



Press Release

January 30, 2009

Home Price Declines Accelerated in November **Seasonal Weakness and Sales of Foreclosed Homes Drove Prices Down**

NEW YORK, NY – January 30, 2009 – According to the November 2008 *RPX™ Monthly Housing Market Report* released today by Radar Logic Incorporated, year-over-year price declines in November accelerated relative to declines in November 2007 in all 25 MSAs covered. “This trend was anticipated due to the increased influence of ‘motivated sales’ at substantial discounts relative to other elements of the market,” observed Michael Feder, Radar Logic’s CEO. “That said, there are some interesting signals which may indicate that we are getting closer to some stability in the housing markets,” he added.

Price declines during November reflected the typical seasonal pattern for winter months, but the declines were made more severe by large and growing concentrations of motivated sales relative to total transactions. Motivated sales are sales at foreclosure auctions and sales of foreclosed properties by banks. On the whole across the 25 MSAs, motivated transactions increased from 28% of total transactions in October to 31% in November. Motivated sales are characterized by substantial discounts relative to pricing in other transactions. As they grow to a significant share of total transactions, these discounts can influence MSA-level prices. Barring government intervention or an increase in loan modifications by banks, foreclosures and motivated sales are likely to increase over the coming year as unemployment rises.

Transaction counts in the RPX MSAs increased in November 2008 versus November 2007 in 13 of the 25 MSAs and the rate of decline decreased in eight more. “This is an interesting development in that it bucks the historical pattern,” Feder said.

Activity in the RPX forwards markets continued to grow at a significant pace. Total volume in the 15 months of trading is approaching \$3 billion. The contracts traded (Composite, New York, Los Angeles, Phoenix and Miami) show a capital market expectation of further declines in 2009 followed by stabilization in 2010. In general, expectations suggest that prices could stabilize near 2002/2003 levels.

Key Observations:

- 24 of 25 MSAs experienced price declines between November 2007 and November 2008. 22 MSAs displayed declines between October and November 2008, with 4 MSAs posting their largest monthly declines since the beginning of Radar Logic’s data history in January 2000.
- Transaction counts increased in 13 MSAs relative to the prior year. Transactions decreased between October and November in 24 MSAs.
- Despite the increase in the percentage of motivated sales relative to total sales, motivated sales decreased in absolute terms for the second month in a row.

The complete November 2008 RPX Monthly Housing Market Report is available on Radar Logic's website at:
www.radarlogic.com/research/RPXMonthlyHousingMarketReportforNovember2008.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 December 2008 *RPX Monthly Housing Market Report* will be released on March 4, 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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