



## Sound Transit's One-Year-Ahead Inflation Forecast Performance

Average Annual Rates

Consumer Price Index						2000-2004
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>
Actual	3.7%	3.7%	1.9%	1.7%	1.1%	2.4%
Forecast*	2.7%	2.4%	2.1%	1.7%	1.8%	2.1%
Variance	-1.0%	-1.2%	0.1%	0.0%	0.7%	-0.3%

Building Cost Index						2000-2004
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>
Actual	3.9%	1.6%	1.9%	2.7%	5.4%	3.1%
Forecast*	3.6%	1.6%	2.4%	2.1%	3.9%	2.7%
Variance	-0.3%	-0.1%	0.5%	-0.6%	-1.4%	-0.4%

Right-of-Way Index**						2000-2004
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>
Actual	4.9%	1.2%	-2.5%	3.4%	6.4%	2.7%
Forecast*	6.0%	4.1%	1.2%	5.7%	5.1%	4.4%
Variance	1.1%	2.9%	3.7%	2.3%	-1.4%	1.7%

\*Produced in July/August of previous year.

\*\*Residential properties account for 6% of ST's real estate costs; commercial properties account for 74%; relocation and administration account for 10% each.

**Figure 1. Process Flow of Right-of-Way Index (\* indicates forecast required.)**

