We have forecast home prices for metro areas since 2009 and for counties since 2013. For the period 2008 to 2012 we might as well not have made a forecast, because prices in ALL local markets first were relentlessly lower until 2012 and then rebounded - though at different rates - once they hit the bottom.

**OUR FORECAST GOALS**

Our customers mainly want to know if future prices in a local market will strong or weak.

**A strong market has:**

- a home price increase greater than 7 percent after one year, or
- a home price increase greater than 15 percent after two years.

**A weak market has:**

- a home price increase less than 2 percent after one year, or
- a home price increase less than 5 percent after two years.

**DEFINITION OF FORECAST ACCURACY**

If we forecast prices **higher** than 7 percent after one year, but prices are not higher than 5 percent, our forecast was **wrong**.

If we forecast prices **higher** than 15 percent after two years, but prices are not higher than 10 percent, our forecast was **wrong**.

If we do not forecast prices **higher** than 7 percent after one year, but prices are higher than 10 percent, our forecast **missed** an opportunity.

If we do not forecast prices **higher** than 15 percent after two years, but prices are higher than 15 percent, our forecast **missed** an opportunity.

If we forecast prices **no higher than** 2 percent after one year, but prices are higher than 5 percent, our forecast was **wrong**.

If we forecast prices **no higher than** 5 percent after two years, but prices are higher than 10 percent, our forecast was **wrong**.
RESULTS FOR THE 100 LARGEST METRO AREAS

2-Year forecast made in 2013 Q4
We forecast 41 would be strong - 1 wrong. 2 missed opportunities.
We forecast 15 would be weak - none wrong.

1-Year forecast made in 2014 Q4
We forecast 36 would be strong - 1 wrong.
We forecast 14 would be weak - 1 wrong.

1-Year forecast made in 2013 Q3
We forecast 39 would be strong - 1 wrong. 1 missed opportunity.
We forecast 29 would be weak - 4 wrong.

1-Year forecast made in 2012 Q3
We forecast 3 would be strong - none wrong. 25 missed opportunities.
We forecast 93 would be weak - 30 wrong.

1-Year forecast made in 2011 Q3
We forecast 0 would be strong - none wrong. 1 missed opportunity.
We forecast 110 would be weak - 4 wrong.

1-Year forecast made in 2010 Q3
We forecast 2 would be strong - 2 wrong.
We forecast 107 would be weak - none wrong.
# RESULTS FOR THE 310 METRO AREAS

## 2-Year forecast made in 2013 Q4
- We forecast 85 would be **strong** - 4 wrong. 28 missed opportunities.
- We forecast 99 would be **weak** - 6 wrong.

**Accuracy:** 95%

## 1-Year forecast made in 2014 Q4
- We forecast 79 would be **strong** - 8 wrong. 3 missed opportunities.
- We forecast 95 would be **weak** - 9 wrong.

**Accuracy:** 90%

## 1-Year forecast made in 2013 Q3
- We forecast 72 would be **strong** - 2 wrong. 2 missed opportunities.
- We forecast 114 would be **weak** - 13 wrong.

**Accuracy:** 92%

## 1-Year forecast made in 2012 Q3
- We forecast 4 would be **strong** - none wrong. 42 missed opportunities.
- We forecast 239 would be **weak** - 58 wrong.

**Accuracy:** 76%

## 1-Year forecast made in 2011 Q3
- We forecast 1 would be **strong** - none wrong. 2 missed opportunities.
- We forecast 302 would be **weak** - 8 wrong.

**Accuracy:** 97%

## 1-Year forecast made in 2010 Q3
- We forecast 2 would be **strong** - 2 wrong.
- We forecast 302 would be **weak** - 1 wrong.

**Accuracy:** 99%
## RESULTS FOR THE 200 LARGEST COUNTIES

<table>
<thead>
<tr>
<th>2-Year forecast made in 2013 Q4</th>
<th>ACCURACY 97%</th>
</tr>
</thead>
<tbody>
<tr>
<td>We forecast 76 would be <strong>strong</strong> - 2 wrong. 13 missed opportunities.</td>
<td></td>
</tr>
<tr>
<td>We forecast 23 would be <strong>weak</strong> - 1 wrong.</td>
<td></td>
</tr>
</tbody>
</table>

## RESULTS FOR ALL 443 LARGEST COUNTIES

<table>
<thead>
<tr>
<th>2-Year forecast made in 2013 Q4</th>
<th>ACCURACY 93%</th>
</tr>
</thead>
<tbody>
<tr>
<td>We forecast 110 would be <strong>strong</strong> - 10 wrong. 16 missed opportunities.</td>
<td></td>
</tr>
<tr>
<td>We forecast 120 would be <strong>weak</strong> - 7 wrong.</td>
<td></td>
</tr>
</tbody>
</table>

**Accuracy** is calculated as the number of correct forecasts divided by the total number of forecasts (strong or weak). Accuracy does not include missed opportunities.

**Note** that the accuracy measurements are for actual forecasts we made, they are not back-tests of how well our method would have performed historically.