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MEDIA RELEASE

## Low Interest Rates Good News for Renters

“The continued environment of remarkably low interest rates is very beneficial for renters,” commented Shane Garrett, Senior Economist for the HIA.

Following today’s meeting, the RBA Board left its official cash rate at 1.50 per cent where it has stood since August 2016.

“Last week’s inflation figures from the ABS showed that the pace of rental growth reached a 24-year low during 2017,” added Mr Garrett.

“This is partly due to the large volume of newly-built dwellings that have arrived on the rental market over recent years.

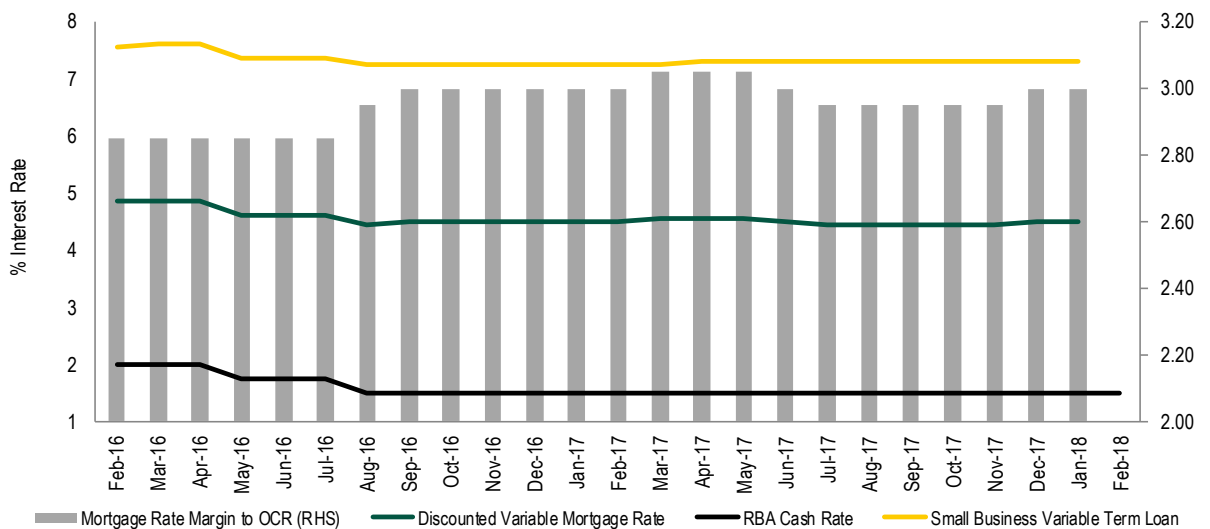
“Mortgage interest costs also have a big impact on rents. The fact that interest rates have been so low and so stable over the past two years has taken the pressure off rents.

“During 2017, rents increased by just 0.6 per cent – the slowest pace of growth in any year since 1993.

“Owner occupiers have reaped the rewards of declining interest rates over the past six years. Last week’s figures show that those relying on the rental market for their housing needs are also benefitting,” concluded Shane Garrett.

Interest Rates, Australia

Source: HIA Economics, RBA



For further information please contact:

Shane Garrett, Senior Economist  
Tim Reardon, Principal Economist

0450 783 603  
0423 141 031

