



## Press Release

December 1, 2011

### *Radar Logic Sees Signs of Improvement in the Housing Market*

New York, NY – December 1, 2011 – While trends in home prices remain negative in most major U.S. metropolitan areas, there are indications that market conditions are starting to improve.

According to the [September 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#), the RPX Composite Price declined 4.4 percent during the 12 months ending September 29, 2011. The RPX Composite price, which tracks housing values in 25 metropolitan areas across the United States, has been exhibiting year-over-year declines in excess of four percent since February.

Home prices are declining due to a persistent imbalance of supply and demand in the housing market. The supply of homes is swollen, with the National Association of Realtors reporting an inventory of 3.33 million single-family homes for sale as of October 2011, an 8 months' supply at the then-current seasonally adjusted sales rate. Eight months' supply is elevated relative to the long-term average of six months' supply. In addition, there are large distressed and "shadow" inventories that make the total months' supply considerably larger. Meanwhile, demand has declined significantly. According to the National Association of Realtors, existing-home sales have declined by roughly a third since their all-time peak in 2005.

However, there are signs that supply and demand are beginning to return to historical levels. Demand appears to be increasing, with the 25 metropolitan area RPX transaction count posting a 15.4 percent year-over-year increase in September, the largest September-to-September gain since 2003. Inventories are trending down, with the Realtors reporting a 13.8 percent year-over-year decline in existing-home inventory in October and the Mortgage Bankers Association reporting a decline in distressed inventory from 13.52 percent of mortgage loans in October 2010 to 12.42 percent of mortgages in October 2011.

Based on these trends, Radar Logic expects the year-over-year trend in U.S. housing prices to remain negative for some time, but the rate of decline will slow until prices finally touch bottom.

"We may indeed be seeing the beginning of at least a 'soft landing' in housing," said Michael Feder, President and CEO of Radar Logic. "Activity is stable, price declines have slowed and it is unlikely that many more borrowers will enter default or that many more homes will go 'underwater.' While this may not be the beginning of a recovery, the data suggest it may well be the beginning of an equilibrium, which if the case, should and probably will boost buyer confidence. If it does, a recovery may not be far away."

The [complete September 2011 RPX Monthly Housing Market Report](#) is available for free with registration on Radar Logic's website.

## ***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 October 2011 RPX Monthly Housing Market Report will be released on December 22, 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](http://www.radarlogic.com).

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