



## Press Release

March 4, 2009

### ***Radar Logic Reports Rising Home Sales Amid Falling Prices In December, Foreclosure Sales Drove Transactions Up, Prices Down***

NEW YORK, NY – March 4, 2009 – In December 2008, improvements in home affordability and low mortgage rates contributed to a 7% year-over-year increase in home sales in the 25 metropolitan statistical areas (MSAs) tracked by Radar Logic Incorporated. According to the December 2008 RPX™ Monthly Housing Market Report released today by Radar Logic, transactions increased in 14 of the 25 MSAs, with the largest increase in metropolitan areas where sales of foreclosed homes constitute a significant share of total transactions, particularly Las Vegas, Phoenix and the five California MSAs covered by the report. Sales of foreclosed homes by financial institutions, together with sales to third parties at foreclosure auctions, increased 177% in the 25 MSAs between December 2007 and December 2008. Over the same period, all other sales decreased by 17%.

These foreclosure-related sales, which Radar Logic calls motivated sales, are characterized by significant price discounts compared to other sales in the same MSA. These discounts range from 20% to over 50%, depending on the MSA. As motivated sales increased as a share of total sales, the shift in the mix of sales contributed to a decline in home prices. Between December 2007 and December 2008, the 25-MSA composite price decreased by 22%. If the mix of motivated sales and other sales had remained unchanged since December 2007, the composite would have declined by 16%.

“As foreclosures increase and sales outside of foreclosure decline, motivated sales are starting to represent a significant percentage of the transactions we observe in several of the MSAs we track, particularly in the West,” said Michael Feder, Radar Logic’s president and CEO. “As motivated sales increase, the prices they receive will likely become more the norm than the exception.”

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

- The growth in transactions from December 2007 to December 2008 marks a significant improvement over the previous year, when transactions dropped in each of the 25 MSAs and declined 40% overall versus 2006.
- Prices in all 25 MSAs declined between December 2007 and December 2008, largely due to the increase in motivated sales as a share of total sales.
- The normal seasonal decline in prices and transactions from November to December abated compared to 2007 in most MSAs.
- The Manhattan condominium market experienced a year-over-year price increase, largely due to closings on new construction, which likely were priced well before the closing date. The weakness of the market was reflected in a substantial decline in transactions relative to December 2007.

The complete December 2008 RPX Monthly Housing Market Report is available on Radar Logic's website at: [www.radarlogic.com/research/RPXMonthlyHousingMarketReportforDecember2008.pdf](http://www.radarlogic.com/research/RPXMonthlyHousingMarketReportforDecember2008.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 January 2009 *RPX Monthly Housing Market Report* will be released on April 3, 2009, at 12:01 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).

***Media Contact:*** Quinn Eddins, Radar Logic Incorporated, 646-224-7011 [qeddins@radarlogic.com](mailto:qeddins@radarlogic.com).