



Press Release

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Home Prices Reflect Historical Patterns in Many Markets Foreclosures Drive Declines in Hardest-Hit Markets

NEW YORK, NY – October 2, 2008 – For many of the MSAs tracked by Radar Logic’s Residential Property Index™ (RPX™), price declines in July 2008 resembled historical patterns in which prices and transaction counts drop in July relative to peaks in June and August, according to the July 2008 RPX™ Monthly Housing Market Report released today by Radar Logic Incorporated. Meanwhile, foreclosure sales continued to weigh heavily on MSA prices in the markets with the largest price declines.

“We can see two processes at work in the nation’s housing markets,” said Michael Feder, CEO of Radar Logic. “On one hand, there is the traditional market process in which sellers and buyers negotiate a price and sellers frequently prefer to wait rather than significantly reduce their asking price. On the other hand, there is the foreclosure sale process in which homeowners, banks and other financial institutions are motivated to sell quickly, so they discount their prices to effect a transaction. What we are seeing now is a situation in which the latter process is driving prices down in markets with relatively high concentrations of foreclosures, while the traditional process is the primary driver of MSA-level prices in markets with lower rates of foreclosure.”

Key Observations:

- One MSA, Milwaukee, showed net year-over-year price appreciation, while 24 MSAs showed declines.
- The largest price declines continued to be concentrated in California and the Southwestern states, where transaction count increases were driven by surging foreclosure related sales.
- Motivated sales accounted for 21% of transactions in the 25-MSA Composite, 34.3% of transactions in Los Angeles and 32.8% of transactions in Phoenix.
- 22 MSAs demonstrated month-over-month price declines, two MSAs were neutral and one showed an increase.
- Eight MSAs, including the six MSAs with the largest year-over-year price declines, experienced year-over-year transaction count increases.



The complete July 2008 RPX Monthly Housing Market Report is available on Radar Logic's website at:

www.radarlogic.com/research/RPXMonthlyHousingMarketReportforJuly2008.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 August 2008 *RPX Monthly Housing Market Report* will be released on October 31, 2008, at 9:00 AM 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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