



# RPX MONTHLY HOUSING MARKET REPORT

Release Date: December 22, 2011

October 2011

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## ***Home Prices Decline Year-Over-Year in October for Fifth Year in a Row***

### ***Home Sales Increase Year-Over-Year, but Gain is off Post-Tax-Credit Low***

Home prices fell 5.4 percent year over year through October 20, making 2011 the fifth year in a row in which the 25-metropolitan-statistical-area (MSA) RPX Composite price has declined year over year in October. The Composite price declined 2.0 percent on a month-over-month basis, the largest such decline in three years.

During the past two years, the RPX Composite price has dropped rapidly from August through October, temporarily stabilized in November, then dropped rapidly again in December and January (see Exhibit 1). If this pattern repeats this season, the RPX Composite will decline another five percent or so through early February, 2012. From there, we expect it to stabilize temporarily before beginning its seasonal ascent during the spring buying season.

The RPX 25 metropolitan area transaction count increased 15.5 percent, a significant increase by historical standards. The year-on-year gain is a function of the return to a normal seasonal pattern of home sales after unusually light activity in fall 2010 as a result of the expiration of the homebuyer tax credit (see Exhibit 3). As the year-on-year gain in sales activity in October 2011 is the result of a one-time intervention by the Federal Government rather than a fundamental increase in housing demand, the rapid increase in sales activity probably will not continue into next year.

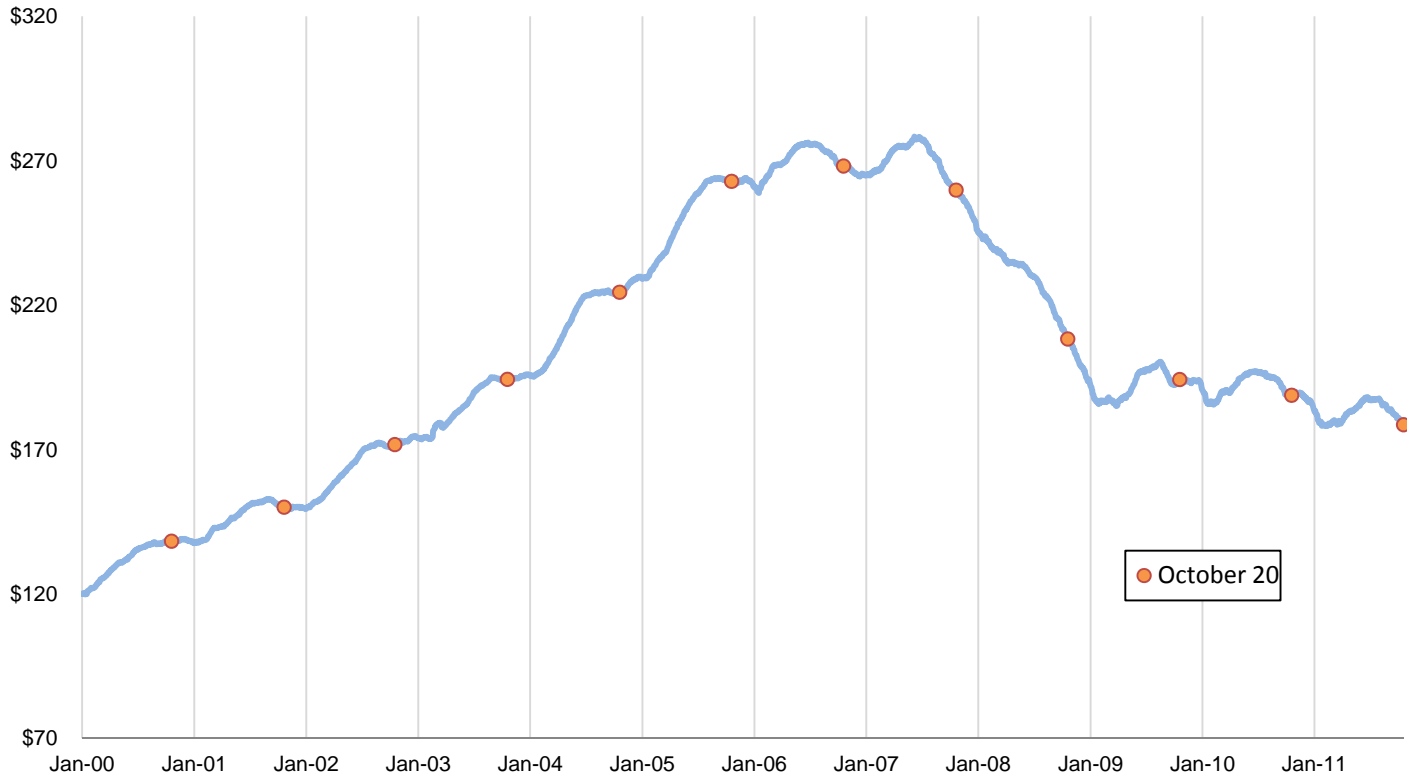
“Motivated” sales, defined as sales of foreclosed homes by local governments and financial firms, declined as a percentage of total sales across the 25 metropolitan areas tracked by Radar Logic from October 2010 to October 2011 (see Exhibit 11). This decline was the result of an increase in “other” sales, sales not designated as motivated, rather than a decline in the number of motivated sales. The year-on-year increase in other sales is likely a function of weak demand following the 2010 expiration of the homebuyer tax credit rather than fundamental improvements in housing demand over the year that followed. Motivated sales have been elevated relative to historical rates since 2008, fluctuating between 20 and 40 percent of total sales, as investors have entered the market in large numbers to purchase foreclosed homes at significant discounts to comparable homes not in foreclosure (see Exhibits 8 and 10).

#### **The S&P/Case-Shiller Composite Home Price Indices for October 2011 will decline on a month-over-month basis.**

The S&P/Case-Shiller 10-City composite for September 2011, published last month, was 155.73 and the 20-City composite was 141.97. The October 2011 10-City composite index, to be published next Tuesday, will be about 152, and the 20-City index will be roughly 139.

