

IAS360™

House Price Index

FREQUENTLY ASKED QUESTIONS

Q. What does the IAS360 House Price Index report on?

IAS360 is a county-level House Price Index (HPI) that measures the change in median sales price of single-family residences (SFR) across the United States on a month-by-month basis. IAS360 reports on the US national trend, 5 US Census regions, 9 US Census divisions and 360 US counties.

IAS360 reflects the demand for a more accurate and timely perspective of the US Housing Market's performance. In order to provide perspective, the IAS360 index is rendered in a tier approach reporting on the general US outlook and a more granular, county-level view. Trending house prices at the individual county-level provides more meaningful data for better decision making among economists and participants in the mortgage banking, trading and real estate industries.

IAS360 is published on a monthly basis with a 1-month lag, making this one of the timeliest indices on the market.

Q. Why another house price index?

As experts in the default management industry, IAS understands risk mitigation. The IAS360 was developed to fill several critical gaps left by traditional indices, specifically, accuracy, speed and localized market conditions:

- Slow indices lag months behind the market.
- Methodologies designed for less volatile and appreciating markets.
- Broad geographic areas that limit the usefulness of reported information.
- Limited data outputs that do not fully reflect market conditions.

In response to rapid changes in residential markets across the country, IAS recognized the need for a new type of house price trending index. IAS360 focuses on timely and accurate information that truly reflects the market and offers a more detailed level of measurement and reporting.



Q. What types of houses are included in the index calculations? What transactions are excluded?

The IAS360 index includes free market transactions, closed normalized and non-duplicated transactions, all separated by property type. IAS360 does not include refinanced transactions. IAS360 utilizes the entire population of "arms-length" transactions including non-conforming sales, enabling the index to measure less dramatic market changes.

The IAS360 reflects only detached-single-family residences. A separate index reflecting the condo market is available on a subscription basis.

Q. How does the index differ from traditional indices?

IAS360 House Price Index offers a "next generation" style of trending median sales price. Traditional indices measure broad market trends and lag market behavior by months. In contrast, IAS360 measures house price trends at the county level to report price performance within an individual market. The Index is based upon IAS' proprietary technology that measures house prices to the neighborhood level.

Another key differentiator is the organization of data used. Often, traditional indices use only conforming, conventional mortgages. IAS360 includes essentially all transactions that meet arms length criteria. The total number of non-conforming and conventional transactions continue to increase, influencing house price movement nationwide. IAS takes into account these transactions as well as loans insured by the FHA and VA. For even greater accuracy, IAS360 separates transactions by property type.

Lastly, IAS360 was developed in response to today's market volatility. Several traditional indices utilize a "repeat sales" methodology developed in the 1980's.

Q. How is the index calculated/computed, what is the methodology used?

IAS360 utilizes proprietary patent-pending technology that aggregates economically and socially similar micro-geographies. Micro-geographies represent 15,000 neighborhoods nationwide characterized by 400 scaled and weighted social, economic, location and housing characteristic dimensions. The IAS360 summarizes volatility and appreciation or depreciation occurring monthly within 360 US counties. Other IAS services reveal real-time volatility by property type to the neighborhood level and on a nationwide basis.

Q. When is the index data published?

The IAS360 House Price Index is published monthly with a 1-month lag.

Q. Where can I get additional data?

The IAS360 is intended to reflect the residential real estate's SFR vital signs at a national level. For other property type reports and calculations of activity at neighborhood levels, contact Robyn Mahoney at 303-796-2127 or rmahoney@iasreo.com.