



RPX MONTHLY HOUSING MARKET REPORT

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February 2010

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New Radar Logic data packages are available at www.radarlogic.com/productservices_analytics.html

Increasing Foreclosures Could Hurt Demand for Homes, Slowing Housing Recovery

In the past, we have discussed the impact of foreclosures on the housing markets mostly in terms of *supply*: foreclosures increase the inventory of repossessed properties owned by banks, who in turn seek to liquidate that inventory by selling homes at significant discounts, increasing the supply of relatively low-priced homes and putting downward pressure on prices. But foreclosures also pose a threat to housing *demand*, particularly given the heightened media attention the problem has attracted: potential buyers could delay their plans to purchase a house because they are concerned that foreclosures will induce a second precipitous decline in housing values. Such fears could be self-fulfilling if demand slackens to the point where it can no longer keep pace with foreclosure-driven supply.

Last Thursday, RealtyTrac announced that foreclosure filings set a record in March, with filings reported on 367,056 properties, the highest monthly total since RealtyTrac began issuing its report in January 2005. In light of this news and current anxieties over foreclosures, we are increasingly concerned about the threat that foreclosures pose to housing demand, and thus to a timely recovery of the housing markets. We still believe that low home prices and low mortgage rates will continue to spur sufficient housing demand to absorb foreclosure-driven increases in supply at current price levels (controlling for seasonal price effects). However, we will watch foreclosure rates and sales activity closely in the coming months for signs of flagging homebuyer confidence.

Trends in Home Prices and Home Sales

The 25-MSA RPX Composite price remained flat in February on both a month-over-month and year-over-year basis (please see Exhibits 3 and 10). The horizontal price movement represents the best one-month price trend for the month of February since 2007. The three-month price trend ending February 2010, while negative, marked an improvement over steep February declines in 2008 and 2009.

The stability in the 25-MSA RPX Composite price from January to February 2010 was driven by increases in the RPX prices for western MSAs (please see Exhibit 4). The RPX composite price for the western region increased 2% in February on a month-over-month basis, while the RPX prices for the Midwest, Northeast and South each declined 2%.

The 25-MSA transaction count increased 37% between February 2009 and February 2010. As can be seen in Exhibit 3, this was the first year-over-year increase during the month of February since 2005. The 25-MSA RPX transaction count increased 16% month over month. In absolute terms, this one-month trend was similar to the February gains in 2006 through 2009. The three-month transaction count trend was more negative than it has been in years due to the large and rapid decline in transactions in December and January.

On a year-over-year basis, transactions increased the most in MSAs that have been hit hardest by foreclosures: Las Vegas, Chicago, Miami and Detroit (please see Exhibits 9 and 14). The RPX transaction count for Las Vegas has increased almost 300% since February 2009. The largest month-over-month increases in sales activity occurred in Southern California, with Los Angeles and San Diego both exhibiting 39% gains in transaction counts (please see Exhibit 15).

Throughout the 25 MSAs tracked by Radar Logic, motivated sales increased slightly as a percentage of total sales between mid-January and mid-February.¹ During the 28 days ending January 18, 29% of home sales in the 25 MSAs tracked by Radar Logic were motivated sales. In the 28 days ending February 18, 30% of home sales were motivated. The increase in motivated sales as a percentage of total sales was the result of a 20% increase in motivated sales combined with a 12% decrease in other sales (please see Exhibits 5 and 6).

As of February 2010, the 25-MSA RPX Composite price for motivated sales was 38% lower than the composite price for other sales (please see Exhibit 8). This significant discount is, in part, a function of financial institutions cutting prices in order to expedite the liquidation of their inventory of real estate owned (REO). However, this is not the whole story. Exhibits 16 and 22 show that the motivated discount also arises from the fact that motivated sales are concentrated in neighborhoods where home prices have historically been low relative to the surrounding metropolitan areas.

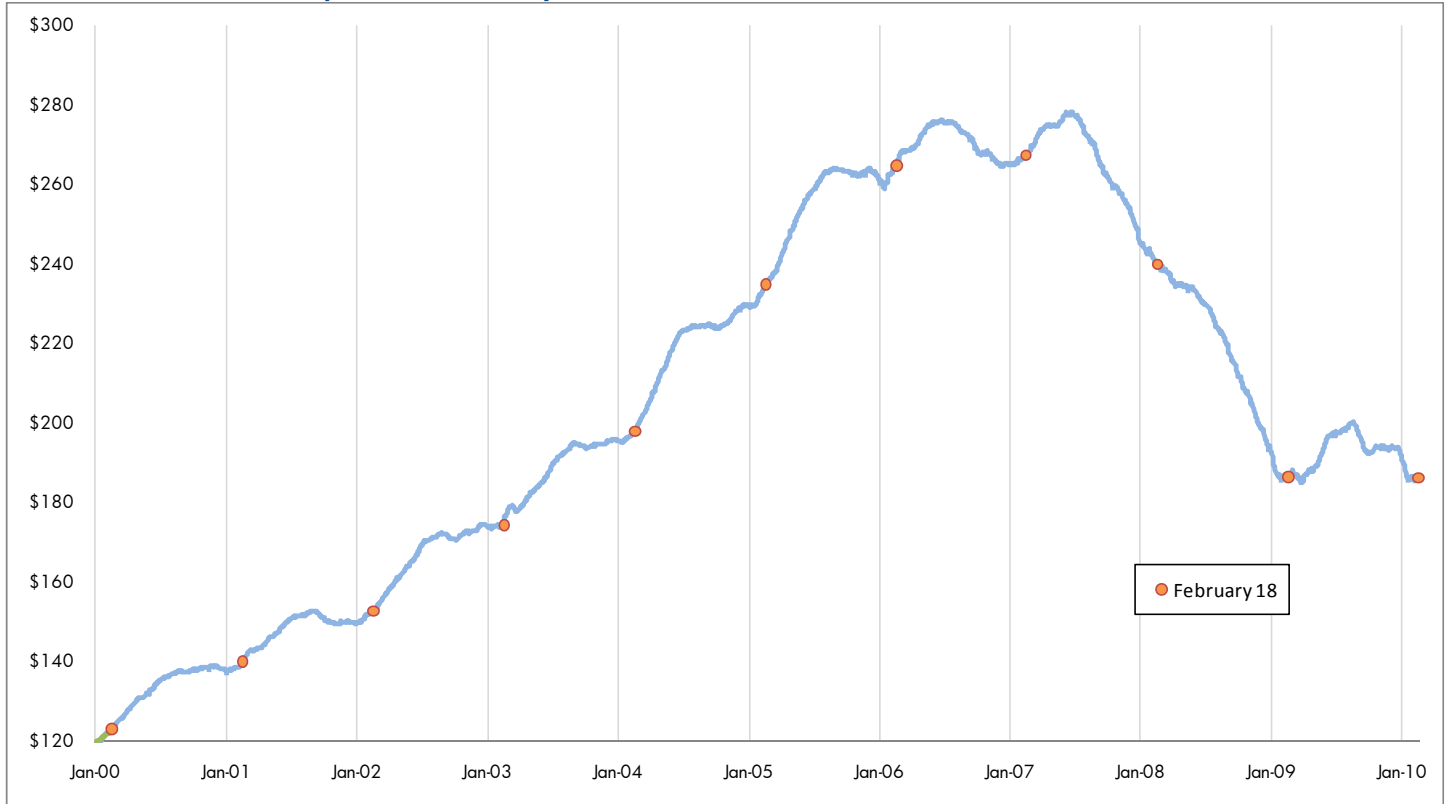
February 2010 S&P/Case-Shiller Composite Home Price Indices

In the RPX Housing Market Report for January 2010, which we released March 24, we used our Daily Prices to predict the S&P/Case-Shiller 10-City and 20-City composite home price indices for January. We predicted the 10-City index would be approximately 157, and the 20-City index would be about 145. The actual values, released March 30, 2010, were 157.89 and 145.32, respectively.

This month, we expect the S&P/Case-Shiller composites to remain steady relative to their January levels. The February 2010 10-City composite will be roughly 157 and the 20-City composite will be roughly 144.

