EC3304 Econometrics II
Semester 1, 2016-2017
Optional Forecasting Project

This project is optional. Those who do it will receive bonus credit towards their tutorial participation mark.

For this project, you will forecast the Vacancy Rate of Private Residential Units (excluding EC) for the third quarter of 2016, which will be released by the Urban Redevelopment Authority (URA) on October 28, 2016. The index can be found under time series in the residential section of the REALIS database, which is accessible via the library webpage. (To be sure you are using the right data, check that the 2016Q2 value is 8.9.) You have full freedom to specify the forecasting model, what sample period to use to estimate the model, what other variables to include (if any), etc.

Your submission is due in my mailbox by Monday 17 October 2016 at 5pm, and should include the following:

1. Your model

2. The sample period you used for estimation

3. A description of any other data you used

4. A description of the methods you used to evaluate your model

5. Your forecast for 2016Q3 and a 95% forecast interval

You do not need to write a long report, but there should be enough information in it so that your work could be easily replicated.

Note well: Email submissions, late submissions, or group work will not be accepted.

Feel free to ask questions and to discuss your approach with other students, and remember to have fun!