

Media Release



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EVIDENCE SUGGESTS INTEREST RATE INCREASES COMING TO AN END

ABS data shows that the Consumer Price Index (CPI) rose 6.8% in the twelve months to February.

"This is down on the annual figure for the year to January of 7.4% and 8.4% for the twelve months to December 2022 and points to a clear downward trajectory in the rate of increase", said REIA President, Hayden Groves.

"When ABS excludes the volatile items of fruit and vegetables and automotive fuel the annual increase is 6.9% - down on the twelve months to January figure of 7.5%.

"The analytical series seasonally adjusted figure was also down to 7.1% compared to 7.3% in January and 8.2% in December.

"The most significant contributors to the annual increase in the February monthly CPI indicator were housing (9.9%), food and non-alcoholic beverages (8.0%) and transport (5.6%) with the annual increase for the housing group lower than January's 10.4% and Decembers 10.6%.

"Rents continued to rise with an annual increase of 4.8% in February the same as January's compared to the 12 months to December of 4.1%.

"These figures follow yesterday's retail sales figures yesterday which edged up by just 0.2 per cent in nominal terms in February but in real terms is a contraction and GDP figures earlier in the month showing a slowdown in the momentum of the Australian economy.

"In addition we have the economic picture complicated by the financial stability concerns that have emerged internationally over the past month.

"With the Minutes from the March meeting suggesting the RBA bank might press the pause button rather than proceeding with an 11th rate rise at next week's meeting allowing additional time to assess the outlook for the economy, I feel that we are most likely to be nearing the end of successive months of interest rate increases," concluded Mr Groves.

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For any further information please contact Olwyn Conrau on 0413 600 350 olwyn.conrau@reia.com.au

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