



Press Release

January 6, 2011

Home Prices and Sales Activity Changed Little in October

Despite October's Stability, Radar Logic Predicts Further Home Price Declines in 2011

New York, NY – January 6, 2011 – US housing prices changed very little during the month of October, 2010, according to the [October 2010 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The RPX Composite price, which tracks home prices in 25 of the largest metropolitan areas in the country, increased a scant 0.1 percent between the end of September and the end of October.

Notwithstanding their recent stability, home prices as of the end of the October were 2.3 percent lower than they were during the prior year period.

Price stability during the month of October is not unusual. With the exception of the housing bust of 2007 and 2008, the RPX composite has fluctuated by less than one percent during every October since the beginning of Radar Logic's historical data in 2000.

"The absence of volatility in home prices during October should not be interpreted as a sign of stability to come," said Quinn Eddins, Director of Research at Radar Logic. "Housing markets continue to face serious headwinds in the form of widespread negative equity, high rates of foreclosure and swelling inventories of bank-owned properties. Even if job creation bolsters housing demand in the 2011, I anticipate that demand will fall short of the burgeoning supply homes for sale, and prices will fall further by the end of the year."

The stability of the RPX Composite price during the month of October contrasts with the rapid month-over-month declines in the S&P/Case-Shiller 10- and 20-City composite home price indices for the same period. The declines in the S&P/Case-Shiller composite home price indices reflect home price declines that actually occurred in September, which Radar Logic reported last month.

The discrepancy between the RPX and S&P/Case-Shiller home price indicators arises from a key difference in their methodologies. On one hand, the S&P/Case-Shiller composites are calculated based on transactions that occur over 90 days, so the changes in these indices from September to October reflect changes in actual home prices during August, September and October. On the other hand, the RPX Composite is calculated based on transactions that occur over just 28 days, so the changes in this indicator reflects only changes in home prices that actually occurred during October. Consequently, the RPX Composite is the more accurate indicator of actual price trends during October.

Home sales across the 25 metropolitan areas tracked by Radar Logic increased slightly, about 0.4 percent, on a month-over-month basis during October. This was unusual, as transaction activity typically declines at this time of year. The absence of the typical decline in sales activity during October can be attributed to the "pull through" effect of homebuyer tax credits, which ended earlier in the year. As homebuyers who might otherwise have purchased a

home in August or September moved up their purchases in order to qualify for the tax credits, the seasonal decline in home sales that normally occurs in September and October took place in July this year.

The [complete October 2010 RPX Monthly Housing Market Report](#) is available by subscription at 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 November 2010 RPX Monthly Housing Market Report will be released on January 20, 2011, at 4:00 PM 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.

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