

Media Release

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EASING INFLATION WELCOMED BUT NO RESPITE ON HOUSING

Real Estate Institute of Australia (REIA) President, Mr Hayden Groves said the latest ABS figures indicate inflation is continuing to moderate eliminating the need for further interest rate rises, however the housing crisis remains a top priority for governments to address.

“The monthly CPI indicator rose 4.9% in the twelve months to July, down from a rise of 5.4% in June showing inflation was pulling back and that the RBA should continue to keep a pause on further interest rate hikes.

“The ABS figures show annual trimmed mean inflation was 5.6% in July, lower than the rise of 6.0% in June and heading towards the target band of 2-3%.

Mr Groves said the housing indicators reflect the sustained pressures in the marketplace.

“New dwelling prices rose 5.9% in the twelve months to July, reflecting stubbornly high labour and material costs. However, the rate of price growth is easing due to a softening in new demand and improvements in the supply of materials.

“Rent prices edged up to 7.6% in the twelve months to July 2023, up from 7.3% in June, reflecting increasing demand for rental properties and tight rental markets across the nation.

“ABS’ latest CPI indicator shows inflation continues to ease off minimising the risk of further interest rate hikes,” Mr Groves concluded.

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