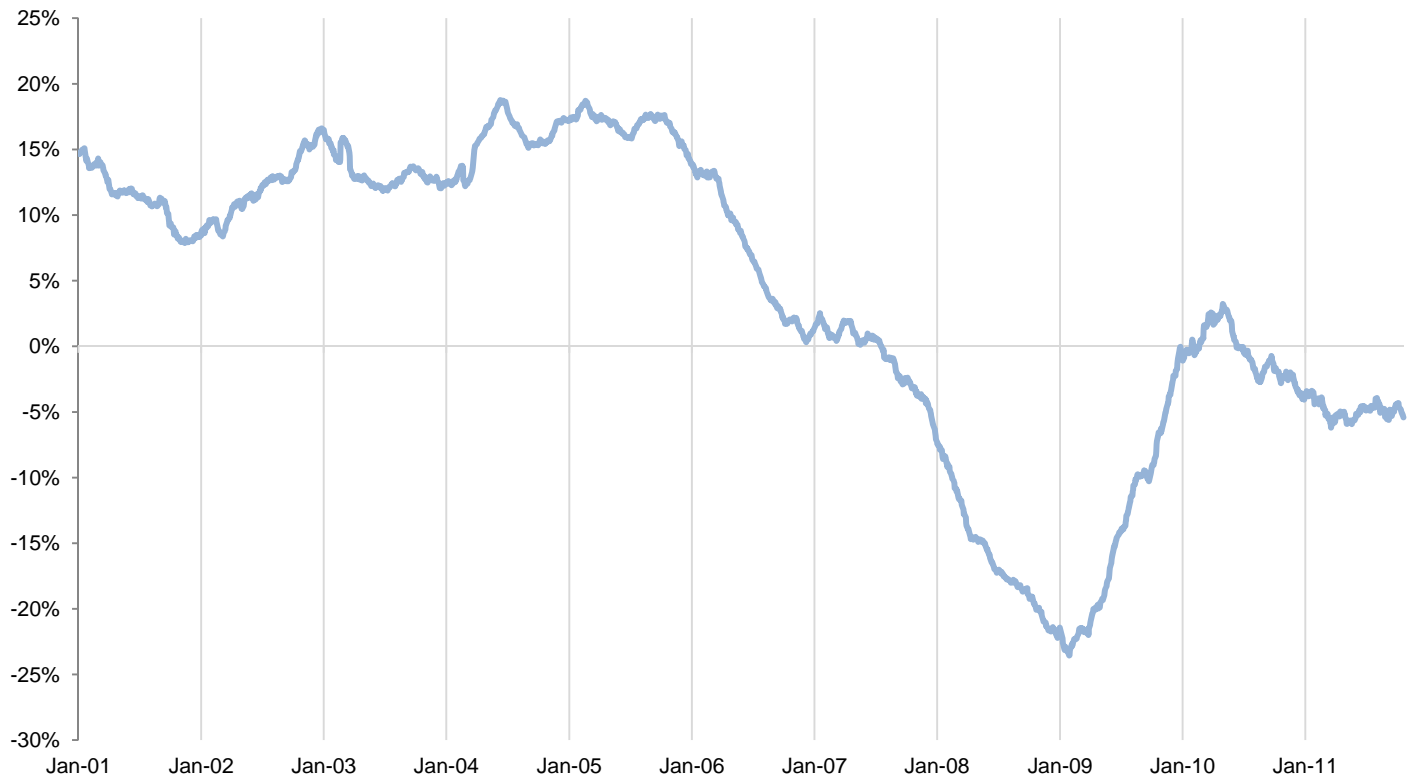
**COMING SOON: In January, Radar Logic will release a review of the changes in U.S. housing markets over the last 11 years in anticipation of the launch of RPX Futures on the CBOE Futures Exchange.**

Exhibit 1: 25-MSA RPX Composite Price (28-Day), 2000-2011



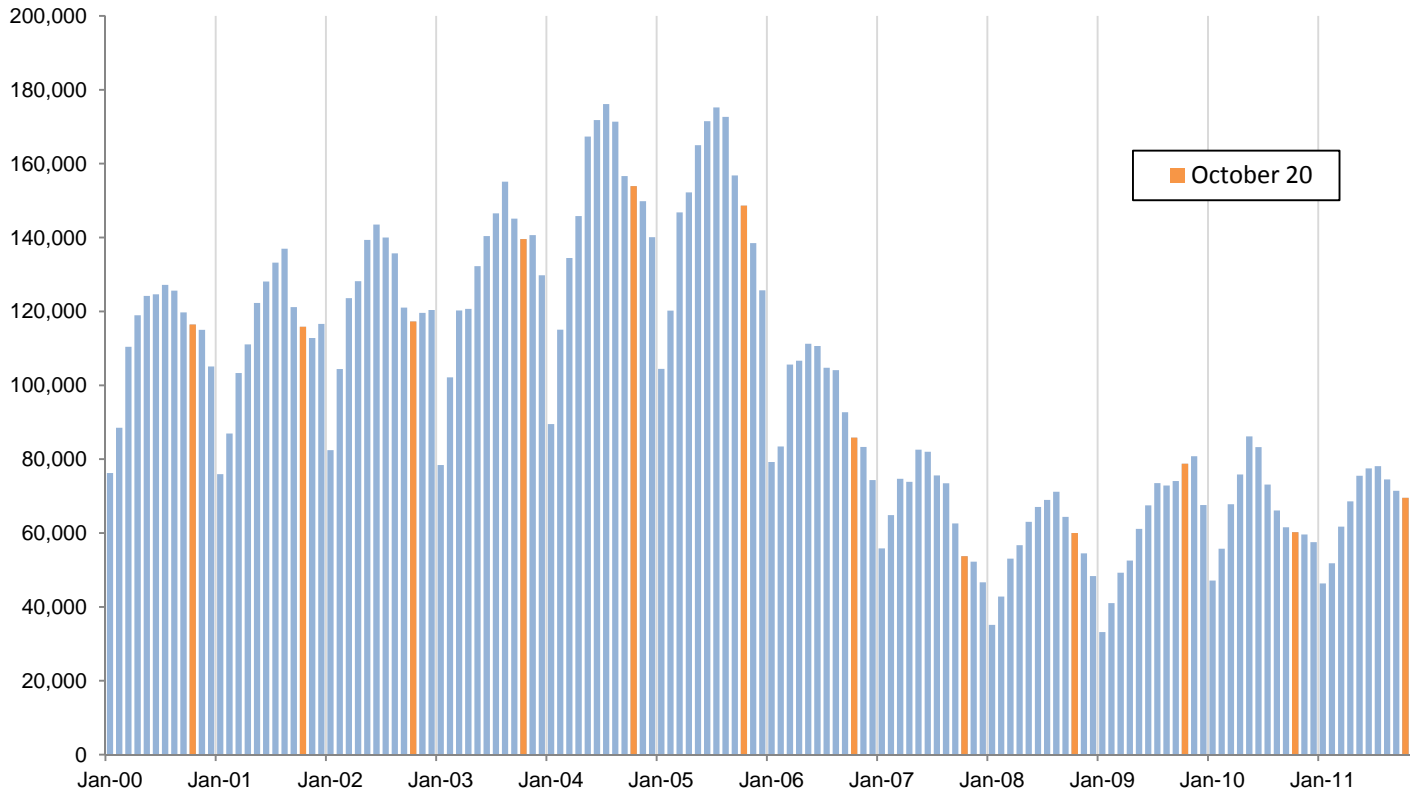
Source: Radar Logic, 28-Day RPX™ Composite price as of 10/20/2011

