



LAWSON

REAL ESTATE

January 2012

Dec '11 Quarter

CPI Rent Reviews

Slight Decrease in CPI

"The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group."

Aust: 3.1% Melb: 3.1%

Note: All stated figures are for the previous 12 month period.

Many commercial leases have annual rental increases in line with the CPI, typically upon the anniversary of the commencement date.

HISTORICAL CPI FIGURES

WHAT ARE THE VARIOUS GROUPS?

CPI QTR	AUST	MELB
Dec-11	3.1	3.1
Sep-11	3.5	3.6
Jun-11	3.6	3.6
Mar-11	3.3	3.5
Dec-10	2.7	3.1
Sep-10	2.8	3.1
Jun-10	3.1	3.1
Mar-10	2.9	2.8
Dec-09	2.1	1.8
Sep-09	1.3	0.6
Jun-09	1.5	1.2
Mar-09	2.5	2.1

CPI Figures are calculated using one of the following groups:

"All Groups Melbourne"
The capital city indexes measure price movements

Dec-08	3.7	3.2
Sep-08	4	4.8
Jun-08	4.5	4.4
Mar-08	4.2	4.4
Dec-07	3	3.3
Sep-07	1.9	2.1
Jun-07	2.1	2
Mar-07	2.4	2.2
Dec-06	3.3	2.9
Sep-06	3.9	3.4
Jun-06	4	3.9
Mar-06	3	2.8
Dec-05	2.8	2.8
Sep-05	3	3.1
Jun-05	2.5	2.1
Mar-05	2.4	2
Dec-04	2.6	2.3
Sep-04	2.3	1.7
Jun-04	2.5	2.1
Mar-04	2	1.8
Dec-03	2.4	2.2
Sep-03	2.6	2.9
Jun-03	2.7	2.9
Mar-03	3.4	3.6
Dec-02	3	3.1
Sep-02	3.2	3.1
Jun-02	2.8	2.9
Mar-02	2.9	2.9
Dec-01	3.1	3.1
Sep-01	2.5	2.5
Jun-01 (GST-2.6%)	6	5.9
Mar-01 (GST-2.6%)	6	6
Dec-00 (GST-2.6%)	5.8	5.9
Sep-00 (GST-2.6%)	6.1	6.3
Jun-00	3.2	3.4
Mar-00	2.8	3.1
Dec-99	1.8	2.2
Sep-99	1.7	1.9
Jun-99	1.1	1
Mar-99	1.2	1.2
Dec-98	1.6	0.8
Sep-98	1.3	0.8
Jun-98	0.7	0.3
Mar-98	-0.2	-0.4

over time in each city individually.

"All Groups Australia"
The Australian index is the weighted average of eight capital cities.

HOW TO APPLY THE CPI

Each commercial lease rent review is different and will refer to either of these two CPI groups.

The figure that is applied when reviewing the rental is the CPI figure as at the end of the quarter immediately preceding the rent review date.

Examples of review dates:

Rent review date is 1st May, use CPI figure as at end March

- Rent review date is 1st July, use CPI figure as at end June

- Rent review date is 31st December, use CPI figure as at end September

WHEN ARE CPI FIGURES PUBLISHED?

All quarterly CPI figures are published in the last week of the month following the end of the quarter.

NEED ASSISTANCE?

Should you need any assistance or advice in relation to rent reviews please contact our office.

The stated CPI figures are intended as a guide only, please refer to the following link to confirm actual published information and figures.

Dec-97	-0.2	-0.1
Sep-97	-0.3	-0.1
Jun-97	0.3	0.6
Mar-97	1.3	1.5
Dec-96	1.5	1.2
Sep-96	2.1	1.7
Jun-96	3.1	2.6
Mar-96	3.7	2.9
Dec-95	5.1	4.8
Sep-95	5.1	4.8
Jun-95	4.5	3.8
Mar-95	3.9	3.2
Dec-94	2.7	2.1

[http://www.abs.gov.au/
Ausstats/abs@.nsf/mf/6401.0](http://www.abs.gov.au/Ausstats/abs@.nsf/mf/6401.0)

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