



Press Release

April 3, 2009

Radar Logic Reports Slowing Decline in Home Sales “Motivated” Sales Rise to Over a Third of Total Transactions, Indicating Significant Demand for Foreclosed Homes with Discounted Prices

NEW YORK, NY – April 3, 2009 – According to the January 2009 RPX Monthly Housing Market Report released today by Radar Logic, sales in the 25 metropolitan statistical areas (MSAs) Radar Logic tracks declined 6% in the year ending January 2009, compared to 36% in the prior year. The slowing annual decline of transactions was due to an increase in motivated sales, which Radar Logic defines as sales to third parties at foreclosure auctions and sales of foreclosed homes by financial institutions and foreclosure service firms. Motivated sales have increased more than fourfold in the 25 MSAs since January 2007, and now account for 36% of all sales. While this rapid growth in motivated sales reflects the increase in foreclosures over the last year, it also reflects significant demand for homes that are priced at “motivated” discounts.

The growth of motivated sales, both in absolute terms and as a share of total sales, has put pressure on home prices. According to Radar Logic, the 25-MSA composite price for motivated sales was 36% lower than the composite price for all other sales between January 2008 and January 2009. Therefore the increase in motivated sales from 17% to 36% of transactions played a significant role in the decrease in the 25-MSA composite price for all sales. In the year ending January 2009, the 25-MSA RPX Composite price fell 23%. If the proportions of motivated sales and other sales had remained unchanged at January 2008 levels, the decline in the Composite would have been closer to 19%.

“While it is too soon to draw specific conclusions, much of what we are seeing now is encouraging news about housing,” said Michael Feder, President and CEO of Radar Logic. “There appears to be a significant increase in demand given the reduction in prices evident in many markets. As and if mortgages return to traditional loan-to-value ratios, we would expect to see stability and even recovery in many housing markets.”

“One notable exception is Manhattan,” Feder added. “The continued withdrawal of financial service employees as buyers is beginning to have a significant impact on Manhattan condominium prices, as we have been predicting for several months.”

Key Observations:

- Month-over-month declines in home sales from September 2008 to January 2009 reflect the historical seasonal pattern. According to the National Association of Realtors, the historical pattern continued with an increase in existing home sales during February, the traditional start of the spring buying season.
- Home prices declined on a year-over-year basis in 24 of the 25 MSAs tracked by Radar Logic. The largest decline was in Phoenix, where the RPX fell 36%. Milwaukee was the only MSA to post a year-over-year increase. Home prices there increased 1% from January 2008 to January 2009.

The complete January 2009 RPX Monthly Housing Market Report is available on Radar Logic's website at: www.radarlogic.com/research/RPXMonthlyHousingMarketReportforJanuary2009.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 February 2009 *RPX Monthly Housing Market Report* will be released on May 1, 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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