



Economics

US Economic Notes

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Data DBrief: ATRR gives reasons for cautious optimism

- Yesterday's Q4 All Tenant Repeat Rent (ATRR) data point towards continued rental disinflation in the CPI. The 0.65% quarter-over-quarter change in Q4 is consistent with upcoming (NSA) prints for primary rents in the CPI in the 20-30bps range.
- The data also showed meaningful revisions to previous quarters' data, smoothing out some of the volatility in the Q2 and Q3 data. These revisions now see the ATRR data much more consistent with how primary rents have evolved over 2024. However, these data are subject to large revisions, so some caution is warranted.

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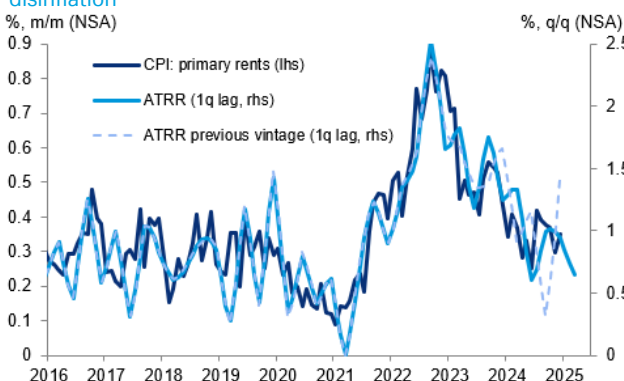
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ATRR revisions

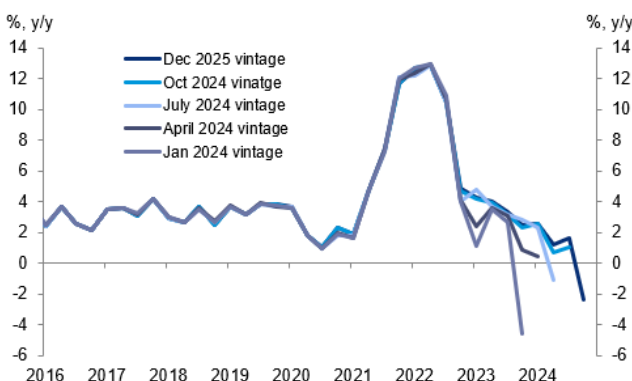
Yesterday's Q4 All Tenant Repeat Rent (ATRR) data point towards continued rental disinflation in the CPI. As the figure below shows, the 0.65% quarter-over-quarter change in Q4 is consistent with upcoming (NSA) prints for primary rents in the CPI in the 20-30bps range. The data also showed meaningful revisions to previous quarters' data, smoothing out some of the volatility in the Q2 and Q3 data. These revisions now see the ATRR data much more consistent with how primary rents have evolved over 2024.

Figure 1: New ATRR data consistent with further rental disinflation



Source: BLS, Macrobond, Deutsche Bank

Figure 2: NTRR particularly prone to revisions



Source: BLS, Macrobond, Deutsche Bank

While the Q4 Repeat Rent data is certainly good news, the size of the recent revisions does suggest some caution. Over the past five quarters, the quarterly changes in the ATRR were revised by 50bps on average (in absolute terms). Indeed, the New Tenant Repeat Rent data, which does have a longer lead on CPI rents (three quarters versus one for ATRR), is particularly prone to very large



revisions. In addition, as we previously noted (see [“December inflation recap: Fed's disinflation story holds \(for now\)”](#)), there could be some added volatility in the upcoming rent data stemming from the LA wildfires.



Appendix 1

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