



# RPX YEAR IN REVIEW 2010

Release Date: March 18, 2011

## Housing Markets Languished in 2010

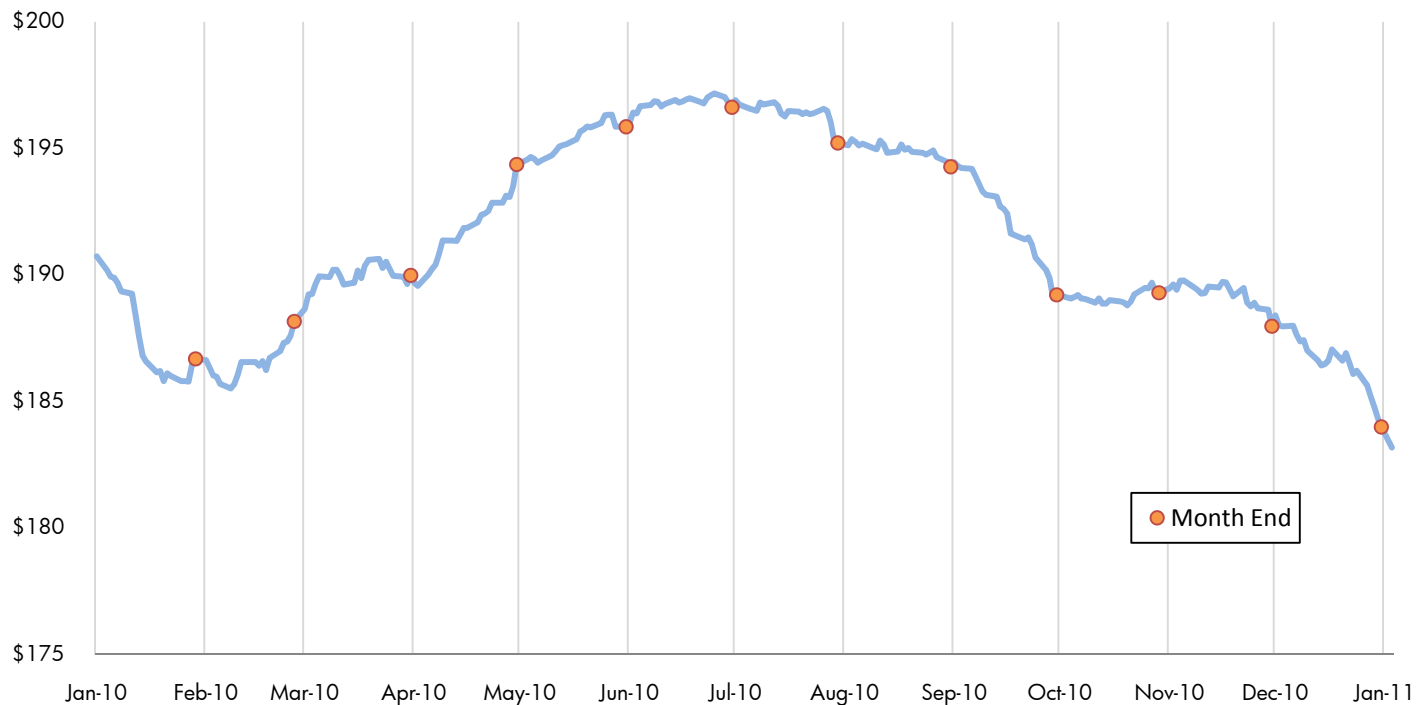
Most observations for 2010 were negative:

- RPX prices declined year over year;
- RPX transaction counts declined year over year;
- Motivated sales (i.e., sales of homes by financial institutions) increased as a percentage of total sales activity.

The few bright spots appear to be a result of government stimulus, the homebuyer tax credits in particular. However, rather than jump-starting the market, the government's interventions seem to have only had a temporary effect that evaporated as the stimulus expired.

