

Media Release



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RBA RATES RISE WILL SEE HOUSING AFFORDABILITY AT ITS WORSE

The Real Estate Institute of Australia (REIA) President, Hayden Groves said the latest interest rate hike of 0.25 per cent demonstrates the RBA's complete disregard for both owner-occupiers and suppliers of rental homes across Australia.

Mr Groves said that there has been various data sets suggesting that the economy is slowing and inflation is easing adding, "the latest interest rate rise could push the economy into recession; and not one 'we had to have'."

"The interest rate rises have already added a great burden with a \$600,000 mortgage collectively now up by a staggering \$1100 per month," he said.

Mr Groves said that lending for housing for both owner occupiers and investors is now nearly 30% lower than a year ago.

"The January monthly inflation eased by 1 percentage point to 7.4% for the year and GDP growth is slowing down.

"Wage growth has also been modest dispelling fears of a wage price spiral," he said.

Mr Groves said the latest REIA Housing Affordability Report found housing affordability declined across the nation over the December quarter 2022, with the proportion of income required to meet the average loan repayment increasing to 44.7%, an increase of 2.4 percentage points.

"Affordability is set to worsen with the RBA announcing the Board expects further tightening of monetary policy," he said.

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