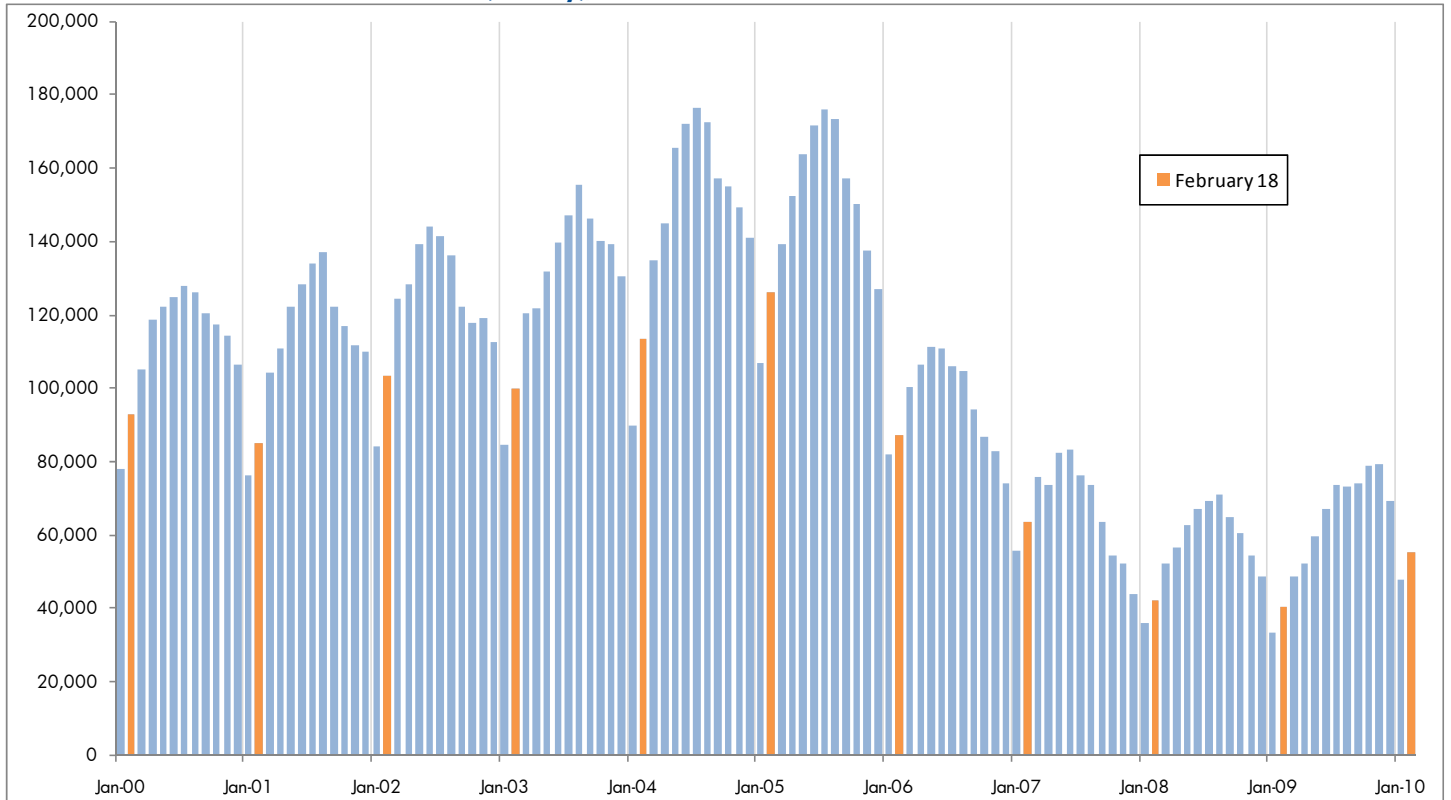
¹ Motivated sales are foreclosure auction sales and liquidity-driven sales by financial institutions and foreclosure service firms

Exhibit 1: 25-MSA RPX Composite Price (28-Day), 2000-2010



Source: Radar Logic, 28-Day RPX™ Composite prices as of 2/18/2010

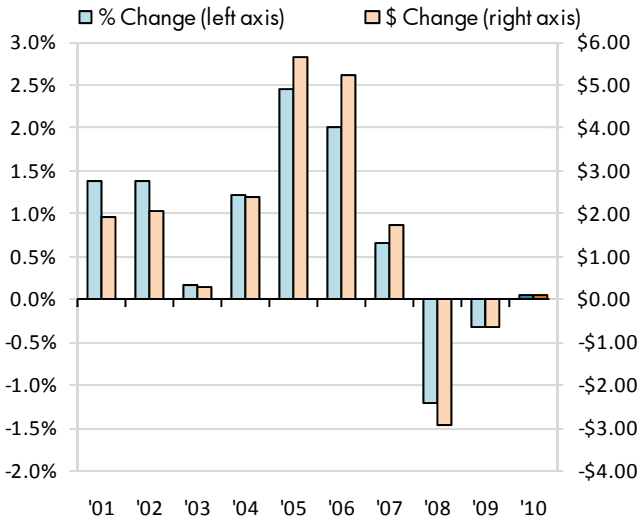
Exhibit 2: 25-MSA RPX Transaction Count (28-Day), 2000-2010



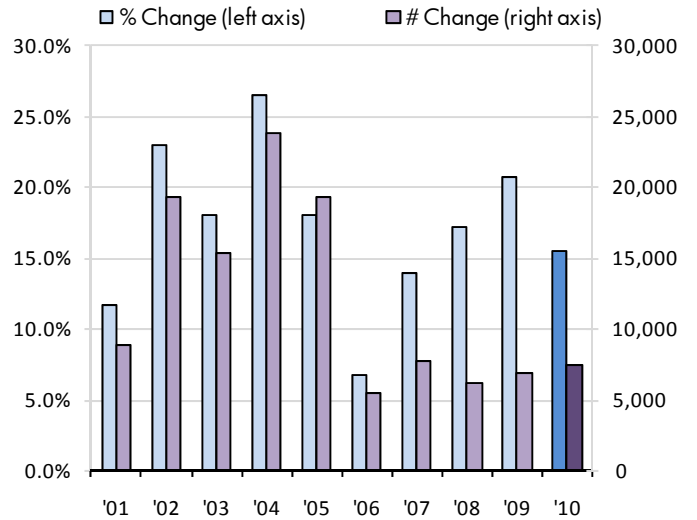
Source: Radar Logic, 28-Day RPX™ Composite transaction counts as of 2/18/2010

Exhibit 3: One-, Three- and Twelve-Month Change in the RPX Composite Price and Transaction Count vs. Past Years

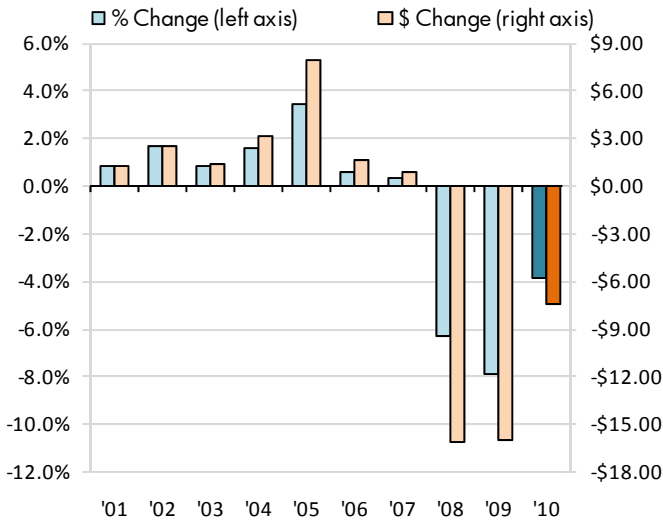
One-Month Change in the 25-MSA Composite Price, January 18 to February 18



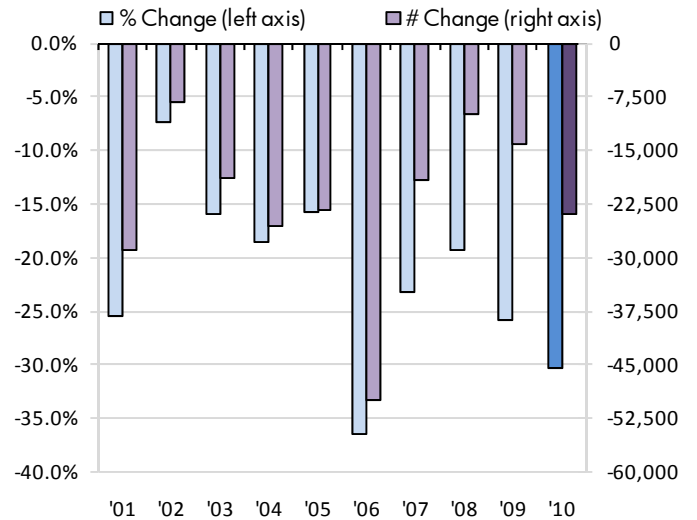
One-Month Change in the 25-MSA Transaction Count, January 18 to February 18



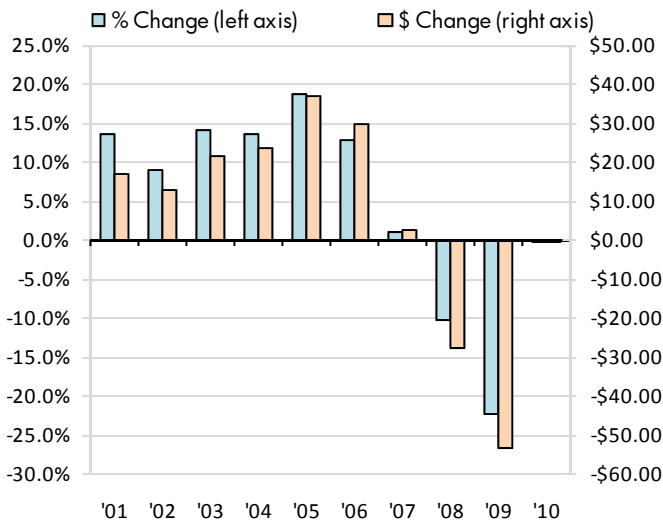
Three-Month Change in the 25-MSA Composite Price, November 18 to February 18



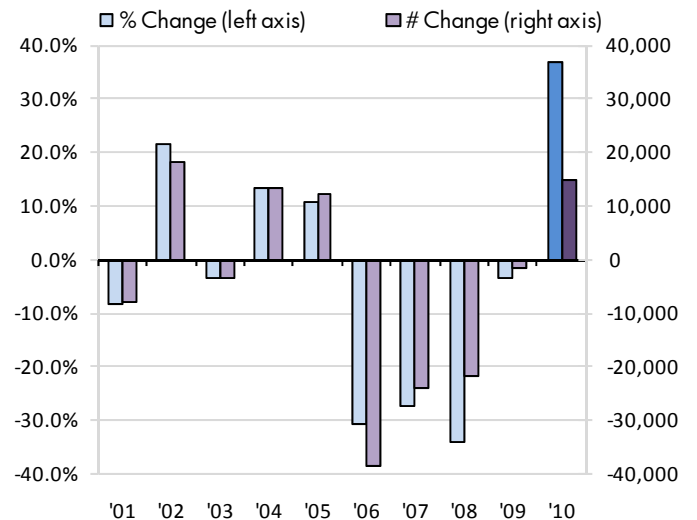
Three-Month Change in the 25-MSA Transaction Count, November 18 to February 18