Exhibit 2: Year-Over-Year Change in 25-MSA RPX Price (28-Day), 2001-2011



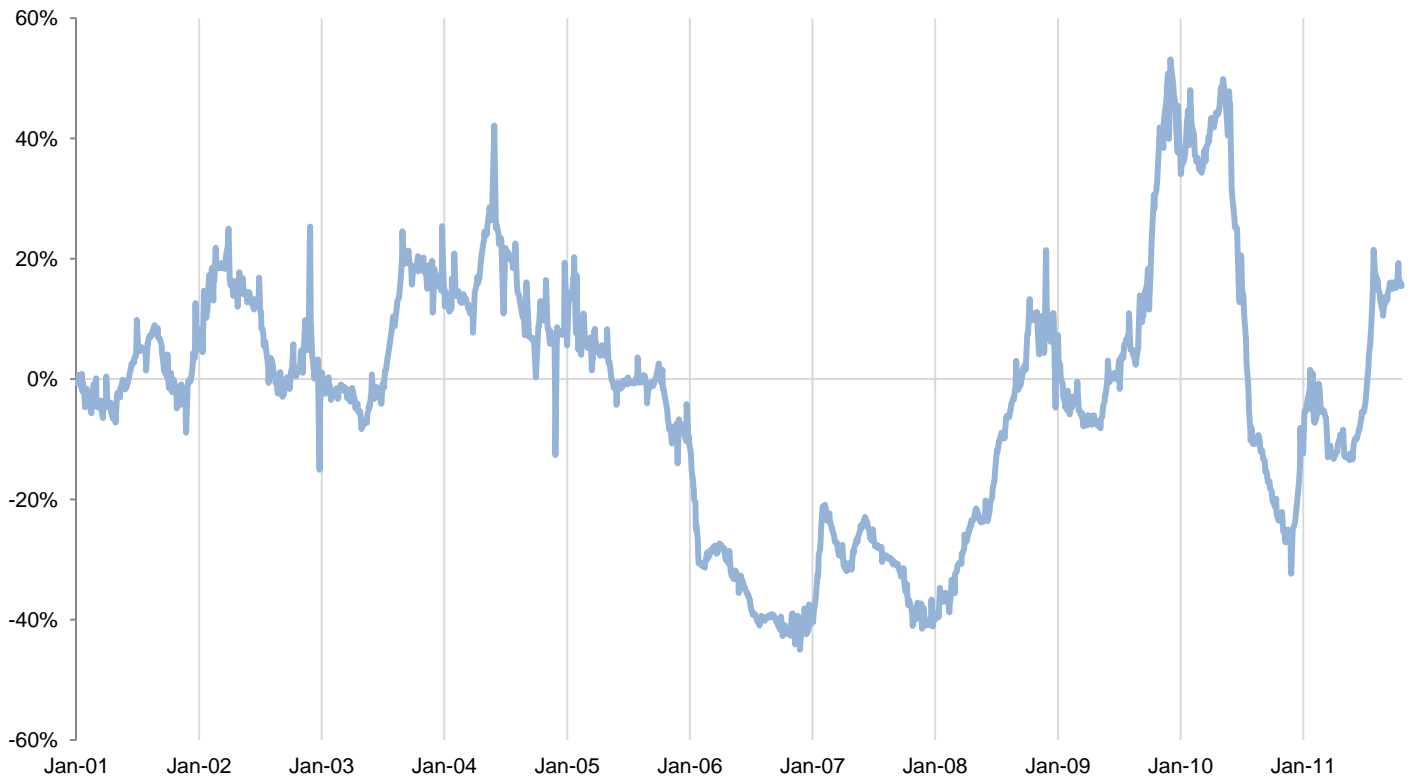
Source: Radar Logic, 28-Day RPX™ Composite price as of 10/20/2011

Exhibit 3: 25-MSA RPX Transaction Count (28-Day), 2000-2011



Source: Radar Logic, 28-Day RPX™ Composite transaction count as of 10/20/2011

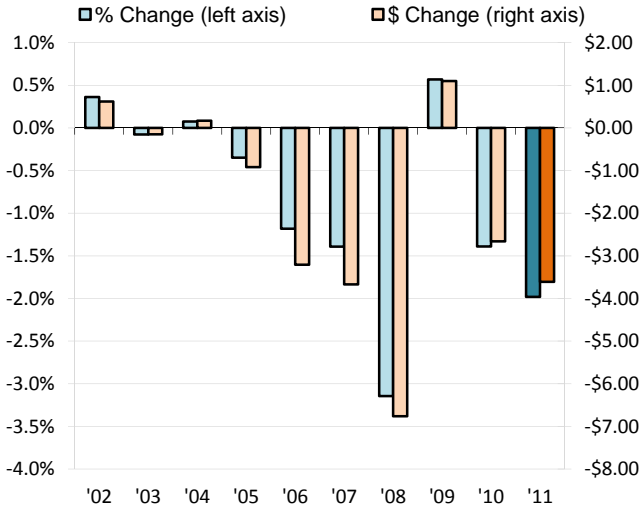
Exhibit 4: Year-Over-Year Change in 25-MSA RPX Transaction Count (28-Day), 2001-2011