Housing supply vastly outstripped demand in 2010, especially when one considers the shadow inventory of homes with mortgages in default or foreclosure. This state of affairs continues into 2011. As a result, RPX metrics continue to show weakness.

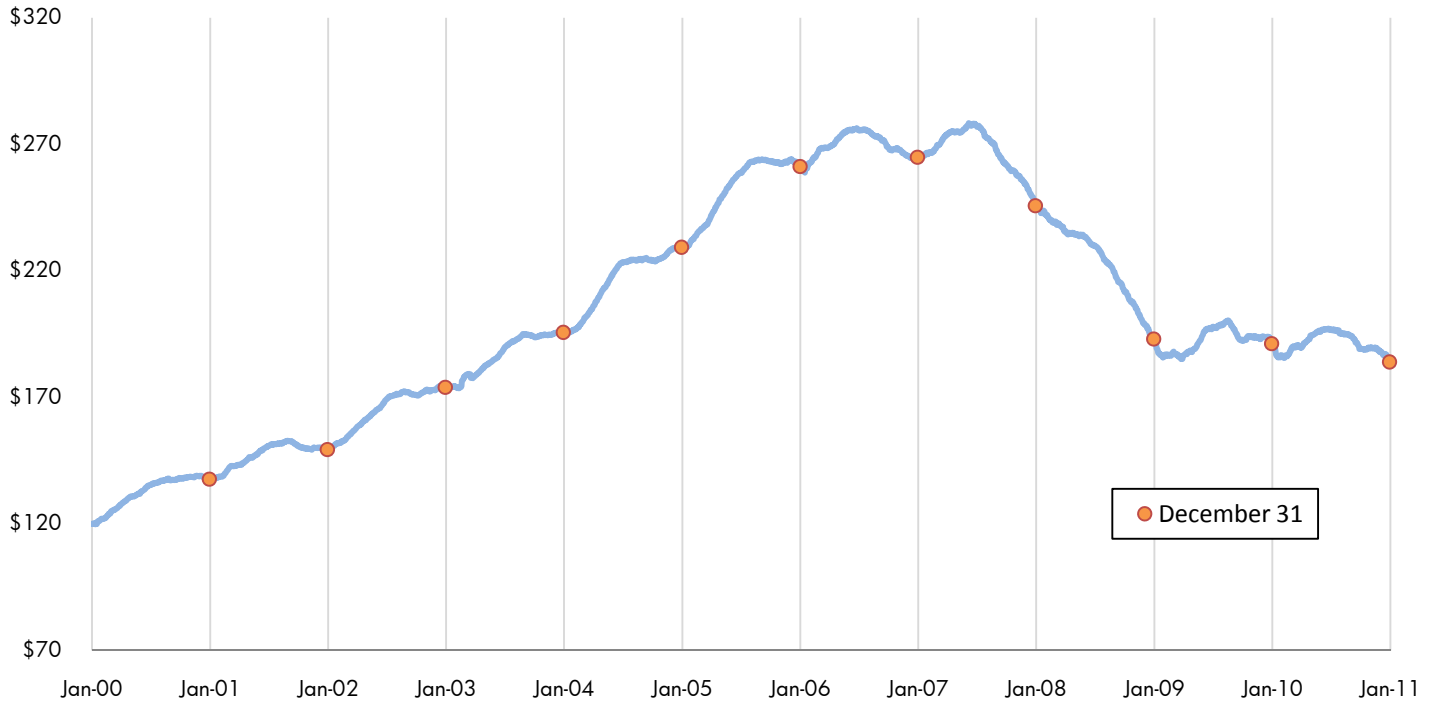
RPX Composite Price, 2010



# RPX Composite Price

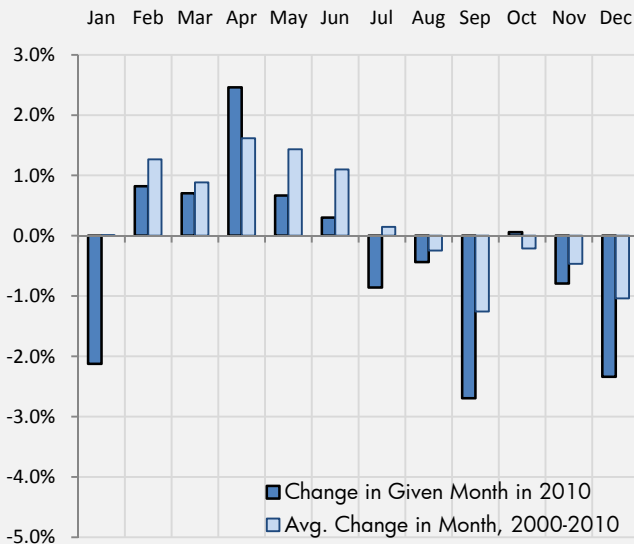
The RPX Composite price, which tracks home prices in 25 metropolitan areas in the United States, exhibited a 3.8 percent decline in 2010. The stability in home prices in the beginning of the year can be attributed to stimulus to housing demand via the homebuyer tax credits, low-down-payment FHA loans, and the Fed's purchase of \$1.25 trillion in mortgage-backed securities and \$175 billion of housing agency debt, which helped keep mortgage rates near record lows and maintained the flow of housing credit. The stimulus ended mid-year, and weakness returned to housing markets thereafter.

