

**Media Release
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CPI good news for renters: REIA

The June 2018 quarter CPI figures released by the Australian Bureau of Statistics (ABS) today continue to offer good news for renters, according to according to the Real Estate Institute of Australia (REIA).

“The All Groups CPI, increased by 0.4 per cent in the June quarter – the same as for the previous quarter - giving an annual increase of 1.9 per cent,” REIA President Malcolm Gunning said. “The quarterly increase is below the increase of 0.6 per cent in the two preceding quarters.

“The annual changes for the analytical series of trimmed mean and for the weighted median were both 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 ten quarters and suggest the continuation of historically low interest rates for some time yet.

“The Housing Group increased by 0.2 per cent for the quarter and 3.1 per cent for the year to June 2018. The major increases in the Housing Group for the year were electricity (up 10.4 per cent) and gas and other household fuels (up 7.1 per cent).”

“Rents remained unchanged for the quarter and increased by just 0.6 per cent for the year. For the last ten quarters the average annual change has been less than 1.0 per cent.

“The CPI is good news for renters with the latest figures showing that the increase in rental stock through increased investment in housing has kept growth in rents lower than they have been historically.

“For home buyers the latest inflation data together with a cooling in the housing market would suggest that the RBA will hold official interest rates stable for 2018.

“Whilst official interest rates are likely to remain stable we are seeing pressure mounting on banks to increase mortgage rates which together with the extremely cautious approach being currently taken by lenders means higher borrowing costs and runs the risk of hampering economic growth,” Mr Gunning concluded.

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.