



The Voice For Real Estate®

700 11th Street, NW
Washington DC 20001

Existing Home Sale Revisions:

In June 2003, the National Association of Realtors® updated its seasonal adjustment factors for its existing home sales calculations using the X-12-ARIMA model. The X-12-ARIMA is the Census Bureau's latest seasonal adjustment program. As a result, monthly existing home sales rates have been revised going back to 1989; there are no changes to annual sales totals or home price data.

ⁱSeasonal adjustment is the process of estimating and removing seasonal effects from a time series to better reveal certain non-seasonal features such as underlying trends and business cycles. Seasonal adjustment procedures estimate effects that occur in the same calendar month with similar magnitude and direction from year-to-year. In a series where seasonal effects come primarily from weather the seasonal factors are estimates of average weather effects for each month. Seasonal adjustment does not account for abnormal weather conditions or for year-to-year changes in weather. Seasonal factors are estimates based on present and past experience. Future data may show a different pattern.

To learn more about the X-12-ARIMA model please visit the Census Bureau's website:

<http://www.census.gov/srd/www/x12a>

ⁱ United States Census Bureau: <http://www.census.gov/const/www/newressalesdoc.html#seasonal>