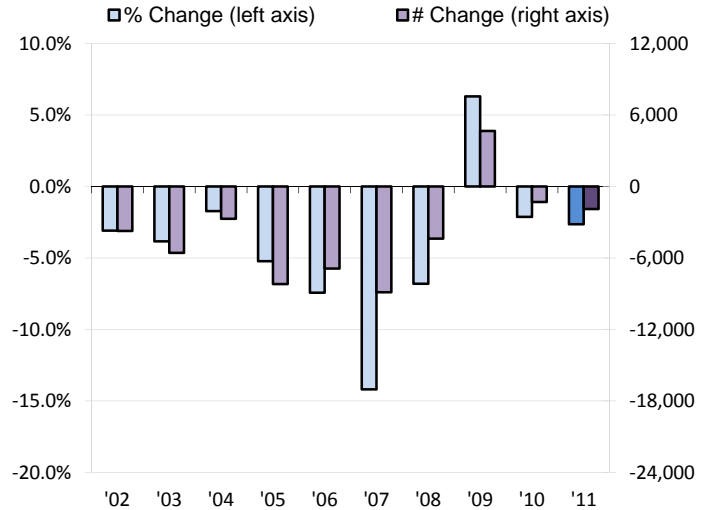
Source: Radar Logic, 28-Day RPX™ Composite transaction count as of 10/20/2011

Exhibit 5: Month-to-Month, Year-to-Date and Year-to-Year Change in the RPX Composite Price and Transaction Count vs. Past Years

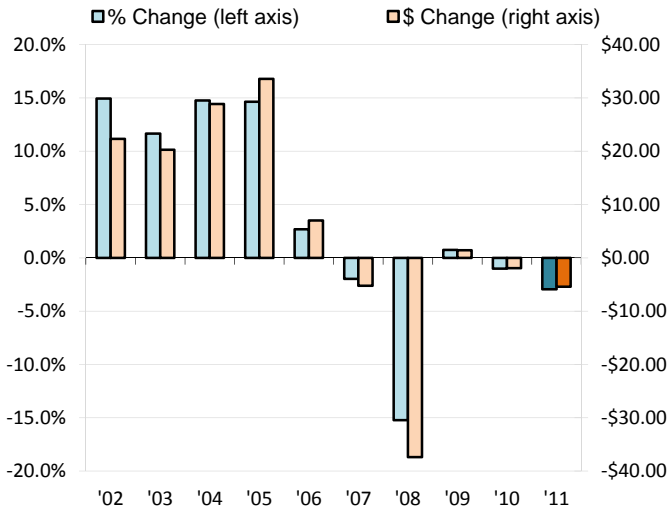
Month-over-Month Change in the 25-MSA Composite Price through October 20



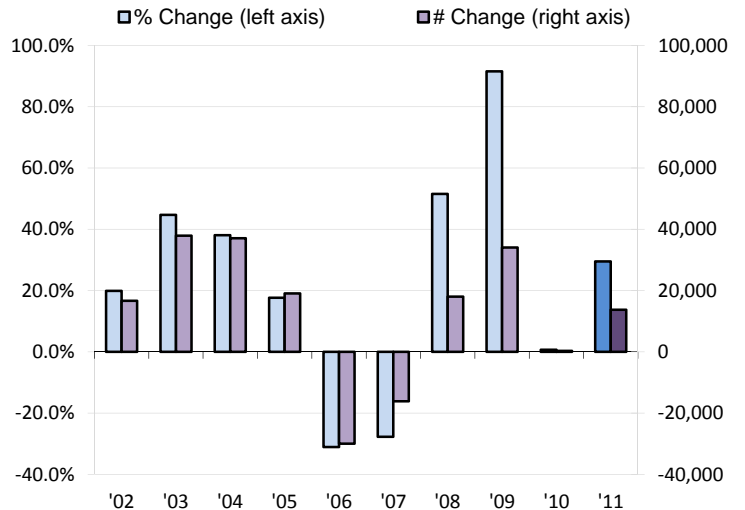
Month-over-Month Change in the 25-MSA Transaction Count through October 20



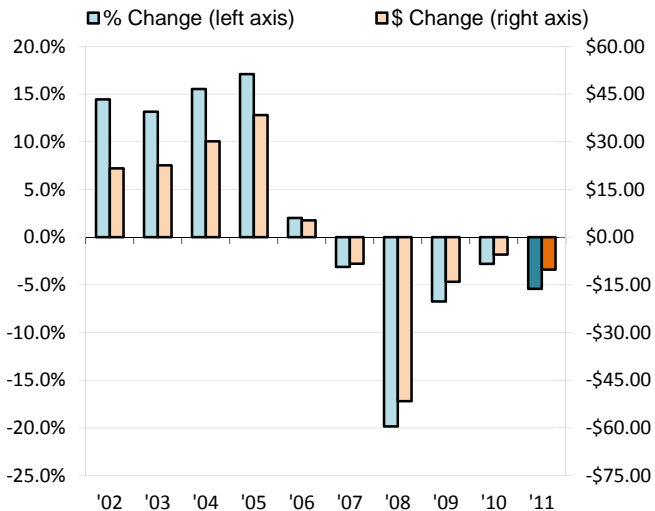
Year-to-Date Change in the 25-MSA Composite Price through October 20



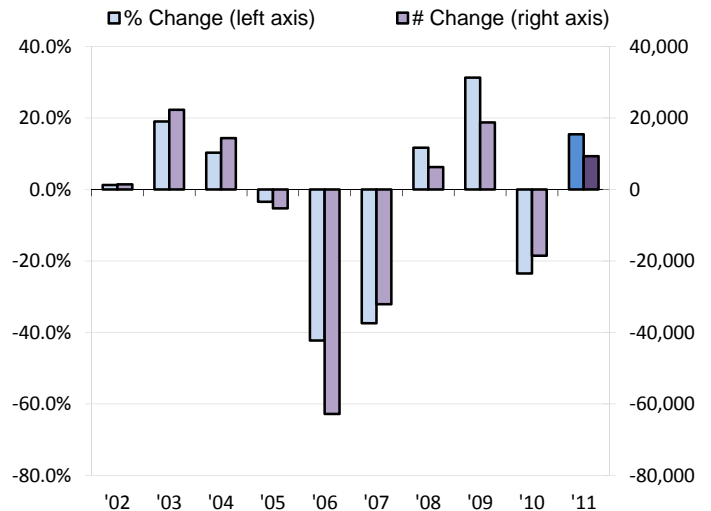
Year-to-Date Change in the 25-MSA Transaction Count through October 20



Year-over-Year Change in the 25-MSA Composite Price through October 20



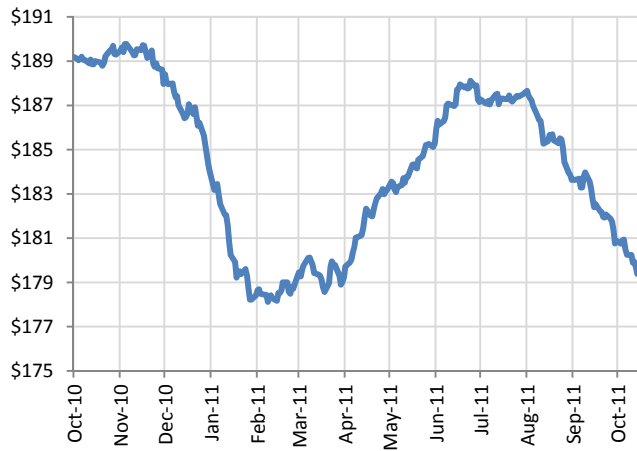
Year-over-Year Change in the 25-MSA Transaction Count through October 20