RPX Composite Price, 2000-2010

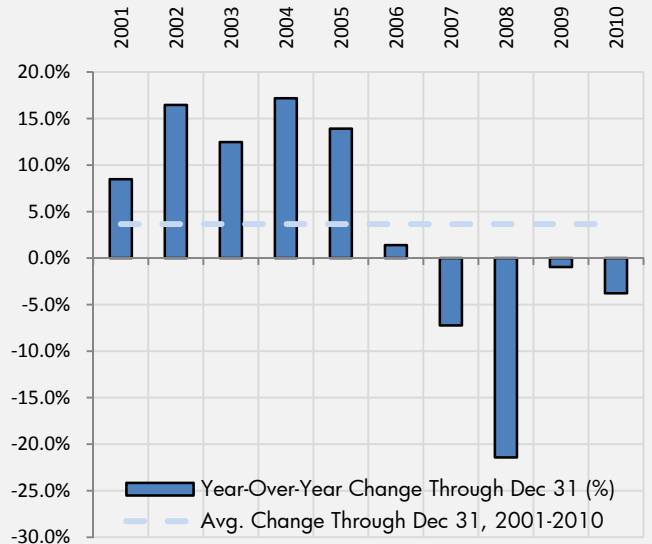


On a month-over-month basis, the RPX Composite price performed worse than its 10-year average in 10 of 12 months in 2010. On a year-over-year basis, the performance of the RPX Composite price through December 31 was worse in 2010 than in any other year save for the bust years of 2007 and 2008.

Month-Over-Month Change in RPX Composite Price (%)



Year-Over-Year Change in RPX Composite Price (%)



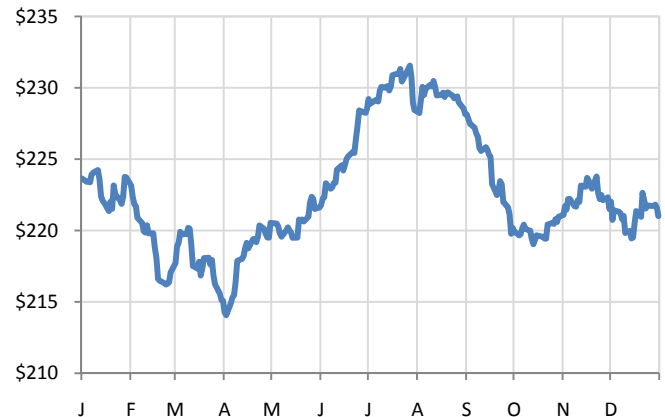
## RPX Regional Composite Prices

The RPX Composite prices for the Midwest, West and South each declined in excess of five percent year over year (six, five and six percent, respectively). The RPX Composite price for the Northeast outperformed the prices for the other regions, declining just 1.5 percent. The Northeast price is heavily influenced by housing market dynamics in the New York metropolitan area, where home prices fared better than in most other parts of the country.

