



Press Release

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Radar Logic Expresses Cautious Optimism for the Housing Market

RPX Housing Market Report Shows Strength in Non-Distressed Market, Though Foreclosures Threaten Future Growth

NEW YORK, NY – November 19, 2009 – Non-distressed homes are selling at rates and prices that are stronger than history would predict for this time of year, according to the September 2009 RPX Monthly Housing Market Report released today by Radar Logic Incorporated. But the 25-MSA RPX Composite dipped sharply in September due to an increase in sales of distressed homes and a decline in prices received for distressed homes. Nevertheless, the Composite's decline in September came after four months of above-average growth, and its performance year-to-date remains strong relative to the last three years.

"The three- and six-month trends in the RPX Composite through mid-September were the strongest we've seen since 2005," said Quinn Eddins, Radar Logic's Director of Research. "Prices for non-foreclosed homes held up well in September relative to the last few years but that strength was not reflected in the RPX Composite due to a 27% increase in foreclosure sales. Sales of foreclosed homes increased from 21% of total sales to 26% and consequently the RPX Composite decreased 3.1% month-over-month, which is more than typical for this time of year."

"Clearly the reduction in home prices that has occurred over the last few years has brought buyers back to the housing market," said Michael Feder, President and CEO of Radar Logic. "The real question now is what the impact of prospective foreclosures will be and what lenders and Washington will do to try to ease that trend. All else being equal, housing appears to be returning to normal, but foreclosures will be critical to the near term results."

Key Observations of the September 2009 RPX Monthly Housing Market Report:

- Trends in home prices and home sales in September were stronger than one would expect given the historical trends for this time of year. The 25-MSA RPX Composite price dipped sharply in the month ending September 17, but this decline came after four months of above-average growth. As a result, the three- and six-month growth trends for the Composite were stronger this September than they have been in any September since 2005.
- The 25-MSA RPX transaction count increased 1.5% between mid-August and mid-September, contrary to the expected seasonal pattern. It was the first time that the 25-MSA transaction count increased during this time of year since the beginning of Radar Logic's data set in 2000. The growth in home sales from mid-August to mid-September was a continuation of a six-month trend of above-average growth. The 25-MSA transaction count increased more over the three- and six-month periods ending September 17, 2009, than over the same periods in any other year in Radar Logic's data series.

- Month-over-month trends for non-foreclosed homes were relatively strong compared to past years. The 25-MSA composite price for non-foreclosure sales declined 1.1% (-\$2.26) over the month ending September 17. This decline closely resembled the ten-year average decline in the RPX Composite for this period (-0.9% or -\$1.99), and was considerably less than the average decline for this period from 2006 to 2008 (-2.0% or -\$5.04). The total number of non-foreclosure sales in the 25 MSAs decreased 5% on a month-over-month basis. This decline was less than the 8% ten-year average decline in the 25-MSA RPX transaction count from mid-August to mid-September.
- Across the 25 MSAs tracked by Radar Logic, foreclosure-related sales (not including short sales) increased 27% from mid-August to mid-September, rising from 21% of total sales to 26%. This increase was driven by sales of foreclosed homes in Detroit, Miami, Las Vegas, Atlanta and Phoenix. The majority of foreclosure sales (67%) occurred in relatively inexpensive neighborhoods (i.e., zip codes in the bottom half of their MSA when ranked by median home price).
- The increase in sales of foreclosed homes as a percent of total sales, coupled with significant price discounts in foreclosure sales relative to other sales, caused the 25-MSA RPX Composite price to decline 3.1% (-\$6.22) month over month. This decline was large relative to the declines over the same period in years past.
- Since late 2006, the share of sales in inexpensive neighborhoods (i.e., in the least expensive 50% of zip codes in each MSA) has declined from 52% of total sales to 48%. In September, sales shifted from expensive neighborhoods into inexpensive neighborhoods, counter to the multi-year trend. Given the significant discounts to the RPX price in the relatively inexpensive neighborhoods, the shift toward the bottom quartiles likely contributed to the Composite's month-over-month decline in September.

The complete September 2009 RPX Monthly Housing Market Report is available by subscription on Radar Logic's website: <http://www.radarlogic.com>.

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 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 2009 RPX *Monthly Housing Market Report* will be released on December 17, 2009, 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.

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