



RPX MONTHLY HOUSING MARKET REPORT

The RPX Monthly Housing Market Report for October 2012 is Now Available

New York, NY – December 19, 2012 - [Radar Logic Incorporated](#) released today the RPX Monthly Housing Market Report for October 2012. This edition provides a detailed analysis of housing market trends in 25 U.S. metropolitan areas, as well as analyses of specific sub-markets, including the market for distressed properties (foreclosures and REO) and the market for non-distressed properties.

We have included an excerpt from the report below. [To purchase the complete report, please visit Radar Logic's website.](#)

The RPX Composite Price is Up Year Over Year But Prices in Non-Distressed Sales Moved Only Slightly

Beware Distorted View of Indexes Due to Shifts in Market Composition

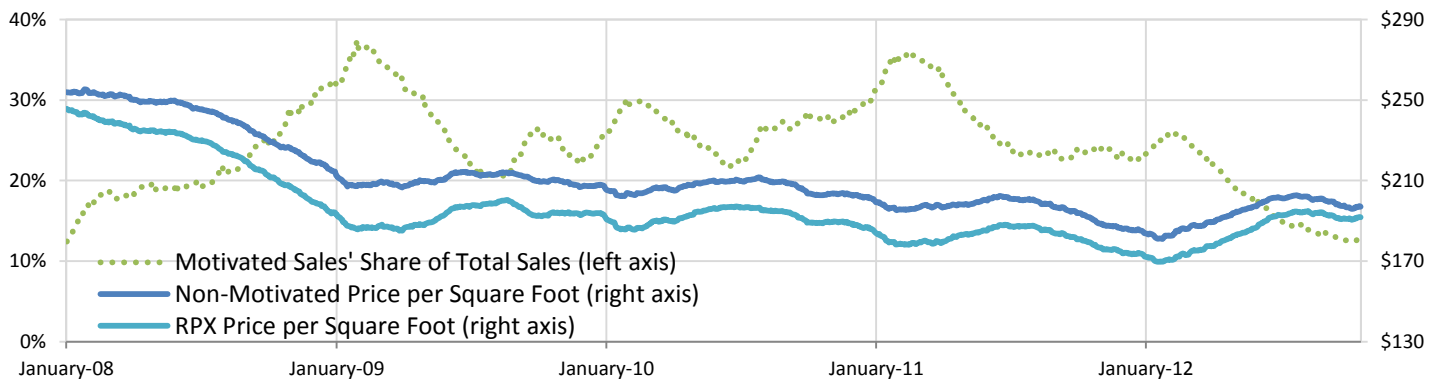
As of October 2012, the RPX Composite price, which tracks home prices in 25 major metropolitan statistical areas (MSAs), was \$191.85 per square foot; 6.9 percent higher than a year prior.¹ However, this increase was driven by a change in the composition of sales rather than price appreciation.

Sales of REO and sales of foreclosed homes at public auction have declined as a share of total sales in 23 of the 25 metropolitan areas tracked by Radar Logic. As of October, such sales, which we call “motivated sales”, accounted for 13 percent of total sales across the 25 MSAs, down from 24 percent a year earlier. As of October 2012, the 25-MSA composite price for motivated sales was 32 percent lower than the 25-MSA composite price for non-motivated sales (as opposed to 39% a year earlier). The decline in relatively low-priced motivated sales as a percentage of total sales has put upward pressure on RPX prices for many MSAs, as well as the RPX Composite, and we suspect the same is true of most major housing indexes.

While motivated prices track the price of foreclosed homes sold by financial institutions, non-motivated prices are a surrogate for the prices paid for homes sold by individuals and households (i.e., the traditional housing market). When one holds motivated sales aside and looks only at prices in non-motivated sales, one finds that prices in such sales have not increased nearly as much as the aggregate figures suggest. **The 25-MSA composite price per square foot for homes sold in non-motivated sales increased just 2.7 percent year over year, less than half as much as the overall RPX Composite.** Keep in mind that non-motivated sales include short sales, as the seller in a short sale is an individual or household as opposed to a financial institution. Thus, increasing short sales will weigh on aggregate non-motivated prices to the extent that homes sold in short sales sell for less than homes in other non-motivated sales.

