



## Press Release

October 31, 2008

### ***Sales of Foreclosed Homes Weigh on Prices, Spur Transaction Counts Motivated Sales Rates Rose Across the Country in August***

NEW YORK, NY – October 31, 2008 – In August 2008, 23 of the 25 MSAs tracked by Radar Logic’s Residential Property Index™ (RPX™) experienced year-over-year price declines while 12 MSAs saw transaction counts increase from July 2008, according to the August 2008 RPX™ Monthly Housing Market Report released today by Radar Logic Incorporated. Both the price declines and the transaction count increases are due, in part, to growth in heavily discounted foreclosure-related sales. Motivated transactions, which Radar Logic defines as sales at foreclosure auctions and sales of foreclosed property by financial institutions, increased in all 25 MSAs since 2007 and in 22 MSAs since July. In some markets, the increase in transaction counts also reflected a seasonal uptick in market activity.

“While increases in motivated sales have put downward pressure on prices, it is important to bear in mind that prices have fallen substantially in transactions that are not related to foreclosures,” said Michael Feder, CEO of Radar Logic. “Twenty MSAs have seen prices for transactions we do not classify as ‘motivated’ give back over fifty percent of the appreciation they experienced during the height of the housing boom. This indicates that home prices have made substantial progress toward equilibrium, though they may fall further before they reach it.”

Mr. Feder added, “The current initiative to reduce new foreclosures being led by the FDIC could, if enacted, play an integral role in near term prices.”

#### ***Key Observations:***

- August 2008 continued to exhibit weakness in price per square foot in most markets. Prices decreased on a year-over-year basis in 23 MSAs, were flat in Columbus, and increased in Milwaukee.
- The largest price declines continued to be concentrated in California, Arizona and Nevada, where foreclosure related sales made up a substantial portion of transactions.
- Nine MSAs, including the six MSAs with the largest year-over-year price declines, experienced year-over-year transaction count increases.
- Motivated sales made up an increasing percentage of transactions in 19 MSAs when compared to July 2008, and all 25 MSAs when compared to August 2007. Across the 25 MSAs, motivated sales made up 22.8% of all transactions, compared to 6.6% a year ago.
- Manhattan Condominium prices increased in August by 1.2% from August 2007 and by 0.7% from July 2008.



The complete August 2008 RPX Monthly Housing Market Report is available on Radar Logic's website at: [www.radarlogic.com/research/RPXMonthlyHousingMarketReportforAugust2008.pdf](http://www.radarlogic.com/research/RPXMonthlyHousingMarketReportforAugust2008.pdf)

## ***Report Methodology***

The *RPX Monthly Housing Market Report* is produced by Radar Logic Incorporated, a New York-based real estate data and analytics company. These reports are published 63 days after the last transaction date of every month, providing insight and detailed analysis of Radar Logic's 25 Metropolitan Statistical Areas (MSAs) and the Manhattan Condo market. This study is based on the premise that there is not a national housing market; rather, each of the MSAs, while having economic influences in common like credit and mortgage rates, is influenced primarily by local conditions.

Data in the *RPX Monthly Housing Market Report* reflect the 28-day aggregated value of Radar Logic Daily™ Prices. The price per square foot metric used is a powerful tool for analyzing housing markets because it significantly reduces the influence of property sizes on overall housing price trends, which can skew results. The Daily Prices for each MSA are not adjusted for seasonal variations. In some cases, Daily Prices may vary based on reporting characteristics within individual MSAs.

The September 2008 *RPX Monthly Housing Market Report* will be released on December 2, 2008, at 9:00 AM EST.

## ***About Radar Logic***

Radar Logic Incorporated, a real estate data and analytics company, calculates and publishes the Radar Logic Daily™ Prices. The prices track housing values for major U.S. metropolitan areas and are the basis of the Residential Property Index™ (RPX™), a market that enables real estate to be traded as a liquid asset, via property derivatives marketed by major financial institutions. RPX allows real estate and financial professionals to manage opportunity and risk, invest in real estate values without owning physical assets and effectively analyze markets using a consistent metric: price per square foot.

For more information on Radar Logic and the RPX, including licensed dealers, please visit [www.radarlogic.com](http://www.radarlogic.com).

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