



Press Release

July 21, 2011

Weak Fundamentals Undermine Expected Seasonal Strength in Home Prices

The Absence of Spring Strength Foreshadows New Lows in the Fall

New York, NY – July 21, 2011 – The RPX Composite Price declined 5.9 percent in May relative to May 2010, according to the [May 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The rate of year-on-year decline has been accelerating since June 2010 and the rate as of May was the fastest observed since September 2009.

Home prices typically increase in the spring due to seasonal factors, and the bulk of the gains usually occur by May. This year, however, the RPX Composite Price, which tracks home prices in 25 major metropolitan areas across the country, was virtually the same in May as it was in January. While the RPX Composite increased month over month in April and May, these gains barely offset declines in January. The below-average seasonal increase in home prices this spring foreshadows new post-bust lows this fall.

“Given the time of year, the results of our RPX analysis are far weaker than we had hoped. Prices are falling year over year as activity continues to languish. Inventory continues to be the problem and there are no signs of any strength in absorption,” said Michael Feder, President and CEO of Radar Logic. “We expect the CBOE futures market in RPX contracts to open soon and expect to see trading indicate an expectation of significant weakness in housing going forward, at least in the near term. It would not surprise us to see opening bids down 10 to 15 percent from spot.”

May home sales across the 25 metropolitan areas covered by the report were 20 percent below the average sales volume for May over the last 11 years. As there is no shortage of homes for sale in these markets, the current weakness in sales activity can be attributed to persistently soft demand.

“Housing demand has languished since the bust due to wide-spread negative equity, tight lending standards, high down payment requirements, weak consumer confidence and uncertainty over future home prices,” said Quinn Eddins, Radar Logic’s Director of Research. “Home sales will not return to pre-bust volumes unless and until these fundamental factors improve.”

The [complete May 2011 RPX Monthly Housing Market Report](#) is available for free with registration 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 June 2011 RPX Monthly Housing Market Report will be released on August 25, 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.

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