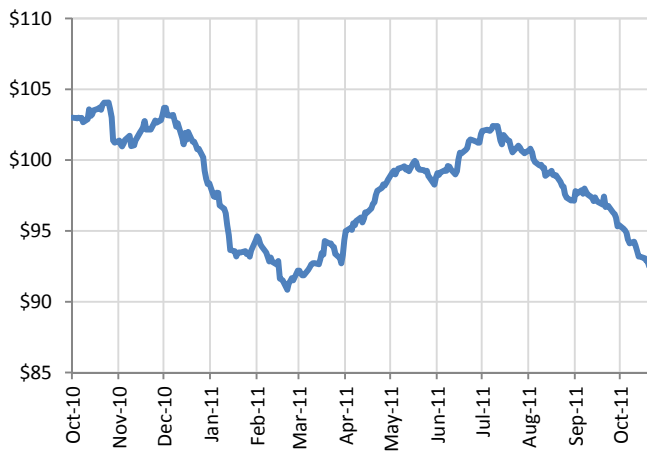
Source: Radar Logic, 28-Day RPX™ Composite prices and transaction counts as of 10/20/2011

Exhibit 6: 28-Day Regional RPX Composite Prices

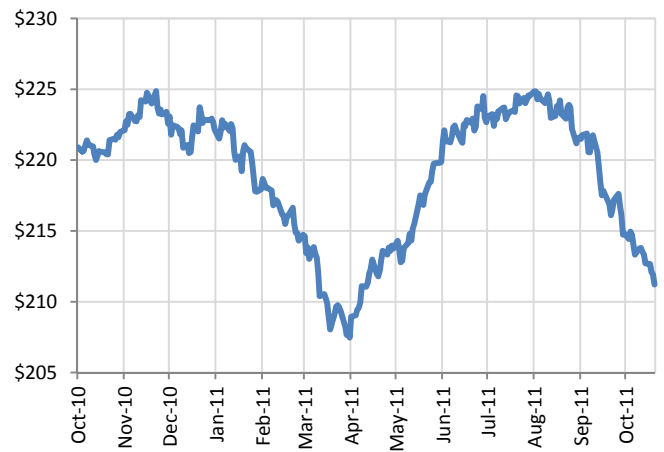
RPX 25-MSA Composite Price, 2009-2011



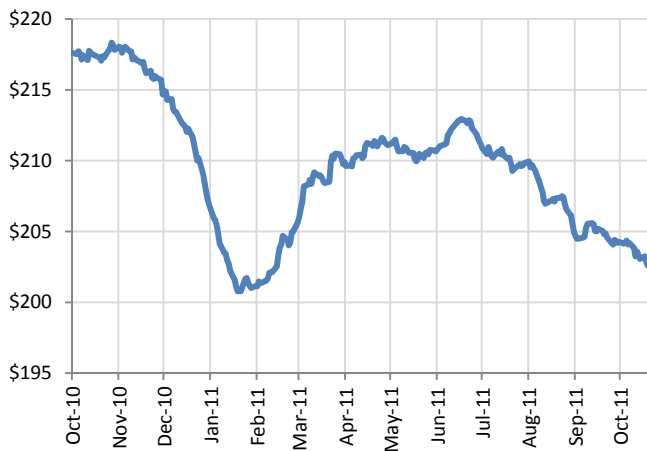
RPX Midwest Composite Price<sup>1</sup>



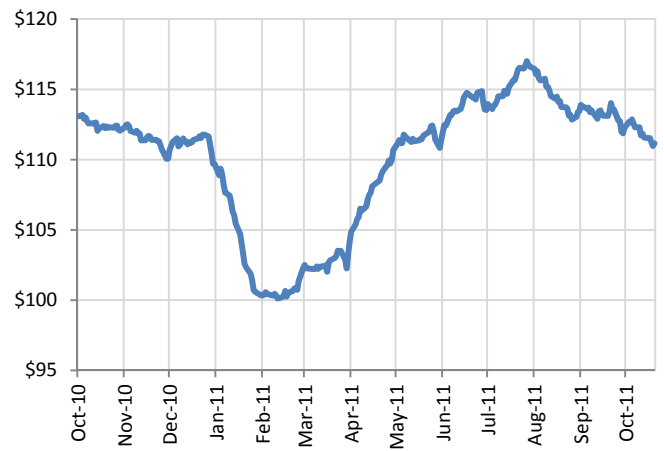
RPX Northeast Composite Price<sup>2</sup>



RPX West Composite Price<sup>3</sup>



RPX South Composite Price<sup>4</sup>

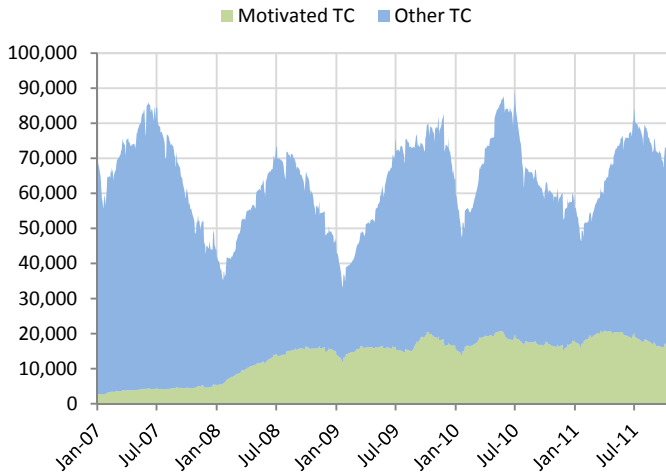


Source: Radar Logic, 28-Day RPX™ values as of 10/20/2011

<sup>1</sup> The RPX Midwest composite is a weighted average of RPX values for Chicago, Cleveland, Columbus, Detroit, Minneapolis, Milwaukee and St. Louis.  
<sup>2</sup> The RPX Northeast composite is a weighted average of RPX values for Boston, New York and Philadelphia.  
<sup>3</sup> 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.  
<sup>4</sup> The RPX South composite is a weighted average of RPX values for Atlanta, Charlotte, Jacksonville, Miami, Tampa and Washington, DC.