As shown in the chart below, the RPX Composite price and the composite non-motivated price both remain lower than they were at this point in 2008, and meaningfully below where they were when the housing market peaked. Since then, when motivated sales have increased as a share of total sales, the RPX Composite has been pulled down, and when they have decreased as a share of total sales, the RPX Composite has been pulled up. This mix shift is important to follow to get a true picture of the strength of housing markets.

¹ All data are as of October 17, 2012.



Of course, there is considerable variation within the 25 metropolitan areas included in the RPX Composite price. The 10.0 percent year-over-year increase in the RPX price for Washington, DC, can be largely attributed to the decline in motivated sales from 16 percent of total sales to eight percent. Prices in Washington-area non-motivated sales increased just 1.5 percent year over year. Cleveland, Las Vegas, Seattle and San Diego show similar patterns. The 4.0 percent year-over-year gain in the Atlanta RPX price is almost entirely attributable to the decline in motivated sales from 28 percent of total to 19 percent, as the non-motivated price for Atlanta **declined** 4.3 percent year over year.

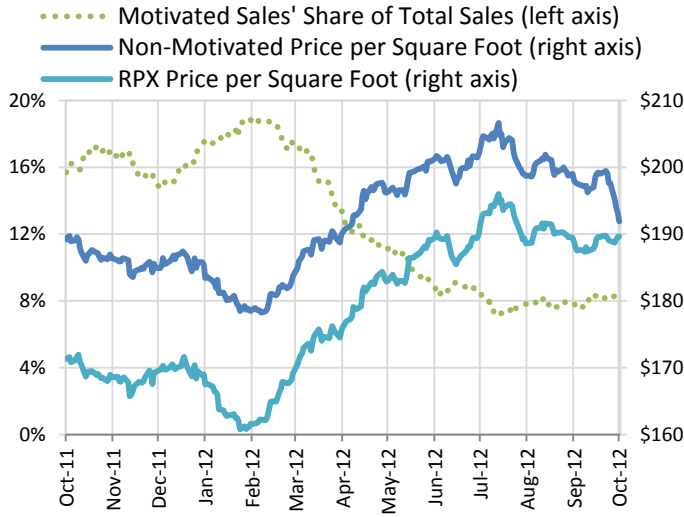
Prices in non-motivated sales did improve considerably in San Jose, but the decline in motivated sales from 14 percent of total sales to 7 percent pushed the San Jose RPX price even higher. The aggregate price per square foot in San Jose area non-motivated sales increased 12.9 percent year over year in October, while the San Jose RPX price reflecting all sales increased 14.2 percent. Chicago, Milwaukee and Phoenix followed similar patterns.

Prices declined 5.0 percent year over year in Miami-area non-motivated sales, but the decline in motivated sales' share of total sales helped temper the impact of these declines on the overall Miami RPX price. Motivated sales declined from 25 percent of Miami sales to 15 percent, and as a result the Miami RPX declined just 0.6 percent year over year. RPX prices for Jacksonville and Tampa followed similar patterns.

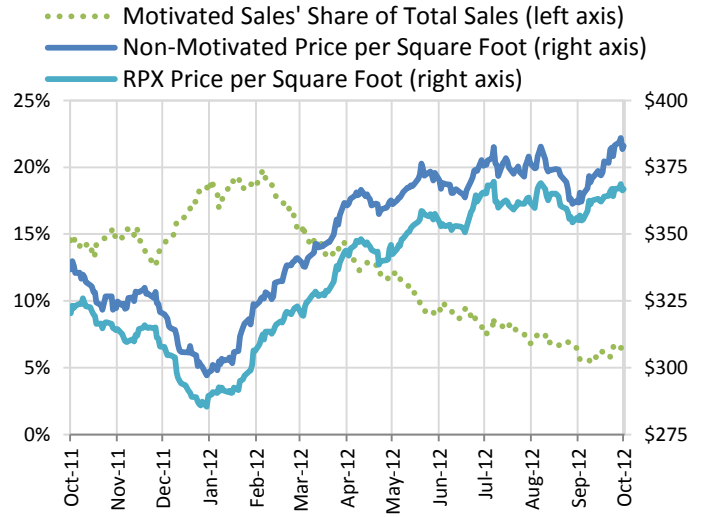
In the northeast, where motivated sales have not reached the high concentrations seen in other parts of the country, the impact of declining motivated sales was muted. In Boston, motivated sales declined from 10 percent of total sales to eight percent. The Boston non-motivated price increased 3.0 percent and the Boston RPX price increased 3.4 percent. Similar patterns can be seen in the RPX prices for New York and Philadelphia.

