Note on the RCA Forecasts

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The introduction of the Moody's Analytics proprietary commercial property price indexes has made obsolete the RCA CPPIs for which historical data updates were discontinued. To take advantage of the new Moody's Analytics CPPIs, we updated the four equations that feature RCA series as regressors in their forecast equations.

The four affected variables are

1. FNCREIFPIRQ.IUSA
2. FPDIIFRSMF.IUSA
3. FHPNM.IUSA
4. FZFL075035503Q.IUSA

For these four variables, it is important to note that we did not re-specify the forecast equations. We merely replaced the RCA CPPIs with the Moody's Analytics CPPIs and re-estimated them. We incorporated all new historical data that has become available since the last time these equations were updated.

New equation specifications

Dependent Variable: FNCREIFPIRQ_US
Method: Least Squares
Date: 09/27/19 Time: 16:43
Sample (adjusted): 2002Q2 2019Q1
Included observations: 68 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(FCPPI_US)	39.72911	7.498881	5.298005	0.0000
DLOG(FGDP_US(-1))	170.1368	18.79012	9.054592	0.0000

R-squared	0.612472	Mean dependent var	2.152500
Adjusted R-squared	0.606600	S.D. dependent var	2.446898
S.E. of regression	1.534734	Akaike info criterion	3.723562
Sum squared resid	155.4569	Schwarz criterion	3.788841
Log likelihood	-124.6011	Hannan-Quinn criter.	3.749427
Durbin-Watson stat	1.190392		

Mnemonics referenced in the above equation, for example FET, can be defined using the Mnemonic 411 feature on DataBuffet. Please contact Help@economy.com for assistance.

Dependent Variable: DLOG(FPDIIFRSMF_US)
Method: Least Squares
Date: 09/27/19 Time: 14:10
Sample (adjusted): 2004Q2 2019Q2
Included observations: 61 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(@MOVAV(FCPPAPTI_US(-1),8))	0.207253	0.054725	3.787172	0.0004
DLOG(@MOVAV(FPDIIFNS_US,2))	0.503397	0.100707	4.998628	0.0000

R-squared	0.080852	Mean dependent var	0.011538
Adjusted R-squared	0.065273	S.D. dependent var	0.010477
S.E. of regression	0.010129	Akaike info criterion	-6.314503
Sum squared resid	0.006054	Schwarz criterion	-6.245294
Log likelihood	194.5924	Hannan-Quinn criter.	-6.287380
Durbin-Watson stat	0.557285		

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Dependent Variable: DLOG(FHPNM_US/FHHOLDQ_US)
Method: Least Squares
Date: 09/26/19 Time: 10:32
Sample (adjusted): 2002Q3 2018Q2
Included observations: 64 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(@MOVAV(FCPPAPTI_US,2))	1.510177	0.394058	3.832373	0.0003
DLOG(@MOVAV(FENRCC_US,2))	-2.536498	1.412157	-1.796186	0.0775
D((1-.01*FTAXFC_US)*FRAAC_US)	-0.029503	0.054384	-0.542493	0.5895
D(@MOVAV(FXSLASREQ_US,4))	-0.004164	0.002192	-1.899771	0.0623

R-squared	0.268415	Mean dependent var	-0.000153
Adjusted R-squared	0.231836	S.D. dependent var	0.117436
S.E. of regression	0.102927	Akaike info criterion	-1.649140
Sum squared resid	0.635633	Schwarz criterion	-1.514210
Log likelihood	56.77248	Hannan-Quinn criter.	-1.595984
Durbin-Watson stat	2.370004		

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Dependent Variable: DLOG(FZFL075035503Q_US)
Method: Least Squares
Date: 09/27/19 Time: 14:17
Sample (adjusted): 2002Q2 2019Q1
Included observations: 68 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(FCPPCOMI_US)	0.695268	0.131166	5.300666	0.0000

R-squared	0.241003	Mean dependent var	0.010725
Adjusted R-squared	0.241003	S.D. dependent var	0.038865
S.E. of regression	0.033860	Akaike info criterion	-3.918591
Sum squared resid	0.076814	Schwarz criterion	-3.885951
Log likelihood	134.2321	Hannan-Quinn criter.	-3.905658
Durbin-Watson stat	1.745600		

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Previous equation specifications

Dependent Variable: FNCREIFPIRQ_US
Method: Least Squares
Date: 09/25/15 Time: 15:46
Sample (adjusted): 2001Q1 2015Q2
Included observations: 58 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(FCRNCPPITUQ_US)	47.17920	5.652172	8.347091	0.0000
DLOG(FGDP_US)	146.4088	18.35842	7.975019	0.0000

R-squared	0.777247	Mean dependent var	2.173966
Adjusted R-squared	0.773269	S.D. dependent var	2.649865
S.E. of regression	1.261767	Akaike info criterion	3.336777
Sum squared resid	89.15510	Schwarz criterion	3.407827
Log likelihood	-94.76654	Hannan-Quinn criter.	3.364452
Durbin-Watson stat	1.166171		

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Dependent Variable: DLOG(FPDIIFRSMF_US)
Method: Least Squares
Date: 01/31/14 Time: 12:51
Sample (adjusted): 1980Q4 2013Q3
Included observations: 132 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(@MOVAV(FCRNCPPIAPTUQ_US(-1),8))	0.111495	0.038134	2.923794	0.0041
DLOG(@MOVAV(FPDIIFNS_US,2))	0.525400	0.075089	6.997020	0.0000

R-squared	0.197629	Mean dependent var	0.008657
Adjusted R-squared	0.191457	S.D. dependent var	0.009451
S.E. of regression	0.008498	Akaike info criterion	-6.682870
Sum squared resid	0.009389	Schwarz criterion	-6.639191
Log likelihood	443.0694	Hannan-Quinn criter.	-6.665121
Durbin-Watson stat	0.927291		

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Dependent Variable: DLOG(FHPNM_US/FHHOLDQ_US)
Method: Least Squares
Date: 03/30/18 Time: 09:35
Sample (adjusted): 1991Q3 2016Q2
Included observations: 100 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(@MOVAV(FCRNCPPIAPTUQ_US,2))	1.630012	0.325934	5.001055	0.0000
DLOG(@MOVAV(FENRCC_US,2))	-2.488802	1.148366	-2.167255	0.0327
D((1-.01*FTAXFC_US)*FRAAC_US)	-0.060430	0.041540	-1.454732	0.1490
D(@MOVAV(FXSLASREQ_US,4))	-0.003202	0.001683	-1.902124	0.0602

R-squared	0.259561	Mean dependent var	0.004931
Adjusted R-squared	0.236422	S.D. dependent var	0.106541
S.E. of regression	0.093099	Akaike info criterion	-1.871136
Sum squared resid	0.832066	Schwarz criterion	-1.766929
Log likelihood	97.55681	Hannan-Quinn criter.	-1.828962
Durbin-Watson stat	2.459318		

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Dependent Variable: DLOG(FZFL075035503Q_US)
Method: Least Squares
Date: 09/25/15 Time: 12:52
Sample (adjusted): 2001Q1 2015Q1
Included observations: 57 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(FCRNCPPICOMUQ_US)	0.859753	0.110037	7.813311	0.0000

R-squared	0.494592	Mean dependent var	0.010584
Adjusted R-squared	0.494592	S.D. dependent var	0.044974
S.E. of regression	0.031973	Akaike info criterion	-4.030483
Sum squared resid	0.057246	Schwarz criterion	-3.994640
Log likelihood	115.8688	Hannan-Quinn criter.	-4.016553
Durbin-Watson stat	2.154509		

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