



## Press Release

May 26, 2011

### ***The 2011 Home Buying Season is Off to a Slow Start***

#### ***Yet Sales of Foreclosed Homes Have Been Relatively Strong Thanks to Investment Buyers***

New York, NY – May 26, 2011 – The month of March usually brings a seasonal boost to home sales, but according to the [March 2011 RPX Monthly Housing Market Report](#) released today by [Radar Logic Incorporated](#), the seasonal uptick was smaller this year than in years past. The increase in the RPX Composite transaction count during the month ending March 24 was the smallest for the period since the beginning of Radar Logic's dataset.

The market for foreclosed homes has performed better than the market for all other homes. Thus far in 2011, the RPX Composite motivated transaction count, which measures sales of foreclosed homes by financial firms and at foreclosure auctions, has increased just slightly less than its average gain for the period over the last four years. By contrast, all other sales have increased by less than half as much as they usually do during the period.

"Investment buyers are driving sales of foreclosed homes, but they have largely ignored the rest of the market," said Quinn Eddins, Director of Research at Radar Logic. "On average, foreclosed homes are priced at a 39 percent discount to other homes. Investors believe they can purchase these properties at a significant discount to their future value. Sellers in the rest of the market have not lowered their prices to levels where investors feel confident they can make an adequate return on their investment."

"Non-investment buyers have been less active than usual this year," added Mr. Eddins. "Widespread negative equity is reducing demand as it makes it difficult for would-be move-up buyers to sell their current homes. And buyers in general are wary of making a down payment of 20 or 25 percent in an environment where home prices are widely expected to fall over the next 12 to 24 months."

Like sales activity, home prices have increased less than usual this spring. The RPX Composite price measures home prices in 25 major US metropolitan areas. Since 2000, holding aside the bust years of 2008 and 2009, it has increased by an average of 1.5 percent during the month leading up to March 24. In 2011, the RPX Composite increased just 0.5 percent. The relatively weak performance of the RPX Composite price is consistent with the fact that, unlike most years, the market for foreclosed homes has been the segment of the housing market with the strongest sales growth.

The [complete February 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 April 2011 RPX Monthly Housing Market Report will be released on June 23, 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](http://www.radarlogic.com).

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