



## Press Release

April 21, 2011

### **Home Prices Hit Seasonal Trough at Lowest Levels Since March 2003**

#### ***RPX Futures to Trade on the CFE***

New York, NY – April 21, 2011 – The RPX Composite price, which tracks home prices in 25 major US metropolitan areas, appears to have reached its seasonal trough for 2011 in February, but only after falling to its lowest level since March 2003. According to the [February 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#), the RPX Composite price fell to \$178.12 per square foot on February 8, which is 36 percent below its all-time high of \$278.32 per square foot on June 8, 2007. The RPX Composite price has since stabilized, increasing slightly to \$178.63 per square foot as of February 17.

The seasonal pattern exhibited by the RPX Composite in the past suggests that home prices will rise in coming months with the onset of the spring buying season. But housing markets are facing serious challenges that will limit seasonal strength. The supply of homes, including homes currently for sale, foreclosed homes owned by financial institutions and homes in the foreclosure process, far outstrips the current demand. And inefficiencies in the foreclosure process arising from investigations into alleged faulty foreclosure procedures will most likely prolong the period of oversupply. Demand for homes is constrained, both by uncertainty about future home prices and by tight lending standards. In light of the oversupply and constrained demand, Radar Logic expects home prices to remain below 2010 levels even as they exhibit short-term seasonal gains in coming months.

“The current data suggest a continuing weak environment driven by too much supply and too few buyers. While we suspect it is harder to get a mortgage than it used to be, we also suspect the real problem is too few people want to,” according to Michael Feder, Radar Logic’s CEO. “A house is not currently viewed as the safe investment it once was. When this psychology reverses, we will see a recovery. But that may not be for some time.”

The 25-MSA transaction count, which tracks home sales in the 25 metropolitan areas included in the RPX Composite price, was 1.2 percent lower than during the prior year period. The transaction count increased 15.9 percent on a month-over-month basis, which is consistent with the seasonal pattern exhibited in years past, though the gain is off a relatively low base compared to the boom years at the beginning of the last decade.

The mix of distressed and non-distressed sales has shifted significantly over the last year. In February 2010, sales of foreclosed homes accounted for 30 percent of total sales. By February 2011, this figure had increased to 36 percent of total sales, which is the highest percentage in two years.

This week, the [CBOE Futures Exchange announced](#) that it has entered into an agreement with Radar Logic for the development and listing of residential property futures based on RPX prices. RPX property futures will provide investors and risk managers with a new vehicle for managing real estate, mortgage and general economic portfolios. To mark the announcement, Radar Logic is making the [complete February 2011 RPX Monthly Housing Market Report](#) available for free with registration on its website. Complete RPX Monthly Housing Market Reports are usually available only by subscription.

## ***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 2011 RPX Monthly Housing Market Report will be released on May 26, 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](http://www.radarlogic.com).

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