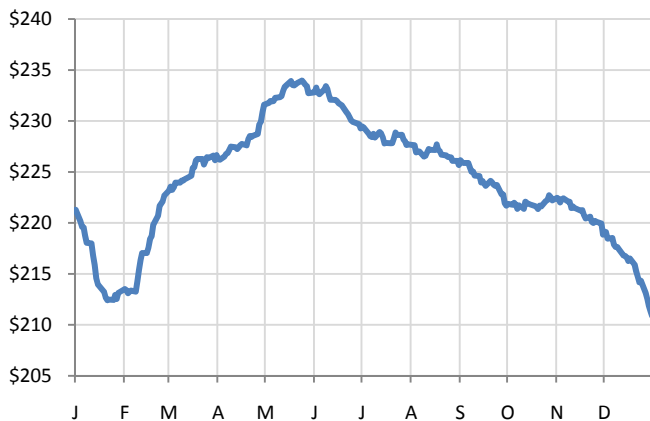
**RPX Midwest Composite Price, 2010 <sup>1</sup>**



**RPX Northeast Composite Price, 2010 <sup>2</sup>**



**RPX West Composite Price, 2010 <sup>3</sup>**



**RPX South Composite Price, 2010 <sup>4</sup>**



<sup>1</sup> The RPX Midwest composite is a weighted average of RPX values for Chicago, Cleveland, Columbus, Detroit, Minneapolis, Milwaukee and St. Louis.

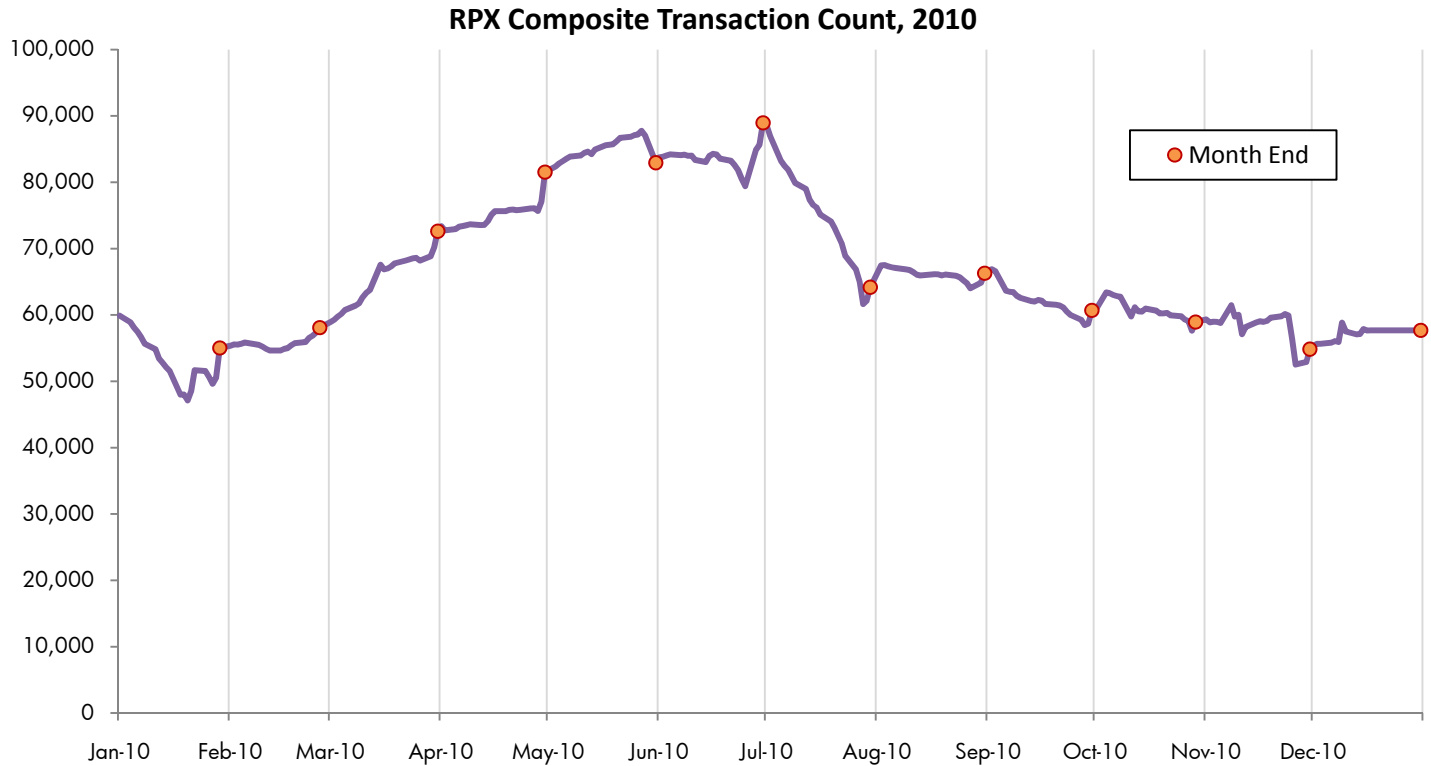
<sup>2</sup> The RPX Northeast composite is a weighted average of RPX values for Boston, New York and Philadelphia.

