



Press Release

August 25, 2011

Housing Markets Continue to Show Weakness

... And The Situation is Likely to Get Worse Through the End of 2011

New York, NY – August 25, 2011 – Signs of weakness in the housing market are abundant, according to the [June 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#). The RPX Composite price, which tracks housing values in 25 major metropolitan markets in the United States, declined 4.7 percent year over year through June, and this spring brought the smallest seasonal increase in the RPX Composite on record.

Home sales also declined relative to this time last year. The 25-metropolitan-area RPX transaction count declined 6.6 percent year over year in June. Declines in the RPX transaction count are likely to continue, as evinced by the 3.5 percent month-over-month decline in July existing home sales as reported by the National Association of Realtors, and the 0.7 percent month-over-month decline in July new-home sales as reported by the Census Bureau. Moreover, mortgage applications fell to a 13-month low in the week ended Aug. 12, even as borrowing costs tumbled, according to the Mortgage Bankers Association.

Distressed sales are likely to increase as a percent of total home sales over the next six months. The ratio of distressed to total sales usually reaches its low for the year in June and July, when non-distressed sales reach their seasonal high, and then increases through January, as non-distressed sales fall to their seasonal trough. This seasonal variation amplifies seasonal volatility in home price indices as sales of foreclosed homes, which sell for about 40 percent less than all other homes, on average, make up a larger share of the transactions used to calculate indices in the winter and a smaller share in the summer.

RPX futures are expected to begin trading on the CBOE Futures Exchange (CFE) early next month and given widespread pessimism about the housing market and evidence that weakness is likely to continue, futures contracts are expected to initially trade well below spot RPX prices.

“Unfortunately, all of the signs are pointing to the negative: inventory is up, turnover is down, and delinquencies are increasing.” said Michael Feder, President and CEO of Radar Logic. “As we look at the numbers and the other indicators we follow, we see a significant bias to the downside for the remainder of this year. The worrisome question is what will happen to our economy if homeowners lose another \$1.5 trillion of home equity value on top of the \$6 trillion they’ve lost over the last five years.”

The [complete June 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 July 2011 RPX Monthly Housing Market Report will be released on September 22, 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.

Media Contact: Quinn Eddins, Radar Logic Incorporated, 212-965-9982, geddins@radarlogic.com.

###