



Inflation in a Rising Interest Rate Environment; An Empirical Analysis of Inflation Growth Rate Trends for the Housing Component of CPI, 2022

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YoY Inflation Growth Rates

Study Objective:

1. Determine the trend in the housing component of CPI.
2. Determine if the inflation growth rates in CPI All and the housing component are trending together.

Period of Analysis 2022:

Analysis Protocol

- Calculate YoY inflation growth rates by month for key components of housing/CPI
- Calculate 3-month inflation growth rates annualized for housing CPI
- Repeat the process for CPI All

Housing Components:

1. Shelter in US City Avg.
2. Owners' Equiv. Rent in US City Avg.
3. Rent of Primary Res. in US City Avg.
4. Fuels and Util. in US City Avg.
5. CPI All
6. Trend Direction

Month	Jan.	June	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Type	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY
Shelter in US City Avg.	4.38%	5.62%	6.60%	6.91%	7.09%	7.48%	7.907%	8.116%
Owners' Equivalent Rent of Residences in US City Avg.	4.09%	5.48%	6.68%	6.89%	7.13%	7.53%	7.763%	8.014%
Rent of Primary Residence in US City Avg.	3.77%	5.78%	7.21%	7.52%	7.91%	8.35%	8.564%	8.763%
Fuels and Utilites in US City Avg.	12.01%	17.62%	16.93%	14.19%	13.14%	13.45%	13.235%	11.084%
CPI	7.53%	9.00%	8.22%	7.76%	7.12%	6.42%	6.347%	5.986%

Quarterly Inflation Growth Rates Annualized

Month	Jan.	June	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Type	3 month	3 month	3 month	3 month	3 month	3 month	3 month	3 month
Shelter in US City Avg.	5.03%	6.99%	8.24%	8.89%	8.76%	8.95%	9.027%	9.529%
Owners' Equivalent Rent of Residences in US City Avg.	5.28%	7.13%	8.79%	8.75%	8.59%	8.57%	8.779%	8.969%
Rent of Primary Residence in US City Avg.	5.61%	7.80%	9.73%	10.06%	10.32%	10.00%	9.758%	9.276%
Fuels and Utilites in US City Avg.	12.65%	36.49%	7.24%	4.23%	-4.75%	-5.46%	8.924%	5.290%
CPI	7.95%	11.02%	1.96%	3.83%	3.74%	1.83%	3.466%	4.149%

Housing Growth Rate Findings

YoY and quarterly inflation growth rates continue to trend upward.

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YoY growth rate trends upward while quarterly rates peaked in Nov. 2022.

YoY and quarterly growth rate spikes upward in June 2022.

YoY and quarterly inflation growth rates both peaked in June 2022.

Both CPI All and housing components have similar trend directions, but the peak month is different. Some of the housing components are still trending upward.