remain steady: REIA

The March 2018 quarter CPI figures released today by the ABS continue to be good news for home buyers and renters with historically low interest rates set to continue, according to the Real Estate Institute of Australia (REIA).

“The All Groups CPI, increased by 0.4 per cent in the March quarter giving an annual increase of 1.9 per cent. The quarterly increase is below the preceding quarter’s increase of 0.6 per cent and the annual increase is the same as the December quarter of 2017,” REIA President Malcolm Gunning said.

“The annual changes for the analytical series of trimmed mean and for the weighted median were 1.9 per cent. The annual changes in the two analytical series have been below the RBA’s target zone of 2-3 per cent for the past nine quarters and suggest the continuation of historically low interest rates for some time yet.

“The Housing Group increased by 0.7 per cent for the quarter and 3.3 per cent for the year to March 2018. The major increases in the Housing Group for the year were electricity (up 11.7 per cent) and gas and other household fuels (up 10.0 per cent).”

Mr Gunning said rents increased by just 0.2 per cent for the December quarter and 0.8 per cent for the year.

“From 2013, when investment in housing started to pick up, we have seen the rate of increase in rents slow down in Australia. For the last nine quarters the average annual change has been less than 1.0 per cent,” Mr Gunning said.

“The latest CPI figures show that the increased investment in housing has kept growth in rents lower than they have been historically and is clear testament that the current taxation arrangements benefit renters and that any change would see an increase in rents.

“With the RBA meeting next week, (Tuesday 1 May, 2018) the latest inflation data together with a cooling in the housing market eliminating that source of concern, would suggest that home buyers can be comfortable in the knowledge that interest rates will remain stable for 2018”, concluded Mr Gunning.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.

For further information or to speak with REIA President Malcolm Gunning please contact Helen Hull via media@reia.com.au or 0419 642 961.