Twelve-Month Change in the 25-MSA Composite Price through February



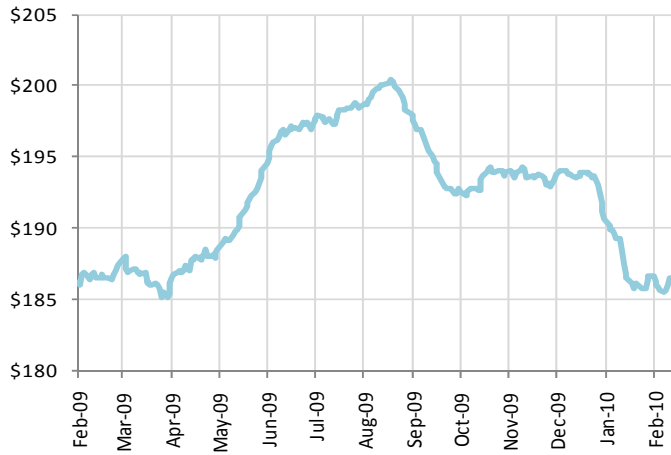
Twelve-Month Change in the 25-MSA Transaction Count through February



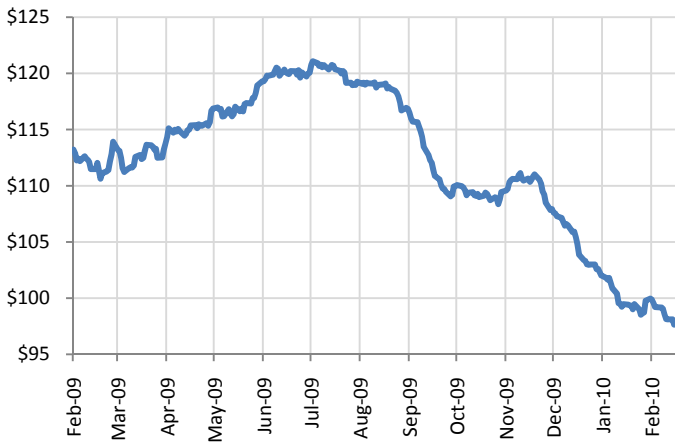
Source: Radar Logic, 28-Day RPX™ Composite prices as of 2/18/2010

Exhibit 4: 28-Day Regional RPX Composite Prices

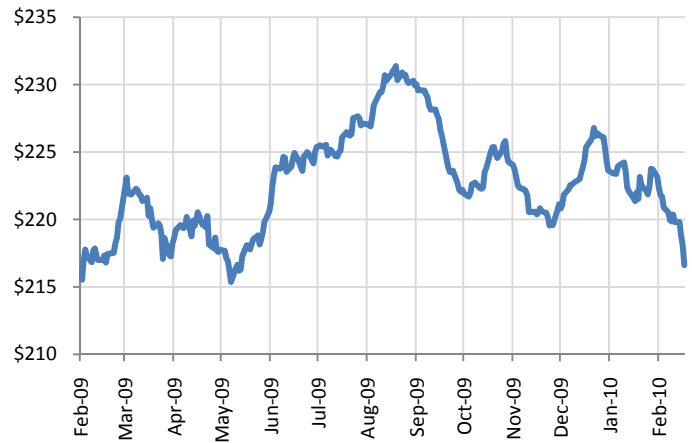
RPX 25-MSA Composite Price, 2009-2010



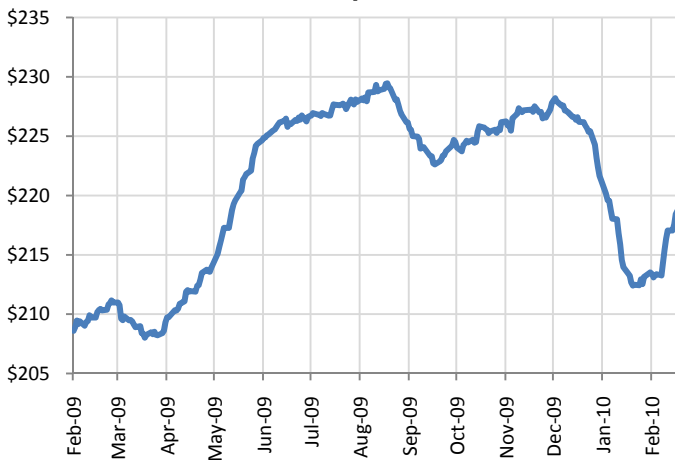
RPX Midwest Composite Price ²



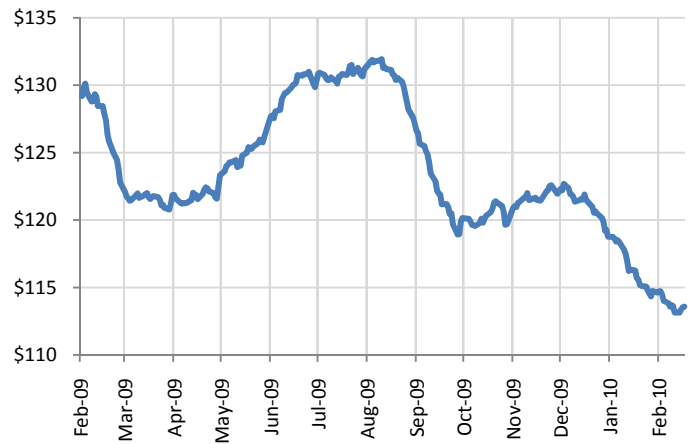
RPX Northeast Composite Price ³



RPX West Composite Price ⁴



RPX South Composite Price ⁵



Source: Radar Logic, 28-Day RPX™ values as of 2/18/2010

² The RPX Midwest composite is a weighted average of RPX values for Chicago, Cleveland, Columbus, Detroit, Minneapolis, Milwaukee and St. Louis.

³ The RPX Northeast composite is a weighted average of RPX values for Boston, New York and Philadelphia.

⁴ The RPX West composite is a weighted average of RPX values for Denver, Las Vegas, Los Angeles, Phoenix, Sacramento, San Diego, San Francisco, San Jose and Seattle.

⁵ The RPX South composite is a weighted average of RPX values for Atlanta, Charlotte, Jacksonville, Miami, Tampa and Washington DC.

Exhibit 5

25-MSA Composite - Motivated and Other Transaction Counts, 2007-2010

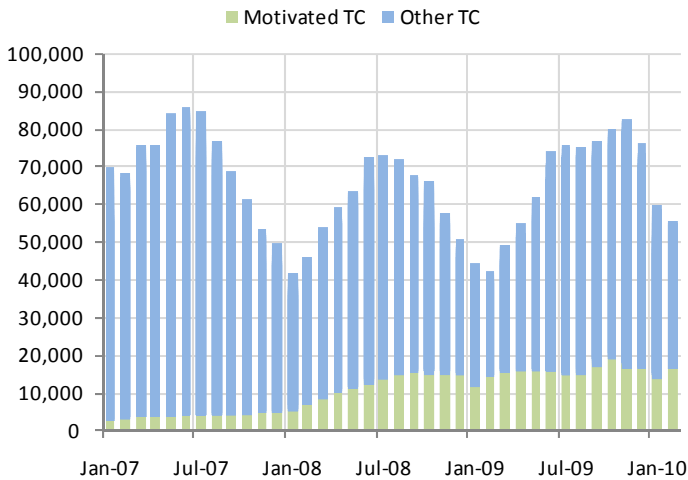


Exhibit 6

25-MSA Composite - Motivated Transaction Count as % of Total Transaction Count, 2007-2010

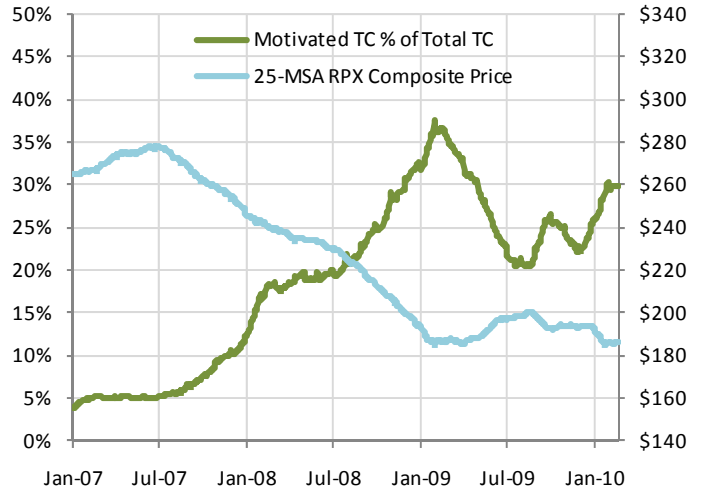


Exhibit 7

25-MSA Composite - Motivated, Other and MSA-Wide Prices, 2007-2010

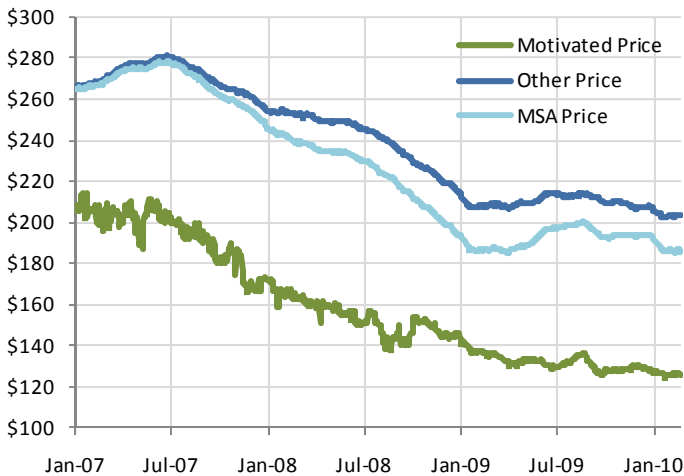


Exhibit 8

25-MSA Composite - Motivated Sales Price Discount Relative to Other Sales, 2007-2010

