



Press Release

March 22, 2012

Radar Logic Finds Home Prices Hit New Lows in January

Slowing Declines Are a Positive Sign, but the Bottom is Still Out of Sight

New York, NY – March 22, 2012 – According to the [January 2012 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#), the RPX Composite price, which tracks home prices in 25 major US metropolitan areas, declined 5.42 percent during the year ending January 19 to \$169.75 per square foot. The last time the RPX Composite was this low was in July 2002.

The year-over-year rate of decline in the RPX Composite price slowed in December and January after reaching its fastest pace since 2009 in early December, 2011. While the slowing rate of decline is encouraging, it is still too early to tell whether it will lead to lasting stability in home prices any time soon.

“Frankly, I don’t think we’ve reached the bottom in housing prices.” said Quinn Eddins, Director of Research at Radar Logic Incorporated. “The fact is there is still too much supply in the housing market for the current level of demand, particularly if you consider homes in the foreclosure process and those under water. At very least the excess supply will delay the recovery in housing prices, and could well push prices lower.”

The year-over-year decline in the RPX Composite price was accompanied by a 7.7 percent increase in the 25-metropolitan-area RPX transaction count. The simultaneous increase in home sales and decrease in home prices suggests that the increase in transaction activity may have been fueled by increasing willingness on the part of sellers to compromise on price and accept bids from bargain-hunting buyers.

Transaction activity declined 23.5 percent during the month ending January 19, generally conforming to the expected seasonal pattern in home sales. This decline was driven by a 25.9 percent decline in sales in the market for non-distressed homes and a 15 percent decline in sales in the distressed market. As non-distressed sales declined more rapidly than distressed sales, distressed sales increased as a percent of total sales. Distressed sales are typically characterized by significant discounts relative to non-distressed sales, so the relative increase in distressed sales weighed on the RPX Composite, exacerbating its decline.

Futures contracts based on the RPX Composite Price began trading on the CBOE Futures Exchange in February. Current futures prices indicate that market participants expect the RPX Composite to remain relatively flat in 2012 and 2013, and then increase at an accelerating pace into 2014 and 2015.

The [complete January 2012 RPX Monthly Housing Market Report](#) is available on Radar Logic’s website.

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 February 2012 RPX Monthly Housing Market Report will be released on April 26, 2012, 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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