RPX and Non-Motivated Prices (28-Day) for Four Metropolitan Areas, Oct. 2011 – Oct. 2012

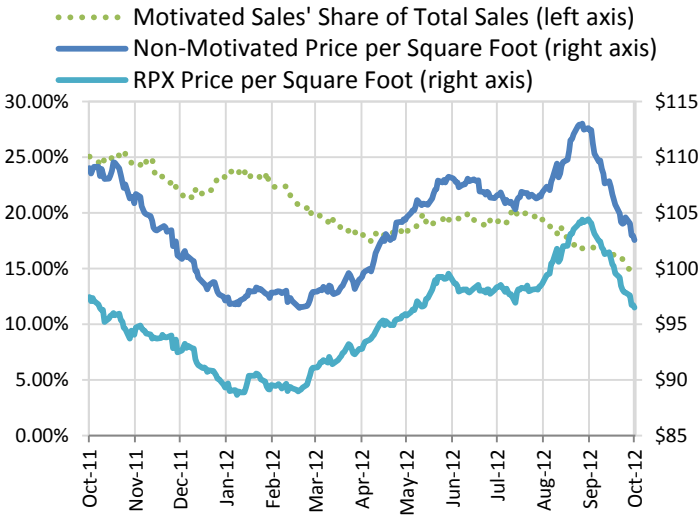
Washington, DC



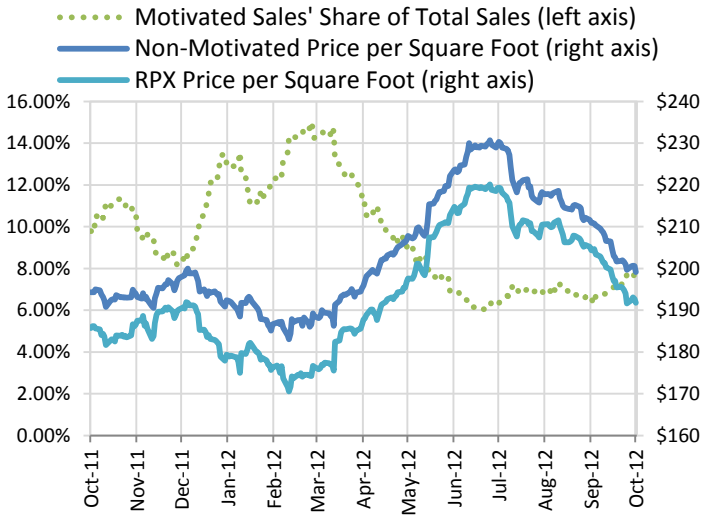
San Jose



Miami



Boston



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. 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 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 RPX Monthly Housing Market Report provides insight and detailed analysis of Radar Logic's 25 MSAs and the Manhattan Condo market. This study is based on the premise that there is no national housing market; rather, each MSA, while having some economic influences in common, is influenced primarily by local conditions.

The November 2012 RPX™ Monthly Housing Market Report will be released on January 24, 2013, at 4:00 PM EST.

RPX Analytics & Research

Radar Logic offers specialized analytic services which allow real estate and financial professionals to view current and historical price per square foot and transaction count trends for all markets and sub-markets we track. MSAs can be segmented by location (zip code and county), property type (single family, multi-family and condo), property size, date range, and sale price. The database is derived from our neutral, public source records.

Our data provide a means for all entities associated with or affected by housing prices to maintain market data streams on a constant, neutral and daily-updated basis.

For additional insight on this report or for inquiries about research or analytic products, please contact:

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