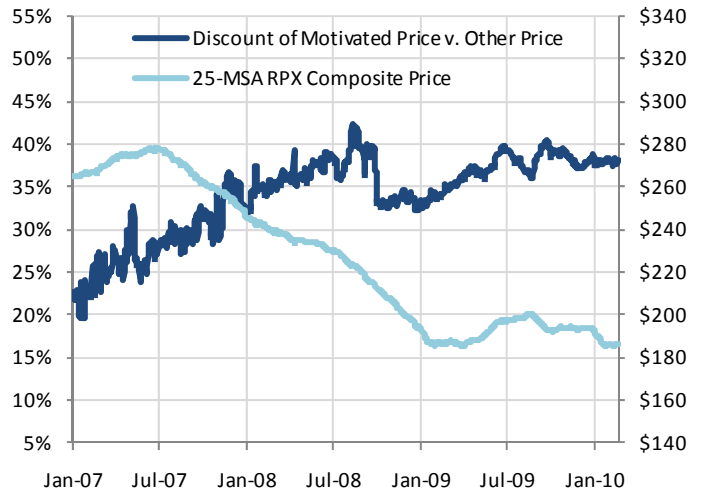
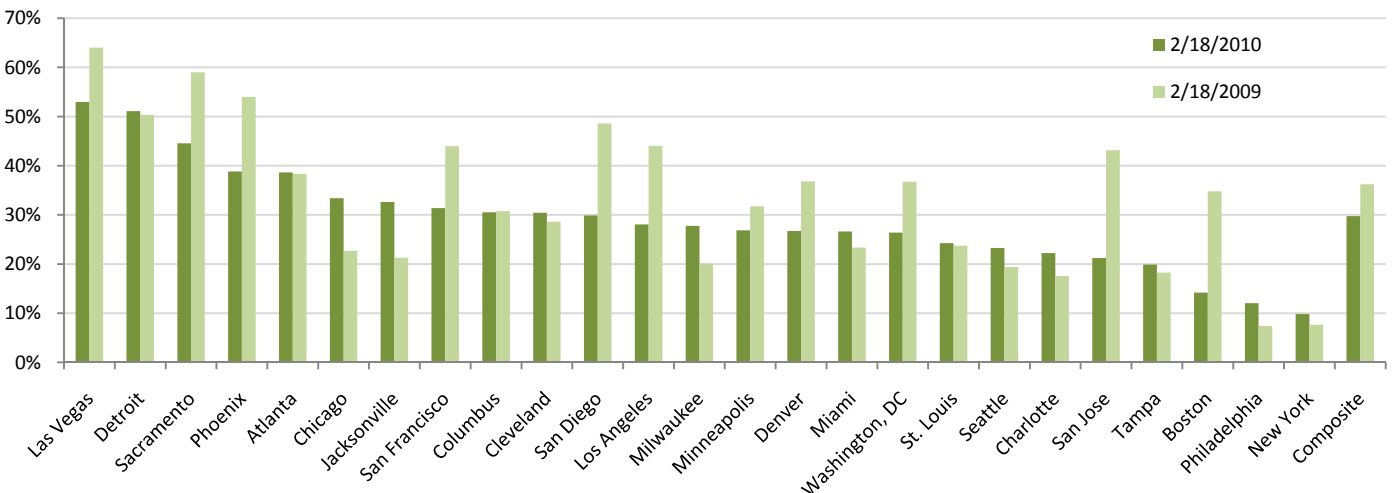


Exhibit 9

Motivated Sales as a Percent of Total Sales, 25 MSAs



Source: Radar Logic

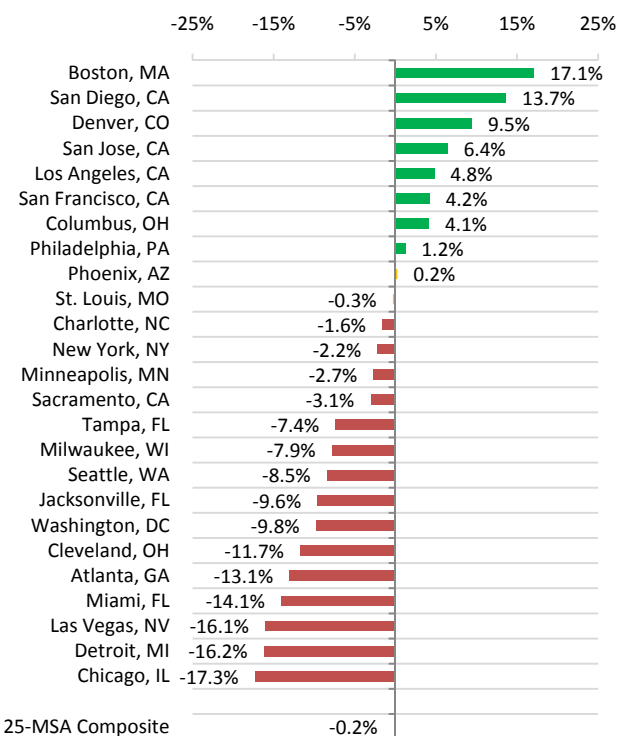
Exhibit 10: Radar Logic Daily Prices in 25 Metropolitan Statistical Areas (Ranked by 1-Year % Change)

February 2010 Rank	January 2010 Rank	MSA	PPSF	February 2010 vs. February 2009	February 2009 vs. February 2008	February 2010 vs. January 2010	February 2009 vs. January 2009
1	1	Boston, MA	\$183.52	17.1%	-22.3%	-1.7%	-4.8%
2	2	San Diego, CA	\$215.73	13.7%	-26.0%	5.1%	0.6%
3	6	Denver, CO	\$123.92	9.5%	-10.7%	1.3%	-3.4%
4	4	San Jose, CA	\$319.58	6.4%	-29.8%	0.5%	0.4%
5	8	Los Angeles, CA	\$250.60	4.8%	-25.3%	4.0%	1.2%
6	3	San Francisco, CA	\$257.72	4.2%	-32.7%	0.7%	4.8%
7	11	Columbus, OH	\$85.91	4.1%	-9.2%	2.5%	-4.3%
8	14	Philadelphia, PA	\$136.20	1.2%	-9.3%	-0.5%	-6.0%
9	17	Phoenix, AZ	\$81.77	0.2%	-39.1%	2.1%	-4.0%
10	7	St. Louis, MO ⁶	\$94.93	-0.3%	0.1%	-2.8%	1.7%
11	5	Charlotte, NC	\$85.79	-1.6%	-9.0%	-2.7%	3.3%
12	10	New York, NY	\$236.35	-2.2%	-17.4%	-2.4%	-1.6%
13	16	Minneapolis, MN	\$108.42	-2.7%	-19.3%	0.8%	-2.2%
14	12	Sacramento, CA	\$117.49	-3.1%	-26.0%	-1.0%	-1.4%
15	18	Tampa, FL	\$81.24	-7.4%	-23.5%	-2.5%	-2.1%
16	13	Milwaukee, WI	\$96.50	-7.9%	-1.6%	-5.2%	-1.1%
17	21	Seattle, WA	\$165.74	-8.5%	-14.8%	0.2%	-1.7%
18	19	Jacksonville, FL	\$83.65	-9.6%	-17.2%	-3.2%	-2.1%
19	9	Washington, DC	\$163.14	-9.8%	-13.8%	-3.0%	7.5%
20	15	Cleveland, OH	\$67.33	-11.7%	-12.3%	-4.2%	3.1%
21	20	Atlanta, GA	\$68.03	-13.1%	-15.1%	-3.7%	0.3%
22	23	Miami, FL	\$102.37	-14.1%	-30.4%	-0.1%	-4.4%
23	25	Las Vegas, NV	\$76.18	-16.1%	-32.1%	0.5%	-6.4%
24	22	Detroit, MI	\$61.26	-16.2%	-23.2%	-6.1%	-3.7%
25	24	Chicago, IL	\$112.71	-17.3%	-16.5%	-1.0%	-2.8%
25-MSA Composite			\$186.24	-0.2%	-22.2%	0.0%	-0.3%
Manhattan Condo ⁷			\$1,018.21	-9.2%	-3.8%	3.5%	-4.6%

Source: 28-Day RPX™ value for each MSA as of 2/18/2010

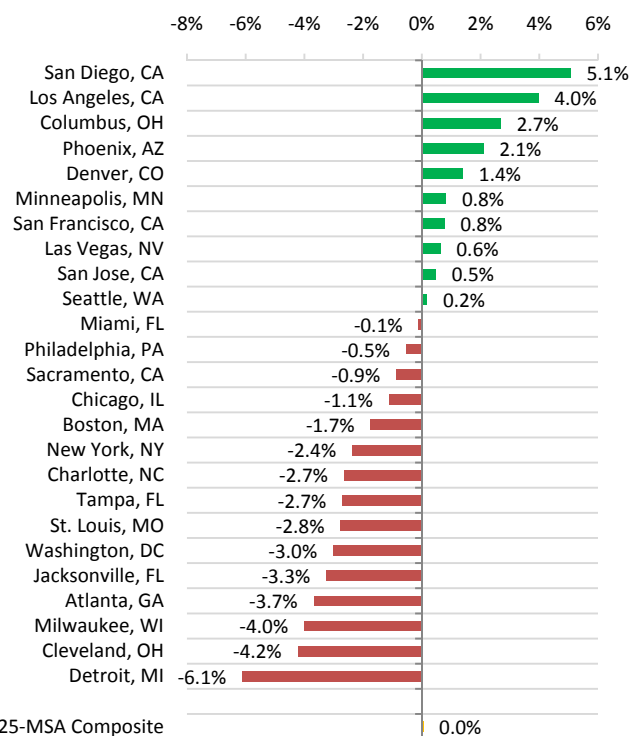
■ = positive ■ = neutral ■ = negative

Exhibit 11: Radar Logic Daily Prices Year-Over-Year Change



Source: 28-Day RPX™ value for each MSA as of 2/18/2010

Exhibit 12: Radar Logic Daily Prices Month-Over-Month Change



Source: 28-Day RPX™ value for each MSA as of 2/18/2010

⁶ Historical prices used to calculate changes in St. Louis include late-arriving data not included in published series.

