



## Press Release

December 17, 2009

### ***Radar Logic Sees Stability in Housing Markets in 2010***

#### ***Rational Behavior by Banks, Continued Government Support for Housing and an Improving Employment Situation will Prevent a Collapse in Home Prices***

NEW YORK, NY – December 17, 2009 – Predictions of a second collapse of the housing market are exaggerated, according to the October 2009 RPX Monthly Housing Market Report released today by Radar Logic Incorporated. Radar Logic argues that housing demand is currently strong, with home sales outperforming historical trends for this time of year, and low home prices will keep demand strong in 2010. Government incentives will continue to support demand well into next year, and after unemployment peaks, perhaps in the second or third quarter, increased stability in household incomes will provide further support to housing demand.

Radar Logic suggests that the looming inventory of distressed properties will enter the housing market at a controlled rate that could be absorbed by existing demand without drastically reducing prices. Thanks to bailout money and a general improvement in their financial health, banks have been relieved of the urgent need to liquidate their assets. As a result, lenders and government entities like Fannie Mae are able to curtail sales to stabilize prices and avoid recording losses on properties.

“Bankers and mortgage investors are rational and will not foreclose on and liquidate the pipeline of distressed properties in a manner that would depress the value of the properties they are trying to sell,” said Quinn Eddins, Radar Logic’s Director of Research. “The Obama administration has indicated that it sees stability in the housing market as crucial to economic recovery and has committed to help mitigate foreclosures well into next year. This will help manage the supply of distressed homes and ultimately stabilize prices.”

“If efforts to ease foreclosures can and do succeed, there could be significant recovery in housing values in 2010,” said Michael Feder, President and CEO of Radar Logic. “Inventories are close to the norm of six months’ supply and prices have returned to 2003/2004 levels. Activity is much stronger than normal for this time of year, and there is evidence of qualified buyers waiting on the sidelines. If we can put an end to the financially-driven weakness, it may well be time for housing values to go up.”

#### ***Key Observations of the October 2009 RPX Monthly Housing Market Report:***

- The 25-MSA RPX Composite price declined only 0.7% during the month ending October 15, the smallest decline for that time period since 2005. Three- and six-month trends in the Composite were also stronger than they have been at that time of year since 2005.
- Prices increased month-over-month in 11 of the 25 metropolitan statistical areas (MSAs) tracked by Radar Logic, mostly in the West Coast and Southeast regions where seasonal factors are less salient than in other regions.

- One-, three- and six-month trends in home sales across the 25 MSAs were stronger in October 2009 than they have been in any other October since the beginning of Radar Logic's data in 2000. The 25-MSA RPX transaction count usually falls in August, September and October. This year, the 25-MSA transaction count has increased or remained constant every month since January.
- RPX transaction counts increased over the month ending October 15 in 22 of the 25 MSAs. As these transactions precede the extension of the homebuyer tax credit by Congress in early November, the uptick in transaction counts may be due in part to a rush of sales in advance of the tax credit's original November 30 deadline.

The complete October 2009 RPX Monthly Housing Market Report is available on Radar Logic's website: [www.radarlogic.com/research/RPXMonthlyHousingMarketReportforOctober2009.pdf](http://www.radarlogic.com/research/RPXMonthlyHousingMarketReportforOctober2009.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 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 November 2009 RPX Monthly Housing Market Report will be released on January 21, 2010, at 12:01 AM EST.

## ***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).

***Media Contact:*** Quinn Eddins, Radar Logic Incorporated, 212-965-9982, [qeddins@radarlogic.com](mailto:qeddins@radarlogic.com).

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