<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.

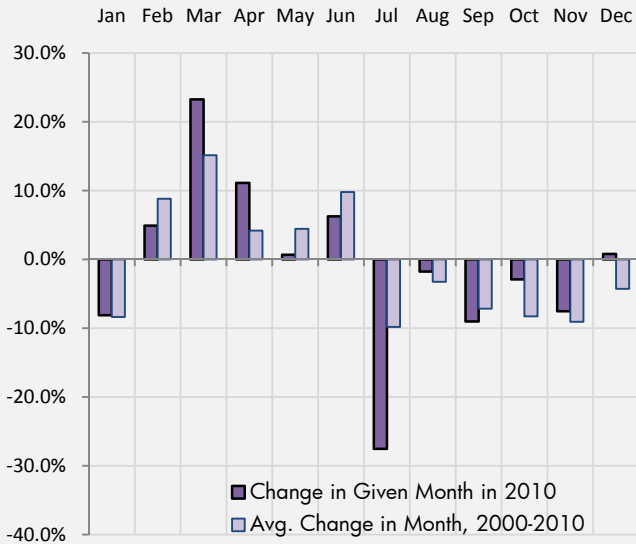
# RPX Composite Transaction Count

The rapid decline in the RPX Composite transaction count during July reflects waning demand after the contract signing deadline for the homebuyer tax credits. To qualify for a tax credit under the Worker, Homeownership and Business Assistance Act of 2009, homebuyers needed to sign a binding sales contract by April 30, 2010. As it typically takes 60 days for sales to close, the drop-off in RPX transaction counts, which track contract closings, occurred after June 30.