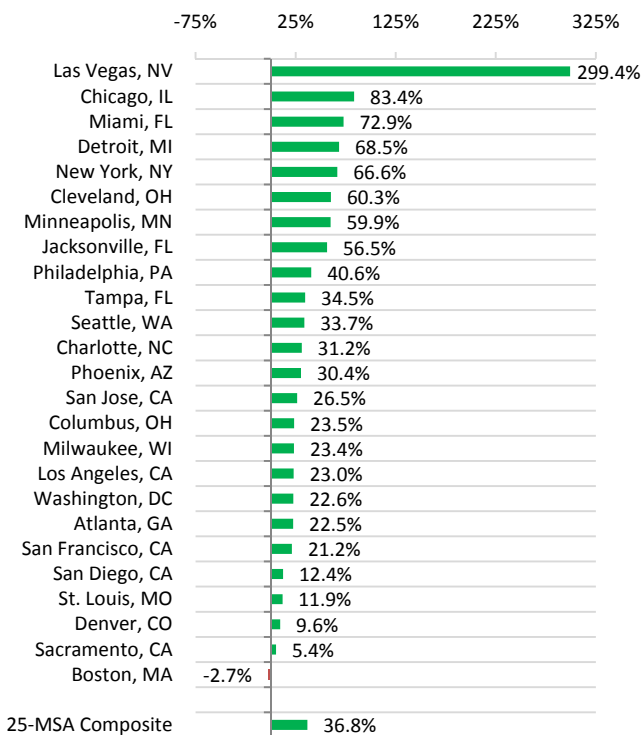
⁷ Manhattan Condo is a subset of the New York MSA.

Exhibit 13: Transaction Counts⁸

MSA	February 2010 vs. February 2009	February 2009 vs. February 2008	February 2010 vs. January 2010	February 2009 vs. January 2009
Las Vegas, NV	299.4%	-56.7%	11.8%	-35.6%
Chicago, IL	83.4%	3.0%	13.2%	25.3%
Miami, FL	72.9%	4.6%	18.2%	29.2%
Detroit, MI	68.5%	-11.7%	11.0%	31.3%
New York, NY	66.6%	-39.0%	5.3%	7.3%
Cleveland, OH	60.3%	-28.2%	18.2%	1.7%
Minneapolis, MN	59.9%	-16.5%	14.9%	7.1%
Jacksonville, FL	56.5%	-25.2%	17.3%	11.2%
Philadelphia, PA	40.6%	-14.7%	5.2%	2.4%
Tampa, FL	34.5%	-6.1%	10.7%	19.8%
Seattle, WA	33.7%	-31.6%	24.5%	33.9%
Charlotte, NC	31.2%	-53.9%	27.0%	28.7%
Phoenix, AZ	30.4%	30.7%	33.7%	44.8%
San Jose, CA	26.5%	47.3%	16.3%	32.0%
Columbus, OH	23.5%	-36.4%	4.0%	19.6%
Milwaukee, WI	23.4%	-22.5%	-4.0%	14.4%
Los Angeles, CA	23.0%	39.1%	40.0%	50.6%
Washington, DC	22.6%	-5.0%	-14.0%	-13.7%
Atlanta, GA	22.5%	-23.4%	8.3%	17.0%
San Francisco, CA	21.2%	24.5%	19.0%	23.5%
San Diego, CA	12.4%	28.5%	39.8%	36.6%
St. Louis, MO	11.9%	93.4%	9.4%	54.2%
Denver, CO	9.6%	-14.3%	14.1%	24.4%
Sacramento, CA	5.4%	39.6%	12.9%	19.6%
Boston, MA	-2.7%	13.0%	7.9%	6.0%
25-MSA Composite	36.8%	-3.6%	15.5%	20.7%
Manhattan Condominium	91.2%	-60.5%	26.3%	20.7%

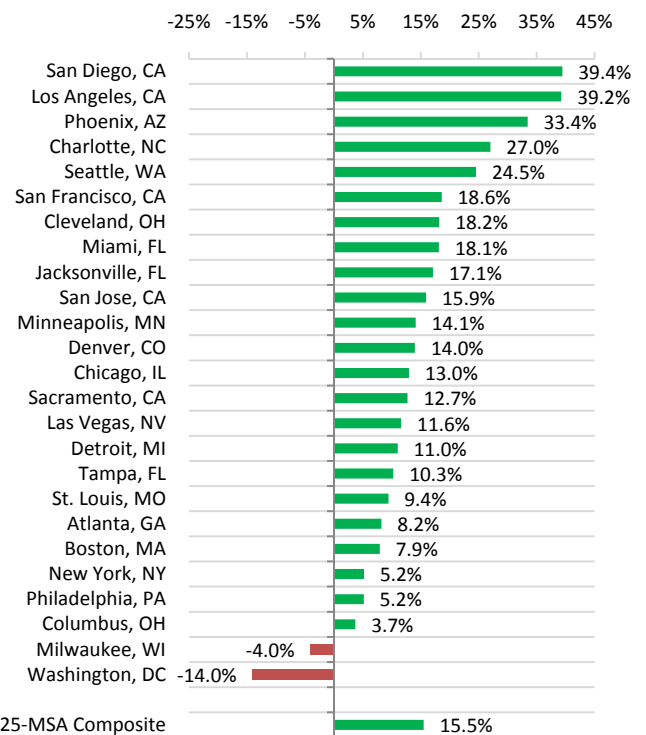
Source: 28-Day RPX™ analytics as of 2/18/2010

Exhibit 14: Transaction Counts Year-Over-Year Change



Source: 28-Day RPX™ value for each MSA as of 2/18/2010

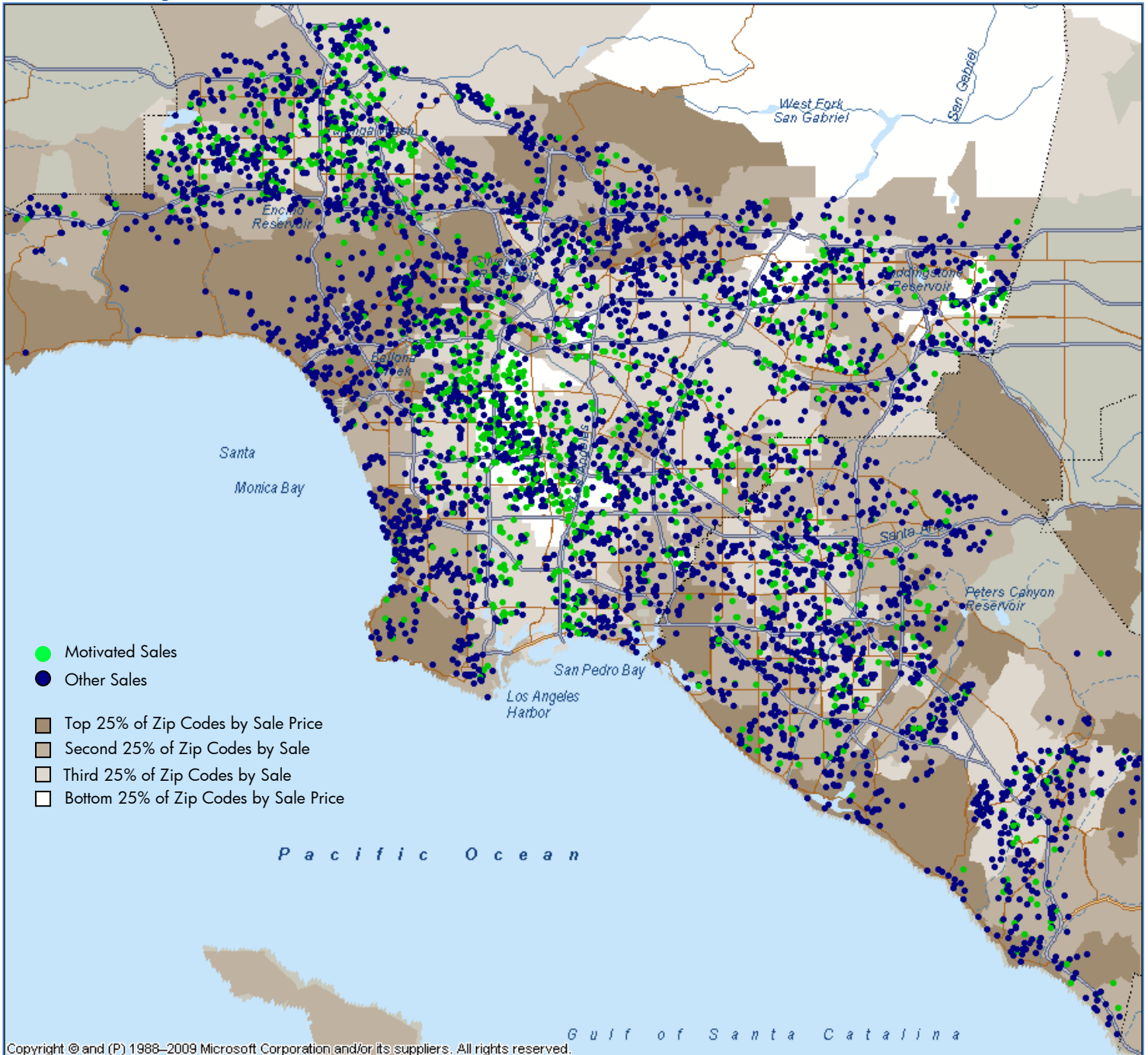
Exhibit 15: Transaction Counts Month-Over-Month Change



