

# 2020-Q1 LIRA Downside Projections Show Sharp Decline in Quarterly Spending by Early Next Year

Owner Improvements & Repairs	Four-Quarter Moving Total, Billions	Four-Quarter Moving Rate of Change	Quarterly Sum, Billions	Quarter-on-Quarter Rate of Change
2020-2	\$326.9	1.92%	\$92.9	1.17%
2020-3	\$326.6	0.24%	\$96.7	-0.33%
2020-4	\$326.2	-0.40%	\$76.7	-0.44%
2021-1	\$321.9	-1.22%	\$55.6	-7.29%

- The Leading Indicator of Remodeling Activity, by design, smooths cyclical volatility.
- The calculation of a year-over-year rate of change incorporates eight quarters of home improvement and repair spending, and for this reason a sudden change in estimated spending will not be immediately or fully reflected in the annual rate of change projections produced by the LIRA models.
- The quarterly spending estimates derived from the LIRA are not routinely published, but especially in the case of sudden shifts in activity, they may provide more nuanced insight of current market conditions.

Notes: The downside projection incorporates forecasted data for coincident model inputs: retail sales at building materials and supplies dealers, CoreLogic's Home Price Index, and GDP. Forecasted data provided by Moody's Analytics Forecasted, Alternative Scenario 3, April 2020.