

MEDIA RELEASE

Inflation 2.0 kicks in as housing costs continue to bite in Canberra

FOR IMMEDIATE RELEASE

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Canberra's inflation pressures remain elevated, with annual inflation sitting at 3.3 per cent in December 2025, continuing to place pressure on households and businesses across the ACT.

Master Builders ACT Chief Executive Officer Anna Neelagama said the latest Australian Bureau of Statistics data shows a second wave of inflationary pressure is emerging.

'Inflation pressures are not over. What we are seeing now is inflation 2.0, driven by labour shortages and ongoing housing supply and demand constraints.'

While rent growth in Canberra increased by a comparatively modest 1.1 per cent over the year to December, Ms Neelagama said the underlying challenge remains unchanged.

'The underlying issue remains unchanged: not enough new homes are being built to meet population growth, particularly for renters.'

'This ongoing imbalance continues to push up the cost of building and living, even where headline price growth appears lower than other capital cities.'

The cost of purchasing a new dwelling in Canberra also increased over the year, rising by 1.0 per cent, adding further pressure to affordability in an already constrained market.

Ms Anna Neelagama said the data reinforces the need for governments to focus on the fundamentals.



'Builders know better than anyone that housing affordability cannot improve without supply. Planning delays, limited land, workforce shortages and rising regulatory burden continue to restrict the delivery of new homes in the ACT.'

'With the interest rate outlook remaining far from certain, the economic message for 2026 is clear: governments must do better.'

Master Builders ACT is calling for:

- faster planning and approvals
- land availability and affordability
- real investment in skills and workforce capability
- smarter regulation in line with the rest of the nation that supports good builders rather than burdening them

'These priorities will be central to Master Builders ACT's advocacy agenda in 2026, because improving housing outcomes for Canberra means enabling builders to build', said Ms Neelagama.

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