Source: 28-Day RPX™ value for each MSA as of 2/18/2010

⁸ Transaction counts represent the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

Exhibit 16: Los Angeles MSA Motivated and Other Sales and Price Quartiles



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Source: Radar Logic

Motivated transactions are concentrated in relatively low-priced communities in South Los Angeles (e.g., Compton, Inglewood, Long Beach, South Central Los Angeles, Watts), the San Fernando Valley (e.g., Chatsworth, Mission Hills, Northridge, Reseda, Sun Valley), the San Gabriel Valley (e.g., Azusa, Baldwin Park, Covina, San Dimas, West Covina), the Gateway Cities in Southwest San Gabriel Valley (e.g., Downey, East Los Angeles, Norwalk, Pico Rivera, Whittier) and Orange County (e.g., Anaheim, Fullerton, Garden Grove, Orange, Santa Ana).

The concentration of motivated sales in communities with less expensive homes partially accounts for the 30% discount in the Los Angeles motivated price relative to the Los Angeles other price. Not only are motivated sellers more likely than other sellers to cut prices in order to move inventory, but homes that pass through the foreclosure process are located in areas where housing has historically been inexpensive relative to the greater Los Angeles metro area on the whole.

Exhibit 17

RPX Los Angeles Price, 2000-2010

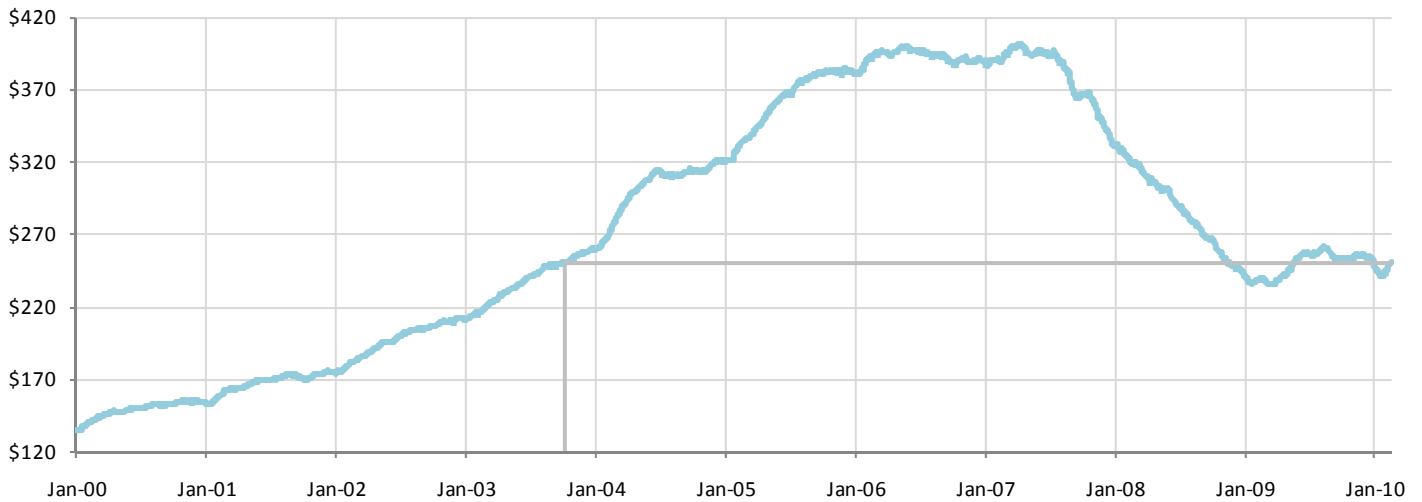


Exhibit 18

Los Angeles - Motivated and Other Transaction Counts, 2007-2010

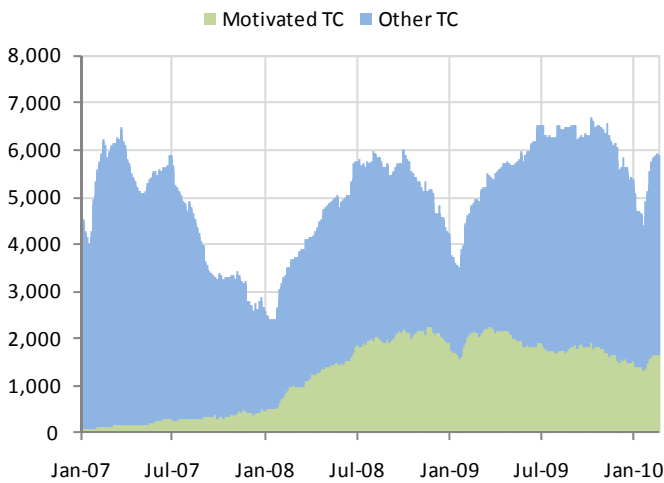


Exhibit 19

Los Angeles - Motivated Transaction Count as % of Total Transaction Count, 2007-2010

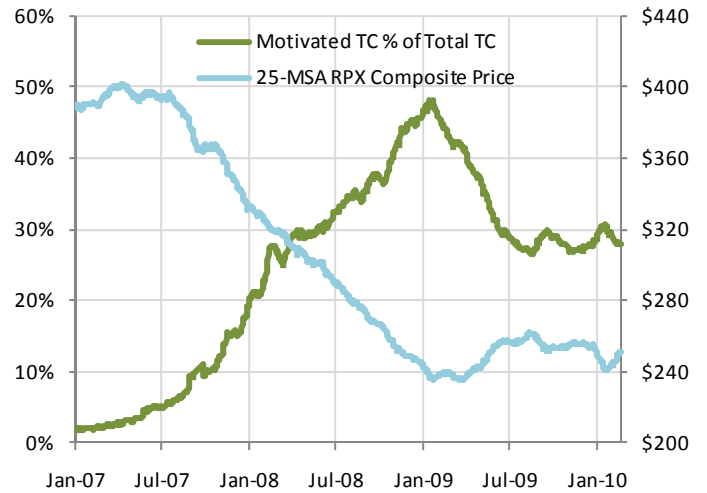


Exhibit 20

Los Angeles - Motivated, Other and MSA-Wide Prices, 2007-2010

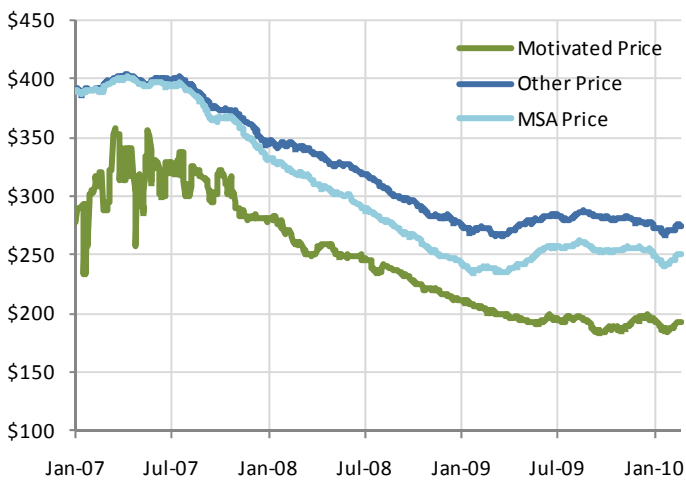
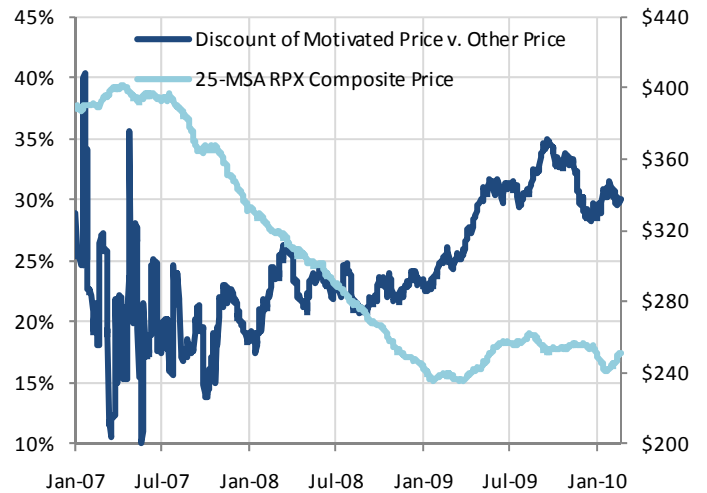


