



Press Release

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With Change in Season, Home Prices Fall Together Seasonal Trends Complement Foreclosure Discounts, General Market Weakness

NEW YORK, NY – December 1, 2008 – In September 2008, a combination of seasonal trends, distressed-sale discounts and general market weakness pushed home prices lower in most metropolitan areas. According to the September 2008 RPX™ Monthly Housing Market Report released today by Radar Logic Incorporated, 23 of the 25 MSAs tracked by Radar Logic's Residential Property Index saw prices decline between August and September, and prices in all 25 MSAs declined compared to September 2007.

The near unanimity with which prices declined in September contrasts with price dynamics during the housing boom, when seasonal price patterns between August and September were at odds with the nationwide price trend. Between 2000 and 2005, MSAs with strong seasonal patterns, such as Boston and Minneapolis, saw prices in September fall toward their winter lows, while MSAs in warmer climates, such as Los Angeles and Las Vegas, saw prices continue their upward trend through the fall. That changed in 2006, when the boom leveled off, and for the last two years prices have declined month-over-month in nearly every MSA during September.

"The uniformity of price movements in September masks the diversity of market forces at play," said Michael Feder, CEO of Radar Logic. "A closer look at historical price trends reveals that a normal seasonal lull is aggravating the downward price pressure created by foreclosures and a deflating price bubble, particularly in northern MSAs. In the spring, we expect to see the seasonal trend reverse and prices in healthier markets improve on a month-over-month basis."

Key Observations:

- In September 2008, Milwaukee, WI was at the top of the 25 MSA ranking with a year-year price decline of only 2.3%. Las Vegas, NV was at the bottom of the ranking, with a 32.2% decline since September 2007.
- The largest price declines continued to be concentrated in California, Arizona and Nevada, where foreclosure-related sales made up a substantial portion of transactions.
- 13 MSAs, including the six MSAs with the largest year-over-year price declines, experienced year-over-year transaction count increases.
- Motivated sales activity increased in all 25 MSAs relative to September 2007.
- Within MSAs, motivated sales tended to be concentrated in low-price zip codes, while "other" sales, those not classified as motivated, tended to be more evenly distributed across zip codes in all four price quartiles.



The complete September 2008 RPX Monthly Housing Market Report is available on Radar Logic's website at: www.radarlogic.com/research/RPXMonthlyHousingMarketReportforSeptember2008.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 are published 63 days after the last transaction date of every month, providing 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 there is not a national housing market; rather, 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 October 2008 *RPX Monthly Housing Market Report* will be released on January 5, 2009, at 5:30 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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