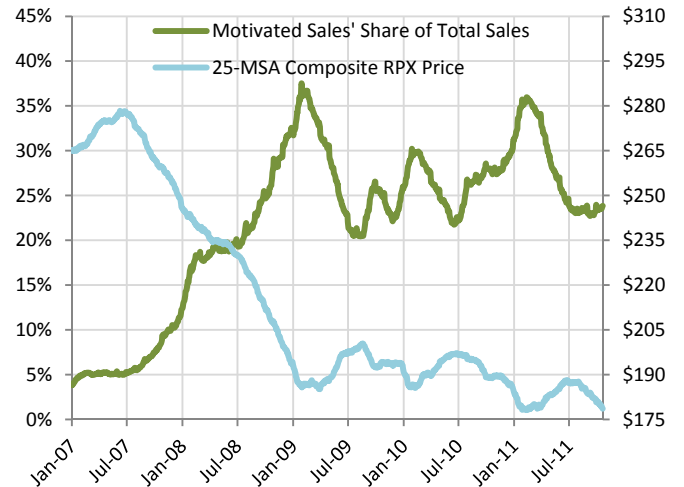
**Exhibit 7**

**25-MSA Composite - Motivated and Other RPX Transaction Counts, 2007-2011<sup>5</sup>**



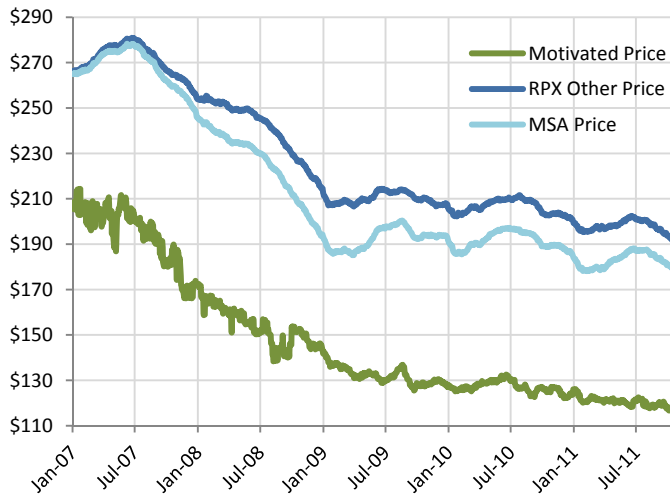
**Exhibit 8**

**25-MSA Composite - Motivated Transaction Count as % of Total Transaction Count, '07-'11**



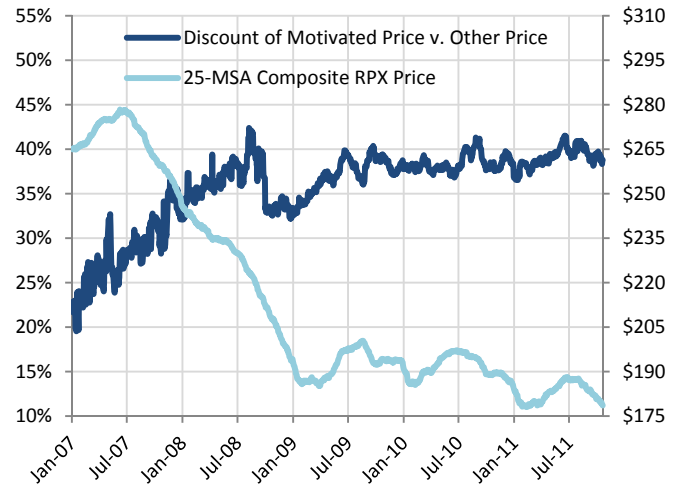
**Exhibit 9**

**25-MSA Composite - Motivated, Other and MSA-Wide Prices, 2007-2011**



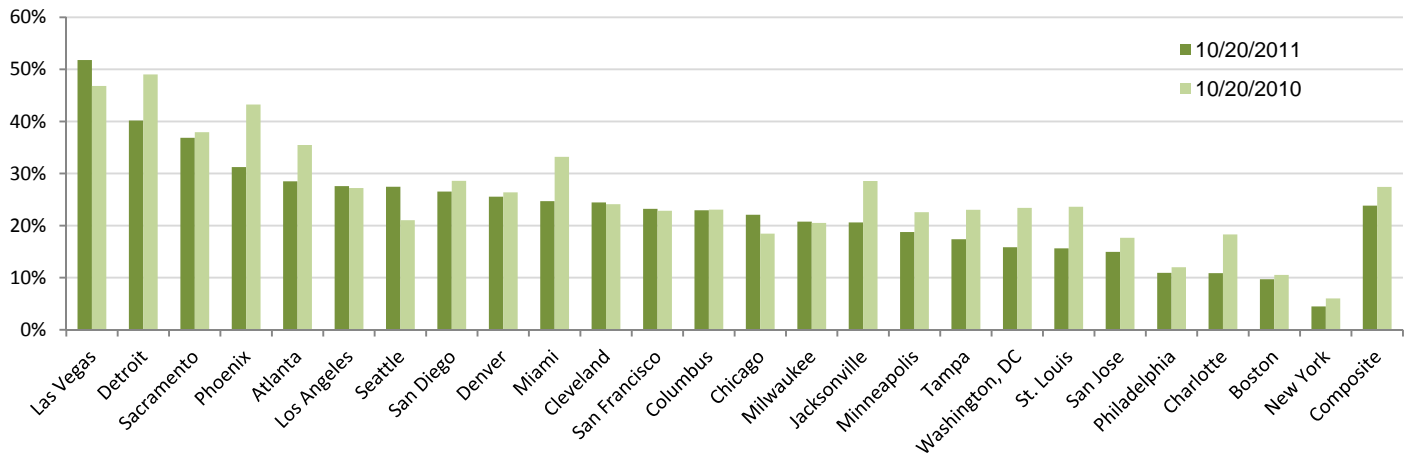
**Exhibit 10**

**25-MSA Composite - Motivated Sales Price Discount Relative to Other Sales, 2007-2011**



**Exhibit 11**

**Motivated Sales as a Percent of Total Sales, 25 MSAs**



Source: Radar Logic

<sup>5</sup> The shaded areas depicting motivated and other transaction counts are stacked.

