

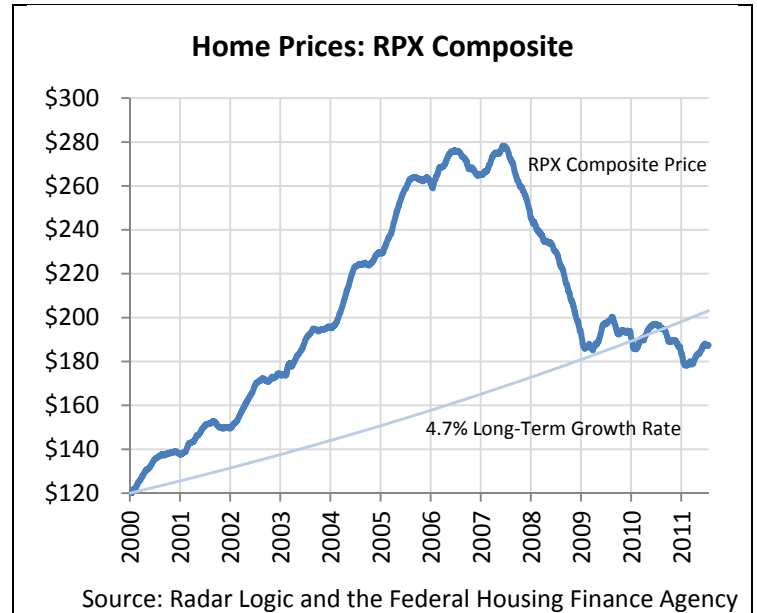
Did You Know...

Housing is Cheap!

Considering the decline of home prices in recent years and the decline in mortgage rates to historic lows, housing looks like an extremely attractive investment opportunity.

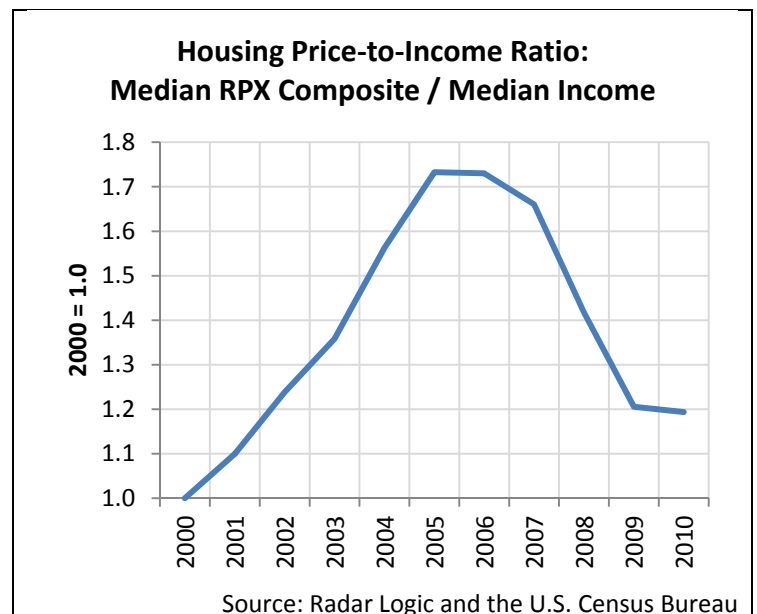
Home values have fallen precipitously over the last four years, and are now approximately equal to what they were in 2003.

- The RPX Composite Price, which tracks housing values in 25 major US metropolitan areas, has fallen 33 percent from its peak in June 2007.
- In 2011 the Composite fell to its lowest levels in eight years, erasing the appreciation during the frothiest years of the housing boom.
- Had the RPX Composite risen at 4.7 percent per annum starting in 2000 (the long-term rate of home price appreciation¹), it would be \$203 today, or 8 percent higher than it actually is.



A dollar of income goes further toward buying a home today than in any year since 2002².

- Housing values increased faster than incomes from 2000 to 2005, reducing affordability.
- Since 2005, housing prices have dropped faster than incomes, making purchasing a home more affordable.



¹ The long-term housing price appreciation rate was estimated using the FHFA All-Transaction Home Price Index for the United States, Q1 1975 – Q2 2011.

² Based on the ratio of annual median RPX Composite price to annual median income for all U.S. households since January 2000.

Relative to the cost of renting, owning a home is the most affordable it has been in ten years³.

- From 2001 to 2006, the cost of purchasing a home increased relative to the cost of renting.
- Since 2006, purchasing a home has become more affordable relative to renting.
- In 2011, the price-to-rent ratio fell to 2001 levels.

Mortgage rates are at historically low levels and are likely to stay there for some time.

- As of August 2011, the average 30-Year Conventional Mortgage Rate was 4.27 percent, according to the Federal Reserve. That is the second-lowest rate on record, after 4.23 percent in November 2010.
- The Federal Reserve recently took measures to reduce longer-term interest rates. In light of these measures, mortgage rates are likely to remain at or near record lows for the foreseeable future.

RPX futures are poised to be an attractive investment alternative.

For more information please visit www.CBOE.com/RPX or www.RadarLogic.com.

³ Based on the ratio of the RPX Composite price to Owner Equivalent Rent for all urban consumers, according to the Bureau of Labor Statistics.

