



Press Release

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Home Prices Decline Again in December After Appearing to Stabilize in The Fall

RPX Composite Price Falls to 3.6 Percent Below December 2009 Levels

New York, NY – February 17, 2011 – The RPX Composite price, which tracks home prices in 25 of the largest U.S. metropolitan areas, resumed its decline toward winter lows in December after a month and a half of apparent stability, according to the [December 2010 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The RPX Composite price declined 1.6 percent from November 16 to December 16, 2010, after declining only 0.3 percent from the beginning of October to November 16. The only time the RPX Composite price has declined more from November to December was during the housing bust of 2007 and 2008.

The RPX Composite price declined 3.6 percent from December 2009 to December 2010. This represents acceleration in decline relative to the year prior, as the RPX Composite declined just 1.3 percent from December 2008 to December 2009. The 3.6 percent decline was the third largest year-over-year decline through the month of December in the last decade.

Home sales, as measured by Radar Logic's 25-metro-area transaction count, declined 19 percent year over year through December 2010. This decline contrasts starkly with the 45 percent year-over-year increase in transactions through December 2009.

Sales of foreclosed homes by financial institutions increased 0.6 percent from December 2009 to December 2010, while all other sales declined 25 percent over the same period. As a result, home sales out of foreclosure increased to 29 percent of total sales across the 25 MSAs tracked by Radar Logic from 24 percent in December 2009.

"The housing market is still stalled and showing no real signs of recovery. If we do not address the overhang of housing supply, the situation is likely to get worse before it gets better," said Michael Feder, Radar Logic's President and CEO.

In part, the year-over-year declines in home prices and home sales reflect the termination of the homebuyer tax credits in mid-2010. While housing demand, and therefore sales and prices, received a boost from the tax credits in December 2009, it received no such boost in December 2010.

The ending of the tax credits also affected the timing of seasonal declines in home sales. In most years, the fastest month-over-month declines occur between September and December, but this year the fastest declines occurred earlier, in July and August, due to the pull-through effect created by the April 30 signing deadline for the homebuyer tax credits. Buyers who would have purchased homes in the autumn moved up their purchases to qualify for the credits. As a result, closings peaked early and then declined quickly, with most of the seasonal decline in closing activity occurring by October. As a result, the 25-MSA transaction count declined just 2.4 percent month over month in December, the smallest decline for the month since 2001.

In response to the Obama administration's proposal to restructure Fannie Mae and Freddie Mac, outlined last week, Feder said, "we continue to applaud the administration's effort to address the issues surrounding Fannie Mae and Freddie Mac, but our concern is that little is being said or, frankly, done to address the bad and near-bad loans they already own one way or another."

The [complete December 2010 RPX Monthly Housing Market Report](#) is available by subscription at Radar Logic's website. A complimentary executive summary is available with registration. To register, click [here](#).

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 provide 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 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 2011 RPX Monthly Housing Market Report will be released on March 24, 2011, at 4:00 PM EDT.

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.

Media Contact: Quinn Eddins, Radar Logic Incorporated, 212-965-9982, qeddins@radarlogic.com.

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