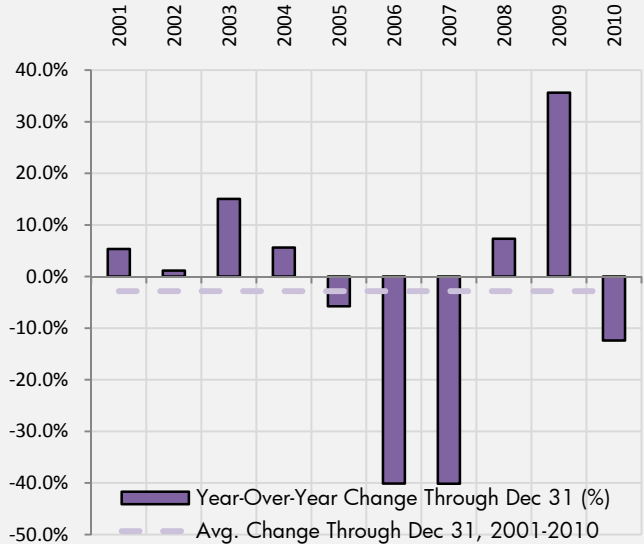


Much of the salutary effect of the tax credits, along with other initiatives by the Federal Government to stimulate home sales, appears to have been temporary, lasting only until the initiatives were phased out. Thus, while the stimuli contributed to a large year-over-year gain in transactions during 2009, the termination of the stimuli contributed to a large year-over-year decline in 2010.

**Month-Over-Month Change in RPX Composite Transaction Count (%)**



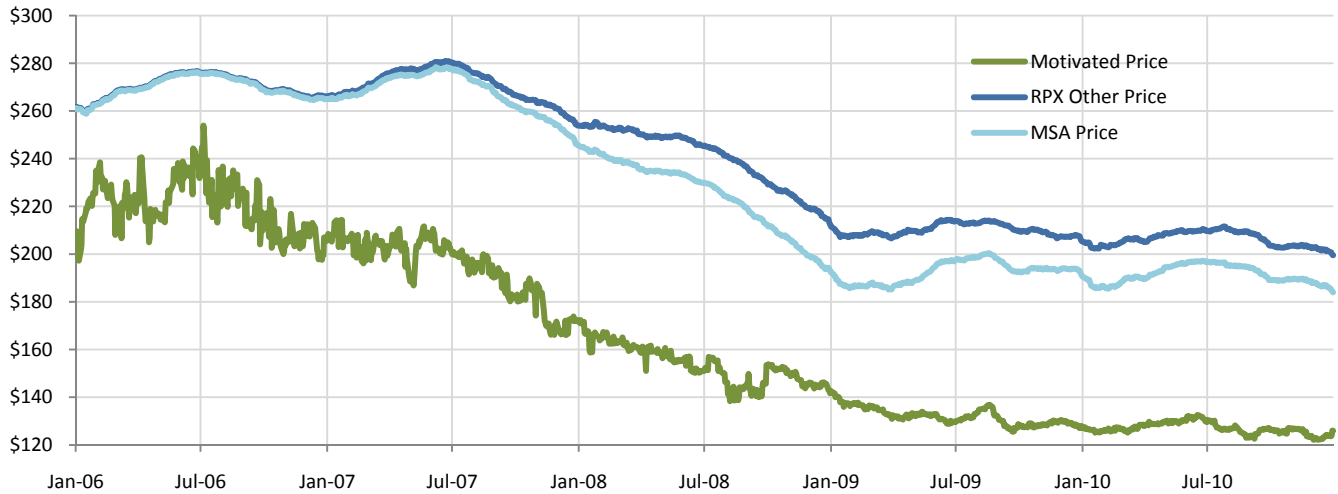
**Year-Over-Year Change in RPX Composite Transaction Count (%)**



