

HOUSE PRICE FORECASTS

The RPS- Moody's Analytics House Price Forecasts: The most comprehensive and authoritative Canadian house price forecast solution available

House Price Forecasts

RPS, a leading provider of Canadian residential real estate valuation and business intelligence, and Moody's Analytics, a leader in regional economic forecasting, have partnered to create the most authoritative Canadian house price forecasts. The RPS – Moody's Analytics House Price Forecasts simulate the path of Canadian house prices under a range of economic conditions and scenarios. They can be used for stress-testing purposes, to conduct "what-if" analyses, and to enable organizations to better measure, assess and manage residential real estate risk and opportunities.

Key Features

- Based on fully specified regional econometric models that account for both housing supply-demand dynamics and long-term influences on house prices such as unemployment and changes in mortgage rates
- Forecasts are updated monthly reflecting the latest data, conditions and expectations, and are backed by the analytical expertise of more than 80 economists
- Data is updated in real time as new economic figures are published
- Includes a baseline house price scenario, reflecting the most likely outcome, supplemented by 7 alternative scenarios

Coverage

- **Geographies**¹: 44 geographies, including 33 metropolitan cities, 10 provinces, and 1 national
- **Dimensions**: 3 property styles, including Condo/Apartment, Single-Family Detached and Aggregate
- **Scenarios**: Up to 7 scenarios, including a baseline forecast
- **Updates**: Forecasts and alternative scenarios are updated monthly

Historical House Price Index

For enhanced market visibility, historical data for the forecasts are available separately, as well as the complete monthly historical data set covering an additional 1,500 neighbourhoods, 1,000 cities / towns and two additional property styles (Row/Townhouse and Semi-Detached).

Key Features

- The RPS House Price Index (HPI) provides a single source of broad, deep and detailed house price information, updated monthly
- The HPI employs a stratification methodology and calculates a self-adjusting moving-window median value for discrete geographic areas
- The methodology provides trends at lower levels, resulting in the most comprehensive national index available in Canada

Coverage

- **Geographies**: Up to 2,500 geographies, including 1,500 neighbourhoods, 1,000 cities and towns, 33 metropolitan cities, 10 provinces and 1 national
- **Dimensions**: 6 property styles, including Single-Family Detached, Condo/Apartment, Row/Townhouse, Semi-Detached, Plex and Aggregate
- **Updates**: Monthly



¹ The boundaries used in the datasets are based on Statistics Canada and Canada Post boundaries. Metropolitan cities are Census Metropolitan Areas (CMAs), towns and cities are Census Sub-Divisions (CSDs), and neighbourhoods are Forward Sortation Areas (FSAs). Geographies and property styles provided as available.

Benefits

Documented, Transparent and Supported

- An economic narrative for each scenario is provided so that clients can fully understand the underlying assumptions
- We provide our clients with complete access to analysts and detailed methodology, to understand the inputs and outputs
- Highly trained relationship management team to personally answer questions and provide further consultative support
- Clients can choose from multiple delivery options to suit their needs, including customized data delivery

Uses		
Mitigate Risk <ul style="list-style-type: none">• Update mortgage pool collateral values• Measure risk exposure to residential real estate• Spot emerging risks and uncover weaknesses• Model prepayments and defaults	Stress-test Portfolios <ul style="list-style-type: none">• Determine the impact of real estate market downturns as required by regulators and for accounting purposes (IFRS 9)• Provide reporting to executives, the board of directors and investors (if public)• Calculate capital allocations, which in turn determine management strategy, actions and distributions• Validate your internal models with those of a credible third party	Identify Market Opportunities <ul style="list-style-type: none">• Manage customer retention and marketing• Target growth areas by leveraging local market insights

About RPS and Moody's Analytics

RPS is a leading Canadian provider of outsourced appraisal management, mortgage-related services, and real estate business intelligence to financial institutions, real estate professionals and consumers. The company's expertise in network management and real estate valuation, together with its innovative technologies and services, has established RPS as the trusted source for residential real estate intelligence and analytics. More information is available at www.rpsrealsolutions.com or by emailing inquiry@rpsrealsolutions.com.

Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring risk through experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including the proprietary analysis of Moody's Investor Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. More information is available at www.moodyanalytics.com.