Exhibit 21

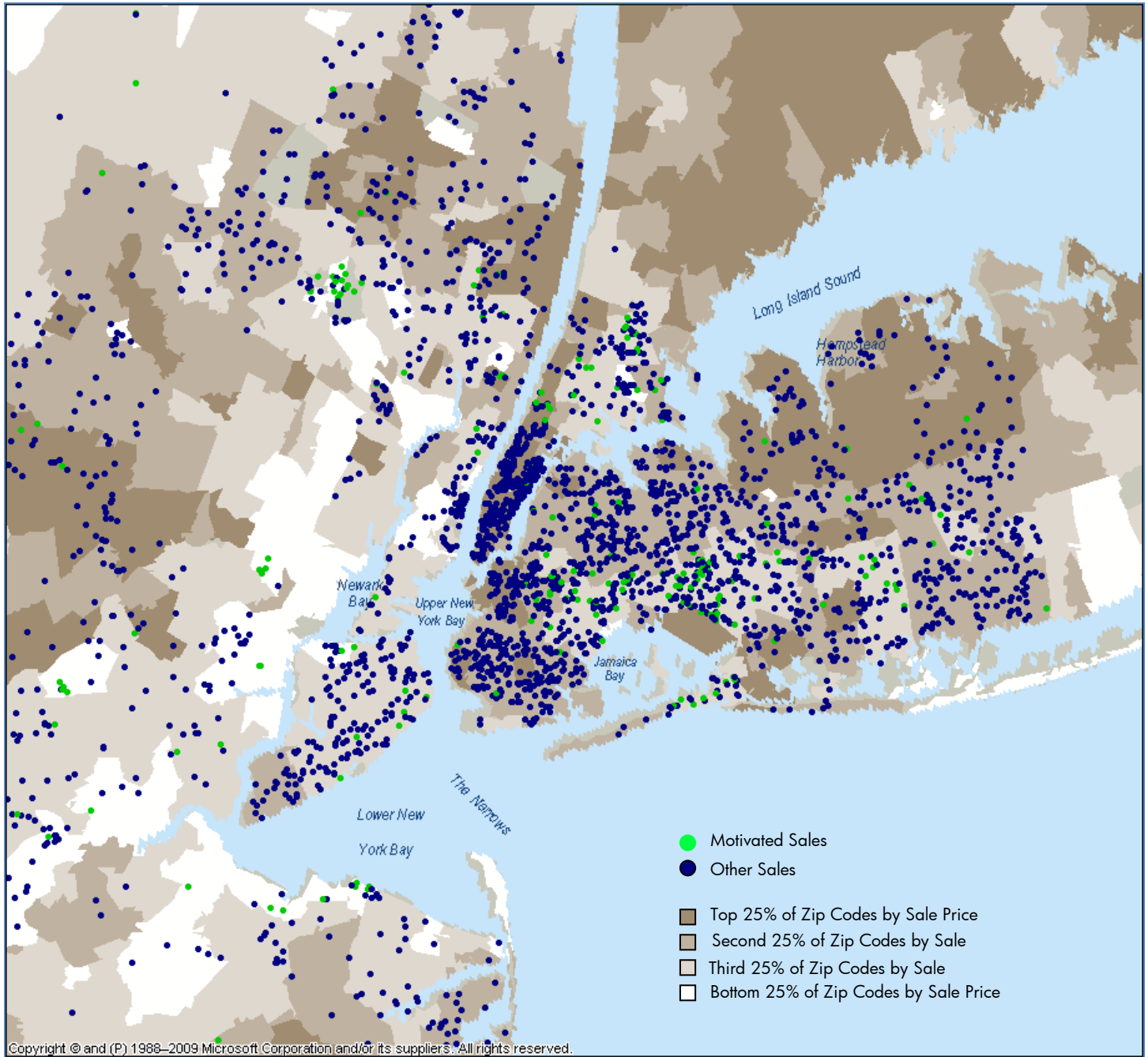
Los Angeles - Motivated Sales Price Discount Relative to Other Sales, 2007-2010



Source: Radar Logic

www.radarlogic.com

Exhibit 22: New York MSA Motivated and Other Sales and Price Quartiles



Source: Radar Logic

Motivated sales are concentrated in low-price communities in Brooklyn (Bedford-Stuyvesant, East New York), Queens (Jamaica, Rockaway, Southwest Queens), Southern Nassau County (Elmont, Hempstead, Roosevelt), the Bronx (Crotona-Tremont, Northeast Bronx) and New Jersey (Hillside, Paterson).

Exhibit 23

RPX New York Price, 2000-2010

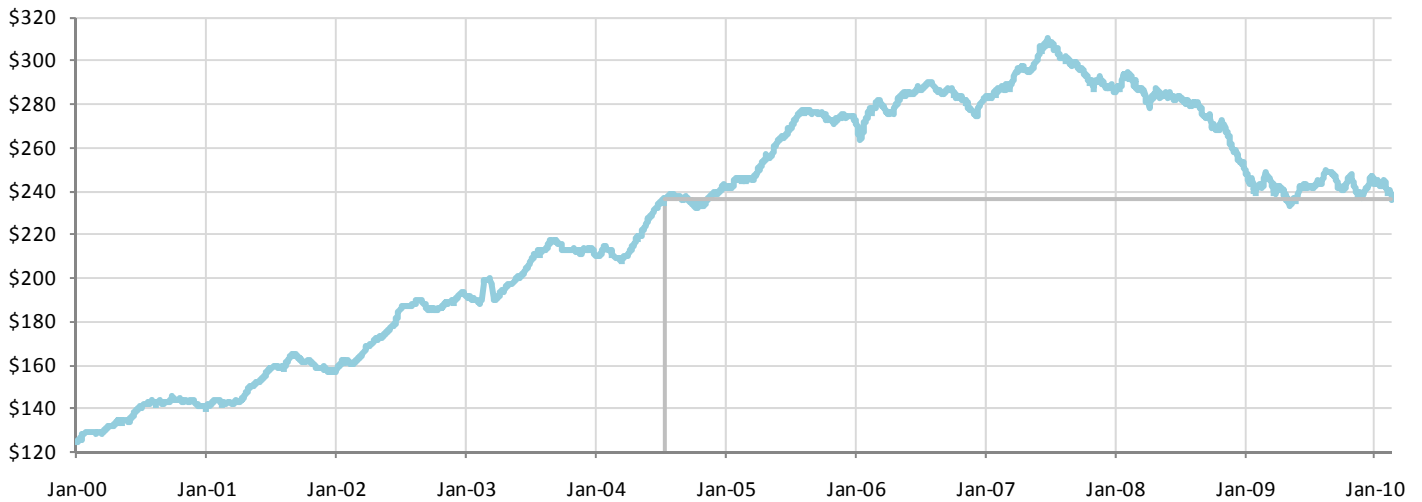


Exhibit 24

New York - Motivated and Other Transaction Counts, 2007-2010

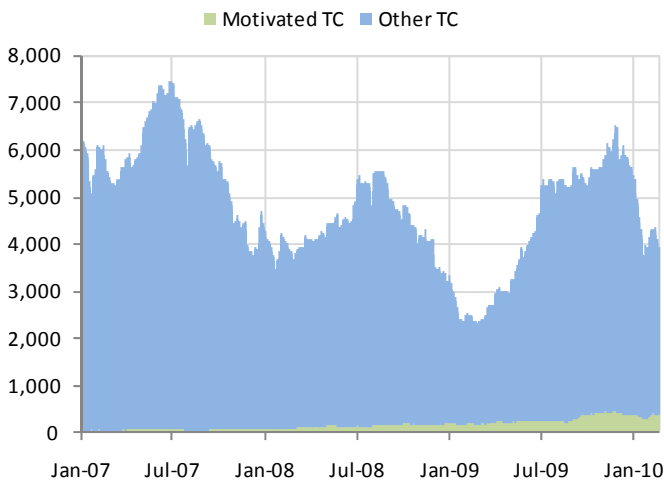


Exhibit 25

New York - Motivated Transaction Count as % of Total Transaction Count, 2007-2010

