



Press Release

August 26, 2010

Radar Logic Concerned About Coming Downturn in Home Prices Weak Demand and Growing Supply Raise Concerns over a Double Dip in Housing

New York, NY – August 26, 2010 – Precipitous declines in RPX transaction counts from May to June and declines in new- and existing-home sales from June to July evince weakness in housing demand at a time of year when sales typically increase in a healthy market, according to the [June 2010 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The sputtering economic recovery, persistent high unemployment, widespread negative home equity and uncertainty over future home values have constrained demand for home purchases. These headwinds overwhelmed the stimulating effects of the homebuyer tax credit, without which declines in home sales during June and July would have been even worse.

The supply of homes for sale increased rapidly in June and July as demand weakened. According to the latest figures from the National Association of Realtors, the supply of existing homes for sale increased to 8.9 months in June from 8.3 months in May at the then-current rate of home sales. In July, the supply of existing homes jumped to a staggering 12.5 months as the number of homes for sale increased 2.5% to 3.984 million from 3.887 million in June. These figures do not include a burgeoning “shadow” inventory of homes that could enter the market in the near future.

Weakening housing demand and growing supply translated into lackluster price growth during the month of June. In dollar terms, the RPX Composite price increased less from May to June than during the same period in any other year since the beginning of Radar Logic’s data history in 2000, save for the freefall in home prices during 2008. Over half of the 25 metropolitan statistical areas (MSAs) tracked by Radar Logic posted month-over-month price declines, compared to just two markets last year. On a year-over-year basis, only seven MSAs posted price gains, and some of these markets might not be as healthy as they first appear. Price gains in the most-improved markets were primarily due to a shift in the mix of sales away from heavily-discounted foreclosed homes rather than an increase in the value of most homes.

“Any real improvement in the nation’s economic health will depend on improvement in home prices,” said Michael Feder, President and CEO of Radar Logic. “Weakening housing demand, coupled with a large and growing supply of unsold homes, make it likely that housing prices will fall by the end of the year, perhaps to new lows. If home prices make another large move downward, the odds of a second U.S. economic downturn likely will increase,” Feder added.

The [complete June 2010 RPX Monthly Housing Market Report](#) is available for sale on 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 July 2010 RPX Monthly Housing Market Report will be released on September 23, 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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