

Media Release

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SLAYING OF THE INFLATION DRAGON

The latest ABS data shows that the Consumer Price Index rose 4.3% in the 12 months to November 2023, down from 4.9% per cent in October.

Real Estate Institute of Australia (REIA) President, Leanne Pilkington said the November figure continues the downward trend in inflation - 5.4% in the September quarter, 6% in June quarter and well down on peak of 8.4% in December 2022. “The thirteen rate hikes by the RBA since May 2022 are slowly but surely slaying the inflation dragon.”

Ms Pilkington said the current trajectory is consistent with the recently released UN report World Economic Situation and Prospects which is forecasting Australia's inflation to ease to 3.3 % in 2024 and is consistent with Treasury forecasts of 3.75% for the financial year.

“The annual movement for the monthly CPI excluding the volatile items of fruit and vegetables, automotive fuel and holiday travel and accommodation, rose 4.8% cent in November, down from 5.1% in October and the analytical series annual trimmed mean inflation was 4.6% in November, down from the 5.3% increase in October.

“The most significant contributors to the annual increase in the November monthly CPI indicator were housing (up 6.6%), food and non-alcoholic beverages (up 4.6%) and alcohol and tobacco (up 6.4%).

“Whilst rents increased 7.1% in the 12 months to November 2023, up from 6.6% in October the assistance provided under the Commonwealth Rent Assistance that took effect from 20 September 2023, and something that the REIA has been advocating for, moderated the increase. If the assistance were not available, rents would have risen 8.8% over the 12 months to November.

“The lagged response to the successive interest rate hikes are showing up in the CPI and the financial markets are anticipating that if this continues home buyers can anticipate a rate reduction,” concluded Ms Pilkington.

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians.

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