Exhibit 12: Radar Logic Daily Prices in 25 Metropolitan Statistical Areas (Ranked by 1-Year % Change)

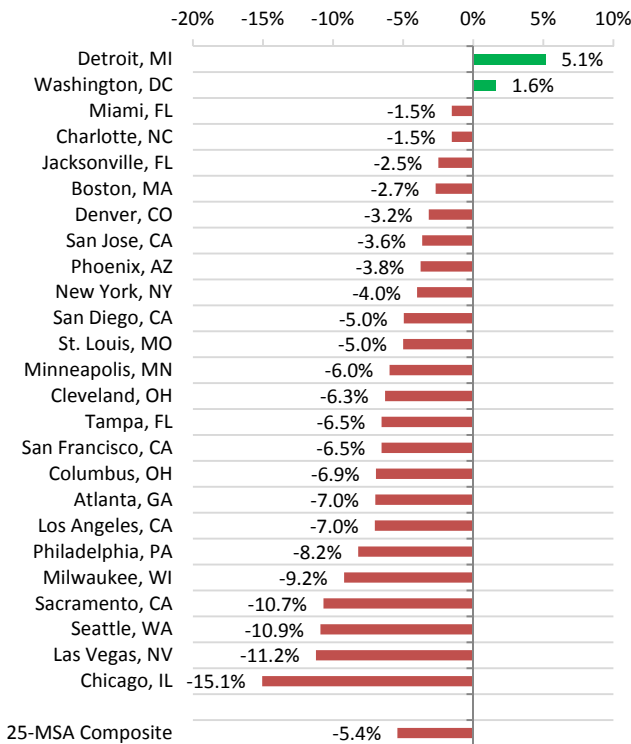
Oct 2011 Rank	Sept 2011 Rank	MSA	PPSF	Oct. 2011 vs. Oct. 2010	Oct. 2010 vs. Oct. 2009	Oct. 2011 vs. Sept. 2011	Oct. 2010 vs. Sept. 2010
1	1	Detroit, MI	\$63.04	5.1%	-3.8%	-3.6%	-3.1%
2	2	Washington, DC	\$171.55	1.6%	-0.9%	-4.0%	-5.0%
3	5	Miami, FL	\$97.34	-1.5%	-10.7%	3.0%	3.1%
4	4	Charlotte, NC	\$87.16	-1.5%	-2.9%	-1.6%	-1.3%
5	9	Jacksonville, FL	\$78.71	-2.5%	-5.7%	2.9%	0.4%
6	3	Boston, MA	\$186.17	-2.7%	-1.7%	-9.8%	-7.7%
7	6	Denver, CO	\$121.59	-3.2%	-3.2%	-2.8%	-1.5%
8	14	San Jose, CA	\$322.34	-3.6%	1.2%	0.2%	-1.9%
9	12	Phoenix, AZ	\$74.09	-3.8%	-5.7%	1.0%	-0.8%
10	7	New York, NY	\$229.23	-4.0%	-2.9%	-1.6%	-0.4%
11	8	San Diego, CA	\$200.29	-5.0%	2.1%	-3.0%	-0.9%
12	11	St. Louis, MO	\$93.97	-5.0%	-5.2%	-1.7%	-2.1%
13	23	Minneapolis, MN	\$101.94	-6.0%	-9.7%	0.1%	-6.3%
14	18	Cleveland, OH	\$64.48	-6.3%	-9.1%	-3.2%	-4.0%
15	15	Tampa, FL	\$74.60	-6.5%	-8.0%	-1.5%	-0.8%
16	20	San Francisco, CA	\$257.66	-6.5%	-1.2%	1.5%	-0.5%
17	10	Columbus, OH	\$79.93	-6.9%	-6.8%	-4.3%	-2.5%
18	22	Atlanta, GA	\$65.78	-7.0%	-8.0%	-4.6%	-8.4%
19	17	Los Angeles, CA	\$232.09	-7.0%	-1.8%	-1.5%	-1.4%
20	19	Philadelphia, PA	\$124.85	-8.2%	-1.2%	-2.0%	-1.6%
21	24	Milwaukee, WI	\$89.34	-9.2%	-12.7%	-0.2%	-3.8%
22	16	Sacramento, CA	\$106.14	-10.7%	-2.3%	-4.3%	0.6%
23	21	Seattle, WA	\$142.00	-10.9%	-11.4%	-4.3%	-2.2%
24	25	Las Vegas, NV	\$65.61	-11.2%	-3.0%	-0.4%	-2.5%
25	13	Chicago, IL	\$101.64	-15.1%	-6.8%	-7.6%	2.8%
25-MSA Composite			\$178.57	-5.4%	-2.8%	-2.0%	-1.4%
Manhattan Condo <sup>6</sup>			\$1,061.87	0.8%	4.2%	2.4%	0.4%

