Box 1 - The recent behavior of the rent CPI in Colombia - Monetary Policy Report, October 2024

Download Keep in mind
The Monetary Policy Report presents the Bank's technical staff's analysis of the economy and the inflationary situation and its medium and long-term outlook. Based on it, it makes a recommendation to the Board of Directors on the monetary policy stance. This report is published on the second business day following the Board of Directors' meetings in January, April, July, and October.

AUTHORS AND/OR EDITORS Rodriguez-Rodriguez, Nicol Valeria Cárdenas-Cárdenas, Julián Alonso
Publication Date: Tuesday, 10 of December 2024
Rent is the most important CPI component for Colombian households, representing approximately one-fourth of the household’s index expenditures. Price increases for this component exhibit signifcant inertia because they are indexed to the headline infation of the prior year. In turn, this introduces a greater persistence to infationary phenomena, slows down the convergence of infation to the target and, consequently, could result in higher costs of monetary policy actions concerning economic activity.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/monetary-policy-report/box-1-october-2024