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CPI continues to be good news for home buyers and renters

The December 2018 quarter CPI figure continues to be good news for home buyers and renters, according to the Real Estate Institute of Australia (REIA).

"The All Groups CPI, increased by 0.5 per cent in the December quarter giving an annual increase of 1.8 per cent," REIA President Adrian Kelly said.

"The annual changes for the analytical series of trimmed mean and for the weighted median were 1.8 per cent and 1.7 per cent respectively. The annual changes in the trimmed mean has been below 2 per cent since March 2016 and suggests the continuation of historically low official interest rates for some time yet.

"The Housing Group increased by 0.2 per cent for the quarter and 1.5 per cent for the year to December 2018. The major increases in the Housing Group for the year were and gas and other household fuels (up 3.2 per cent) and maintenance and repairs (up 2.4 per cent).

"Rents increased by 0.2 per cent for the quarter and increased by just 0.5 per cent for the year. The average annual change has been less than 1.0 per cent since March 2016.

"The CPI figures show that the increased investment in housing has kept growth in rents at the lowest rate since 1995 and, as we enter an election year, is clear testament that the current taxation arrangements benefit renters and that any change in the treatment of negative gearing and capital gains tax would see an increase in rents.

"With the RBA meeting next week home buyers can be comfortable in the knowledge that the latest inflation data together with a cooling in the housing market would suggest that the RBA will hold official interest rates stable for some time yet," Mr Kelly 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 Adrian Kelly please contact Helen Hull via media@reia.com.au or 0419 642 961.