



Press Release

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Radars Logic Concerned that Foreclosures Could Hurt Housing Demand, Slowing Recovery

The RPX Composite Price Remained Flat in February on Both a Month-Over-Month and Year-Over-Year Basis, Its Best Performance for the Month of February Since 2007

NEW YORK, NY – April 22, 2010 – Given the heightened media attention the foreclosure problem has attracted, potential buyers could delay their plans to purchase a house out of concern that foreclosures will induce a second precipitous decline in [home prices](#), according to the [February 2010 RPX Monthly Housing Market Report](#) released today by [Radars Logic Incorporated](#). Such fears could be self-fulfilling if demand slackens to the point where it can no longer keep pace with foreclosure-driven supply.

As of yet, however, Radar Logic's data do not indicate that a second nationwide decline in home prices is under way. In fact, trends in home prices and sales activity were more up-beat in February 2010 than they have been at this time of year since the peak of the housing boom. The 25-MSA RPX Composite price remained flat in February on both a month-over-month and year-over-year basis, which was its best performance during the month of February since 2007. The 25-metro-area RPX transaction count increased 37% year over year, the first such increase in February since 2005.

"We believe that low home prices and low mortgage rates will continue to spur sufficient housing demand to absorb foreclosure-driven increases in supply at current price levels," said Quinn Eddins, Radar Logic's Director of Research. "Nevertheless, we will watch foreclosure rates and sales activity closely in the coming months for signs of flagging homebuyer confidence."

"The evidence continues to support the view that housing has stabilized and is in the early stages of recovery," said Michael Feder, President and CEO of Radar Logic. "However, housing is a market and markets are affected by perceptions. As the media continue to highlight the difficult and, as yet, unresolved problem of distressed mortgages, the perception could become negative and any recovery could be threatened," Feder added.

The complete February 2010 RPX Monthly Housing Market Report is available on Radar Logic's website: www.radarlogic.com/rlresearch/. Radar Logic is now offering new data packages, click [here](#) to learn more.

Other key observations in the February 2010 RPX Monthly Housing Market Report include:

- The stability in the 25-MSA RPX Composite price from January to February 2010 was driven by increases in the RPX prices for western metropolitan areas. The RPX composite price for the western region increased 2% in February on a month-over-month basis, while the RPX prices for the Midwest, Northeast and South each declined 2%.

- Transactions increased the most on a year-over-year basis in MSAs that have been hit hardest by foreclosures: Las Vegas, Chicago, Miami and Detroit. The RPX transaction count for Las Vegas has increased almost 300% since February 2009. The largest month-over-month increases in sales activity occurred in Southern California, with Los Angeles and San Diego both exhibiting 39% gains in transaction counts.
- Throughout the 25 metro areas tracked by Radar Logic, sales at foreclosure auctions and sales of repossessed homes by financial institutions increased slightly as a percentage of total sales between mid-January and mid-February. During the 4 weeks ending January 18, 29% of home sales were distressed sales. In the four weeks ending February 18, 30% of home sales were distressed sales. The increase in distressed sales as a percentage of total sales was the result of a 20% increase in distressed sales combined with a 12% decrease in all other sales.
- As of February 2010, the 25-MSA RPX Composite price for distressed sales was 38% lower than the composite price for other sales. This significant discount is, in part, a function of financial institutions cutting prices in order to expedite the liquidation of their inventory of real estate owned (REO). The discount also arises from the fact that distressed sales are concentrated in neighborhoods where home prices have historically been low relative to the surrounding metropolitan areas.

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 March 2010 RPX Monthly Housing Market Report will be released on May 20, 2010, 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.

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