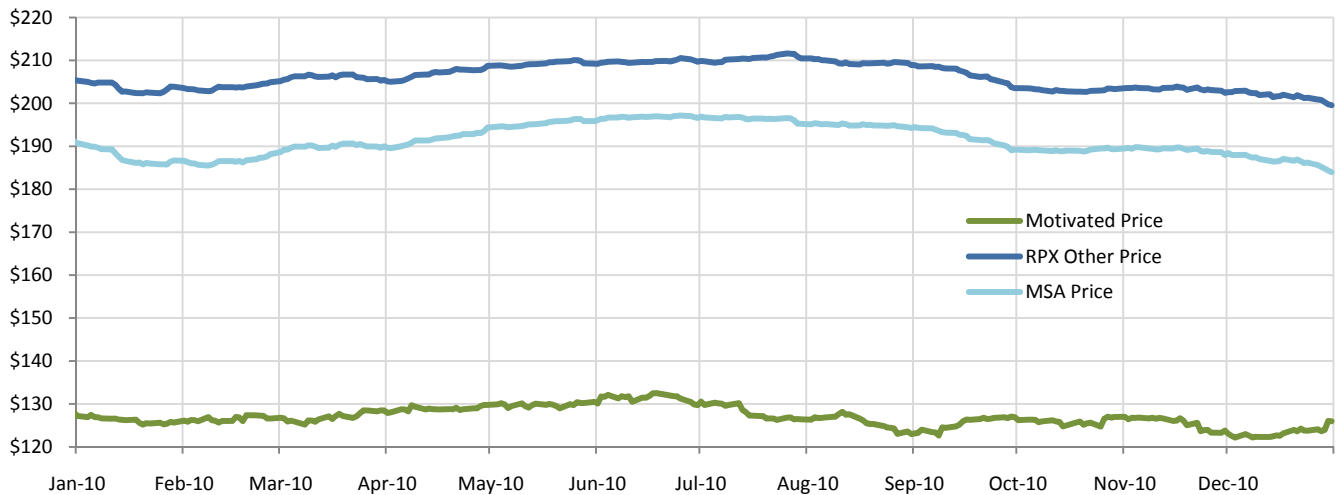
## RPX Motivated Prices

The discount in prices reached in motivated sales (i.e., sales of homes by financial institutions) relative to prices in other sales increased rapidly from eight percent in July 2006 to 41 percent in August 2008. The discount narrowed to 33 percent in September 2008, but started widening again when other prices stabilized in early 2009. The discount remained relatively constant during 2010, fluctuating between 37 and 41 percent, and ended the year at 40 percent.

25-MSA Composite - Motivated, Other and MSA-Wide Prices, 2006-2010



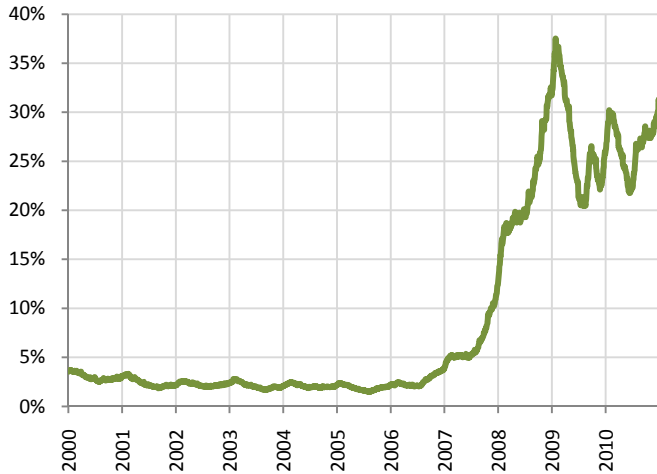
25-MSA Composite - Motivated, Other and MSA-Wide Prices, 2010



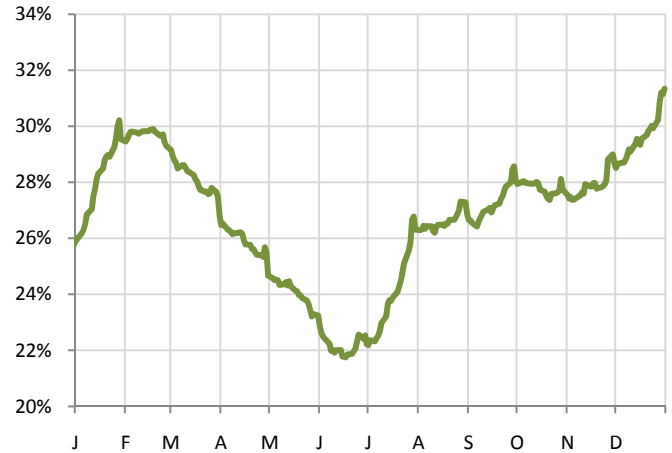
# Motivated Sales Activity

Motivated sales have become a significant influence on housing values, and likely will remain so. In 2010, motivated sales increased from 26 to 31 percent of total sales throughout the 25 metropolitan areas tracked by Radar Logic. Twenty-two of the metropolitan areas exhibited a year-over-year gain in motivated sales' share of total sales.

