100 YEARS OF SERVING THE REAL ESTATE INDUSTRY

Media Release

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OPTIMISIM FOR BORROWERS IN CPI

ABS data shows that the Consumer Price Index (CPI) rose 0.2% in the September 2024 quarter and 2.8 per cent over the twelve months, significantly down from 3.8 per cent in the June quarter and the lowest since March 2021. "The annual figure is the lowest since March 2021 and well below market expectations. It is now within the RBA's target band of 2–3 per cent," said Real Estate Institute of Australia (REIA) President, Ms Leanne Pilkington.

"The important analytical series of trimmed mean, which excludes large price rises and falls, fell to 3.5 per cent, down from 4.0 per cent in the June quarter. This is the seventh quarter in a row of lower annual trimmed mean inflation, down from the peak of 6.8 per cent in the December 2022 quarter. Similarly, the weighted median rose 0.9 per cent in the September 2024 quarter and over the past 12 months, the weighted median rose 3.8 per cent.

"With all three broad measures of inflation at the lowest they have been since 2021 and the headline rate within the RBA's target band and the global direction of inflation and interest rates, borrowers can reasonably expect that the RBA's next move will be down and not up as feared.

"The most significant quarterly price rises were recreation and culture, up 1.3 per cent, food and non-alcoholic beverages, up 0.6 per cent, and alcohol and tobacco, up 1.3 per cent. Rents rose 1.6 per cent for the quarter and 6.7 per cent annually, down from the annual increase of 7.3 per cent in the June quarter.

"This week ABS will also release data on September retail trade and household spending. This will provide further pointers on consumer behaviour before next week's RBA Board meeting and assessed with RBA's twin objectives of not only taming inflation but also achieving full employment.

"Whilst the September unemployment rate remained unchanged due to increased employment it needs to be remembered that about 70 percent of new jobs in the past year have been in non-market or public jobs and don't reflect market conditions and underlying economic demand."

"Against this background and a consistent downward trend in inflation trend of borrowers may anticipate that a rate cut cannot be far away," concluded Ms Pilkington.

For any further information please contact

Olwyn Conrau, REIA Media Consultant

0413 600 350