



Press Release

March 24, 2011

RPX Composite Price Reached a New Low in January Oversupply, Tight Credit and Seasonal Factors Drove Price Declines

New York, NY – March 24, 2011 – The RPX Composite price fell in January to its lowest levels since the housing bubble burst nationwide in 2007, according to the [January 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The RPX Composite price, which tracks home prices in 25 major metropolitan areas in the United States, declined to \$179.50 per square foot as of January 20, 2011, a 3.8 percent decline relative to the December 2010 and a 3.4 percent decline relative to January 2010. The last time the RPX Composite price was this low was in April 2003.

Seasonal factors typically cause home prices to decline in January, but the drop in the RPX Composite price this January was particularly large relative to past years – the third largest for the period since the beginning of Radar Logic’s historical data, which dates back to January 2000.

The particularly rapid decline in the RPX Composite price relative to years past suggests that the weakness in home prices during January was due to weak market fundamentals and not simply the result of seasonal factors. The supply of homes for sale and potentially for sale is very large relative to demand, and it continues to be fed by high rates of mortgage defaults and foreclosures. At the same time, demand for homes is constrained by tight lending standards. Unfortunately, declining home prices are likely to exacerbate these challenges to the housing market.

“While January is typically a slow month for housing, the trends evident in RPX data are more troubling than not” said Michael Feder, Radar Logic’s CEO. “The RPX Composite price hit a new low for the cycle, velocity of transactions continues to decline and the negative influence of distressed properties continues to be felt. More than last year, what we see in the numbers over the next several months will tell us whether housing is going to decline a little or a lot.”

Home sales also declined rapidly from December to January, but unlike the decline in prices, the decline in sales was small relative to years past. The RPX Composite transaction count, which reflects sales activity in the 25 metropolitan areas covered by the RPX Composite price, declined by 19.4 percent month over month. Rapid declines in home sales are commonplace in January, and the decline in January 2010, though substantial, was smaller than during the same period in each of the last 10 years.

Sales of foreclosed homes by financial institutions, which Radar Logic calls motivated sales, declined less than other sales from December to January. As a result, motivated sales increased to 35 percent of all home sales as of January 20, the second-highest rate of motivated sales ever observed by Radar Logic.

The [complete January 2011 RPX Monthly Housing Market Report](#) is available by subscription at Radar Logic’s website. A complimentary executive summary is available with registration. To register, click [here](#).

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 February 2011 RPX Monthly Housing Market Report will be released on April 21, 2011, at 4:00 PM EDT.

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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