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**UDIA RESPONDS TO CAUTIOUS APPROACH TAKEN ON INTEREST RATES BY RBA**

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The Urban Development Institute of Australia (UDIA) responded to today’s announcement by the RBA of its plan to leave the cash rate at 0.1%.

UDIA notes the RBA appears to have moved away from the position that rates will be on hold until 2024, with a focus now on monitoring inflation and wage rises. While current, historically low interest rates cannot continue indefinitely, rate rises don’t necessarily have to hurt consumers.

The impact of future rises can be cushioned if Governments at all levels work together to bolster the ever-declining supply of housing.

The opportunity to harness the double-dividend of boosting jobs and combatting the potential increase in cost to business and homeowners, will ensure the negative impact of rate rises is minimised.

UDIA also recognises the challenging job ahead for the government to get this right because if interest rates are increased, it is usually a sign of a growing economy.

Nationwide Government initiatives aimed at boosting the supply of housing and removing capital sapping inefficiencies will help rebalance the supply and demand of housing while providing much needed growth to help Australians better weather the inevitable change.

**About Urban Development Institute of Australia (UDIA)**

UDIA is the peak body representing the property development industry throughout Australia.

As the development industry’s most broadly representative industry association, The Urban Development Institute of Australia (UDIA) has more than 2,500 member companies spanning top tier global enterprises and consultants, to local governments and small-scale developers.

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