Source: 28-Day RPX™ value for each MSA as of 10/20/2011

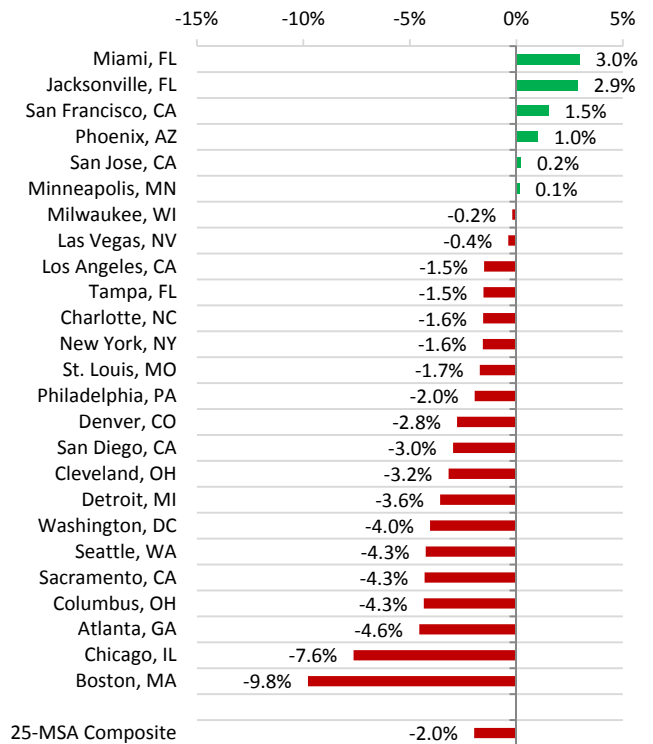
positive neutral negative

Exhibit 13: Radar Logic Daily Prices Year-Over-Year Change

Exhibit 14: Radar Logic Daily Prices Month-Over-Month Change



Source: 28-Day RPX™ value for each MSA as of 10/20/2011



Source: 28-Day RPX™ value for each MSA as of 10/20/2011

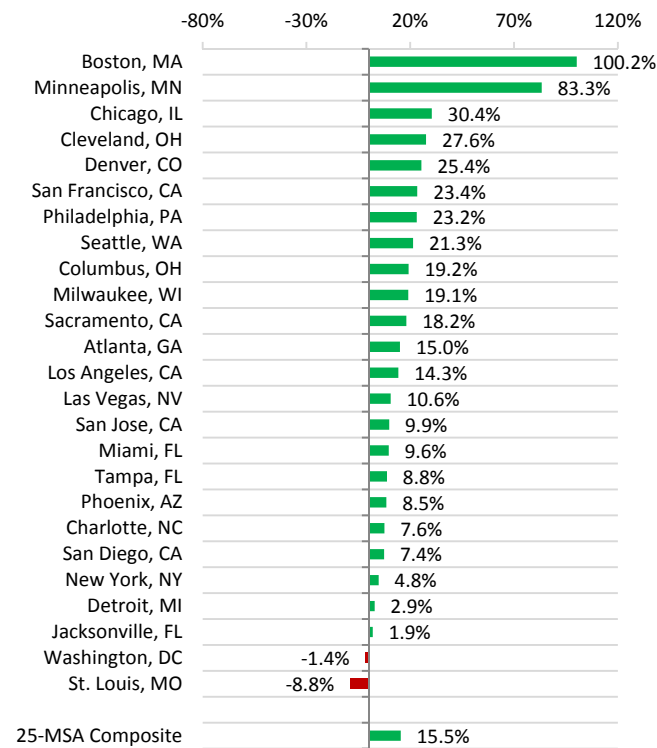
<sup>6</sup> Manhattan Condo is a subset of the New York MSA.

### Exhibit 15: Transaction Counts<sup>7</sup>

MSA	Oct 2011 vs. Oct 2010	Oct 2010 vs. Oct 2009	Oct 2011 vs. Sept 2011	Oct 2010 vs. Sept 2010
Boston, MA	100.2%	-57.2%	-11.6%	-28.4%
Minneapolis, MN	83.3%	-49.2%	-2.3%	-5.0%
Chicago, IL	30.4%	-26.6%	-0.6%	-8.0%
Cleveland, OH	27.6%	-37.6%	3.6%	2.7%
Denver, CO	25.4%	-31.7%	-0.2%	-4.7%
San Francisco, CA	23.4%	-22.4%	2.7%	-2.9%
Philadelphia, PA	23.2%	2.4%	-2.7%	-5.2%
Seattle, WA	21.3%	-31.2%	4.6%	8.8%
Columbus, OH	19.2%	-37.4%	-5.1%	-4.4%
Milwaukee, WI	19.1%	-38.1%	-8.6%	9.2%
Sacramento, CA	18.2%	-13.6%	0.7%	-4.3%
Atlanta, GA	15.0%	-34.5%	-3.6%	21.8%
Los Angeles, CA	14.3%	-19.5%	6.3%	-1.2%
Las Vegas, NV	10.6%	-16.5%	2.1%	0.6%
San Jose, CA	9.9%	-27.4%	-1.6%	2.9%
Miami, FL	9.6%	-2.7%	-5.7%	1.0%
Tampa, FL	8.8%	-18.1%	-2.7%	0.2%
Phoenix, AZ	8.5%	-20.8%	-6.2%	0.6%
Charlotte, NC	7.6%	-35.8%	-12.9%	-0.8%
San Diego, CA	7.4%	-22.7%	-1.4%	4.1%
New York, NY	4.8%	-16.8%	-4.6%	-6.0%
Detroit, MI	2.9%	-7.2%	-1.7%	5.4%
Jacksonville, FL	1.9%	-9.3%	-6.3%	-8.3%
Washington, DC	-1.4%	-24.7%	-7.6%	-13.9%
St. Louis, MO	-8.8%	-33.1%	-13.6%	5.8%
25-MSA Composite	15.5%	-23.5%	-2.7%	-2.1%
Manhattan Condominium	-10.7%	-14.2%	-7.6%	16.0%

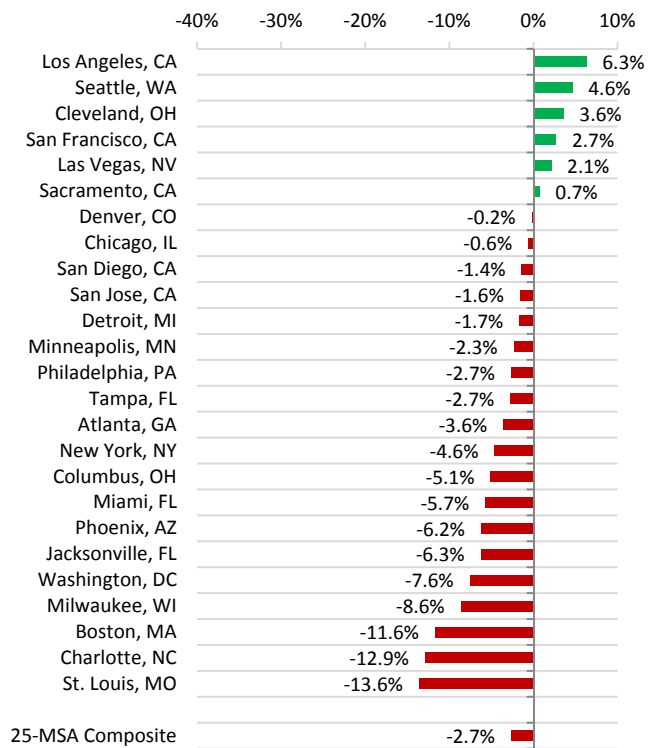
Source: 28-Day RPX™ analytics as of 10/20/2011

### Exhibit 16: Transaction Counts Year-Over-Year Change



Source: 28-Day RPX™ value for each MSA as of 10/20/2011

### Exhibit 17: Transaction Counts Month-Over-Month Change



Source: 28-Day RPX™ value for each MSA as of 10/20/2011

<sup>7</sup> Transaction counts reflect the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

## *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 November 2011 RPX™ Monthly Housing Market Report will be released on January 26, 2012, at 4:00 PM EST.

## *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:

### **Radar Logic Incorporated**

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