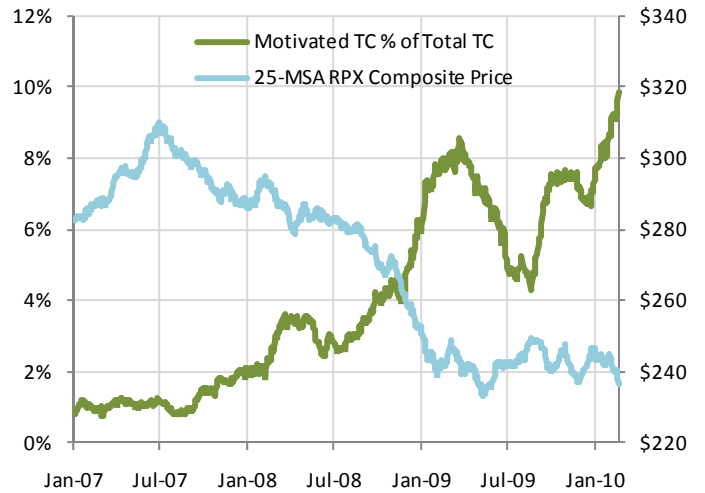


Exhibit 26

New York - Motivated, Other and MSA-Wide Prices, 2007-2010

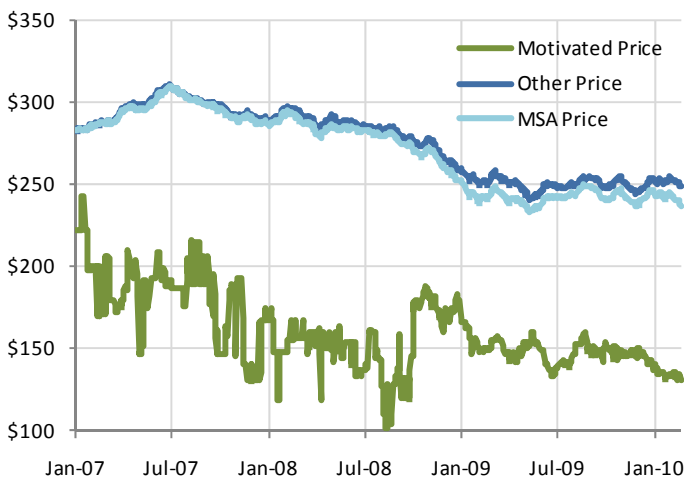
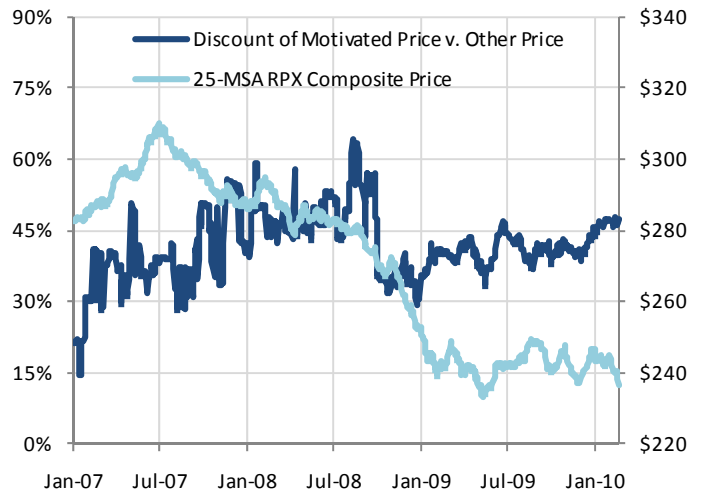


Exhibit 27

New York - Motivated Sales Price Discount Relative to Other Sales, 2007-2010



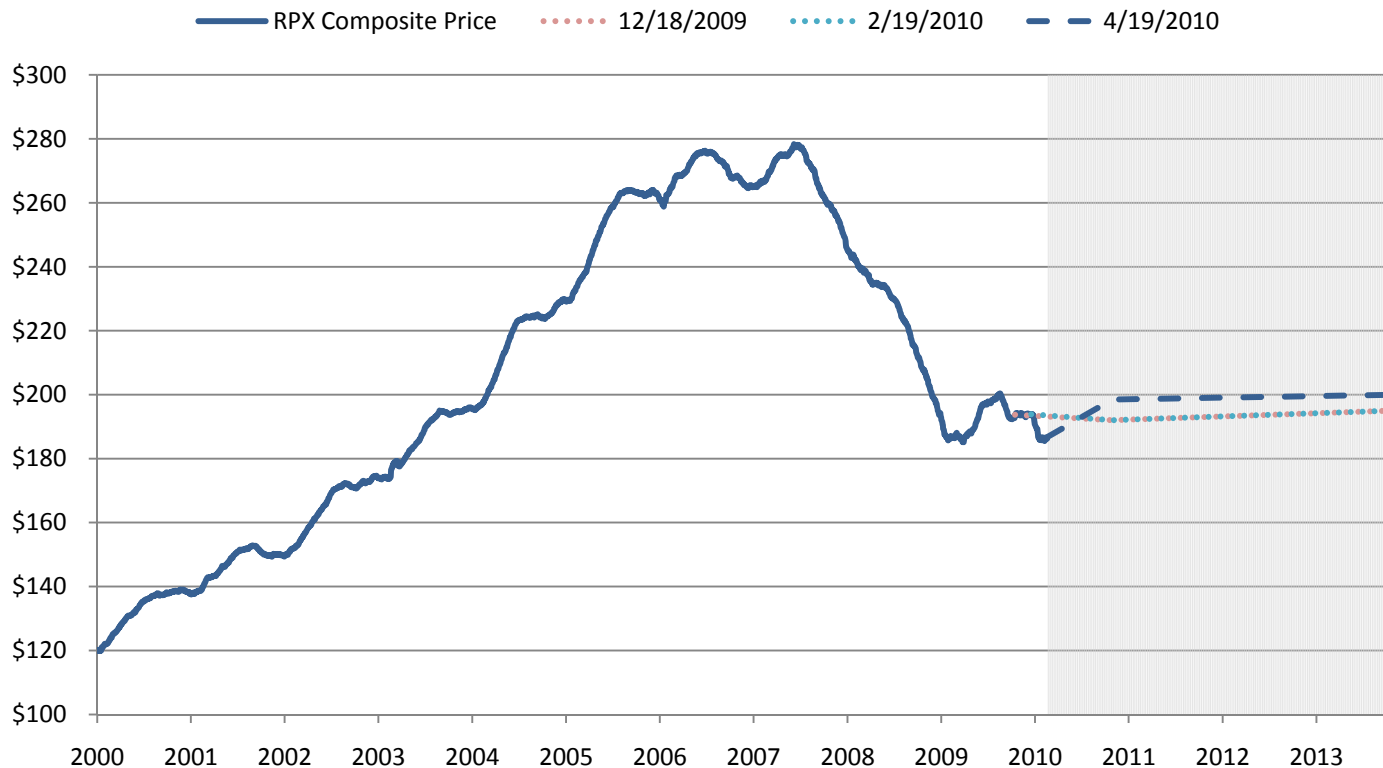
Source: Radar Logic

www.radarlogic.com

RPX Forward Price Fixings

Price fixings are established each trading day by a dealer poll and represent the midmarket expectation for the reference value to be published on the contract expiration date. For the chart below, the 25-MSA RPX Composite prices are plotted on a publication date basis. The names of the series indicate the dates those price fixings were published.

Exhibit 28: Historical Fixings for RPX Composite Forwards



Source: Official RPX Daily Fixings as of 4/19/2010

Exhibit 29: Cumulative Home Price Appreciation Implied by RPX Composite Forward Fixings as of 4/19/2010

28-Day RPX on 2/18/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
\$186.24	6.6%	6.9%	7.1%	7.4%	7.7%

Source: Official RPX Daily Fixings as of 4/19/2010

The following table contains economic and housing market data released in March and April 2010.

Current Economic and Housing Market Data				
Release	Released On Date	For Period of...	Value Released	Prior Value
U.S. Dept. of Commerce: Real Gross Domestic Product Q/Q Change	3/26/2010	Q4	5.6%	5.9%
Standard & Poor's: S&P Case-Shiller Composite 10	3/30/2010	January	157.89	158.18
Standard & Poor's: S&P Case-Shiller Composite 20	3/30/2010	January	145.90	145.32
U.S. Dept. of Labor: Unemployment Rate	4/02/2010	March	9.7%	9.7%
U.S. Dept. of Labor: Nonfarm Payrolls	4/02/2010	March	162,000	-36,000
National Association of Realtors (NAR): Pending Home Sales Index	4/05/2010	February	97.6	90.4
U.S. Dept. of Labor: Consumer Price Index M/M Change	4/14/2010	March	0.0%	0.1%
U.S. Census Bureau: Retail Sales M/M Change	4/14/2010	March	1.6%	0.3%
National Association of Home Builders (NAHB): Housing Market Index	4/15/2010	April	19	15
U.S. Census Bureau: Housing Starts	4/16/2010	March	0.626 M	0.575 M

The following calendar contains upcoming economic and housing market data releases in April and May 2010.

Housing Release Calendar	
Release	Release Date
U.S. Dept. of Labor: Producer Price Index	4/22/2010
National Association of Realtors (NAR): Existing Home Sales	4/22/2010
U.S. Census Bureau: New Home Sales	4/23/2010
Standard & Poor's: S&P Case-Shiller Composite 10	4/27/2010
Standard & Poor's: S&P Case-Shiller Composite 20	4/27/2010
U.S. Dept. of Commerce: Gross Domestic Product	4/30/2010
National Association of Realtors (NAR): Pending Home Sales Index	5/4/2010
U.S. Dept. of Labor: Unemployment Rate	5/7/2010
U.S. Dept. of Labor: Nonfarm Payrolls	5/7/2010
U.S. Census Bureau: Retail Sales	5/14/2010
National Association of Home Builders (NAHB): Housing Market Index	5/17/2010
U.S. Census Bureau: Housing Starts	5/18/2010
U.S. Dept. of Labor: Consumer Price Index	5/19/2010

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. 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 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 RPX Monthly Housing Market Report provides insight and detailed analysis of Radar Logic's 25 MSAs and the Manhattan Condo market. This study is based on the premise that there is no national housing market; rather, each MSA, while having some economic influences in common, is influenced primarily by local conditions.

The March 2010 RPX™ Monthly Housing Market Report will be released on May 20, 2010, at 4:00 PM EDT.

RPX Analytics & Research

Radar Logic offers specialized analytic services which allow real estate and financial professionals to view current and historical price per square foot and transaction count trends for all markets and sub-markets we track. MSAs can be segmented by location (zip code and

county), property type (single family, multi-family and condo), property size, date range, and sale price. The database is derived from our neutral, public source records.

Our data provide a means for all entities associated with or affected by housing prices to maintain market data streams on a constant, neutral and daily-updated basis.

For additional insight on this report or for inquiries about research or analytic products, please contact:

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