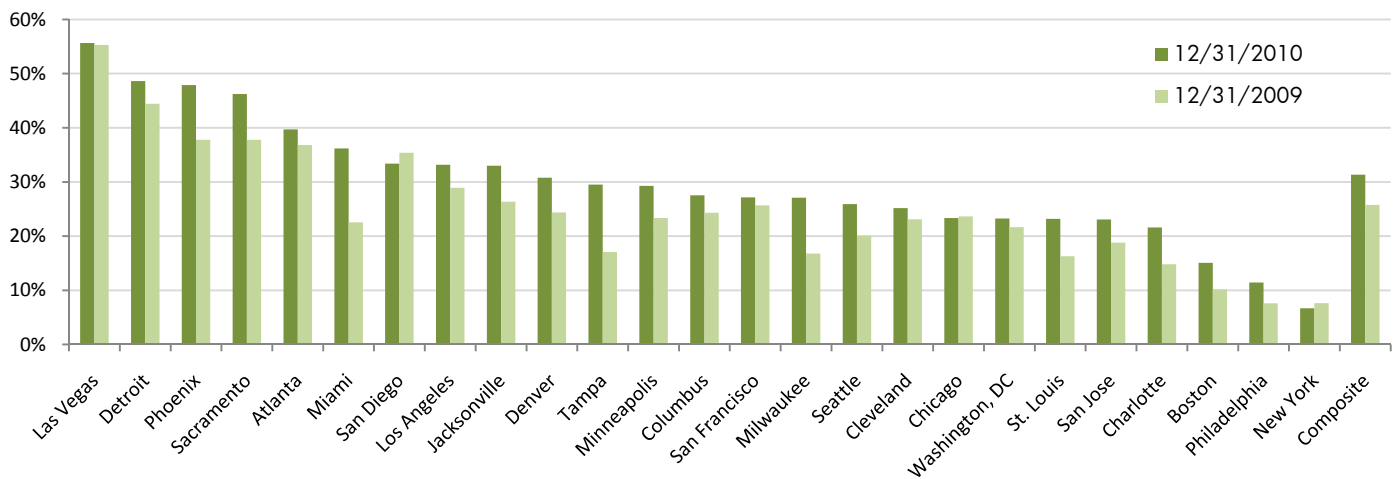
**25-MSA Composite - Motivated Transaction Count as % of Total Transaction Count, 2000 - 2010**



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



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



## RPX Prices, Decline From Peak

As of December 31, 2010, RPX prices for 20 of the 25 metropolitan areas had declined between 25 and 60 percent from their peaks. The RPX Composite price had lost one third of its value.

### Price Change From Peak for 25 Metropolitan Statistical Areas as of December 31, 2010

MSA	Peak Date	Peak Price	12/31/2010 Price	% Decline in Price, Peak - 12/31/2010
Atlanta, GA	6/6/2007	\$106.31	\$63.39	-40.4%
Boston, MA	8/22/2005	\$257.46	\$178.68	-30.6%
Charlotte, NC	6/27/2007	\$101.62	\$86.93	-14.5%
Chicago, IL	6/28/2007	\$205.19	\$114.08	-44.4%
Cleveland, OH	6/28/2005	\$99.59	\$66.61	-33.1%
Columbus, OH	7/1/2005	\$103.92	\$82.19	-20.9%
Denver, CO	7/12/2007	\$152.56	\$119.51	-21.7%
Detroit, MI	8/16/2005	\$121.60	\$59.21	-51.3%
Jacksonville, FL	10/30/2006	\$135.97	\$78.83	-42.0%
Las Vegas, NV	5/15/2006	\$186.72	\$71.35	-61.8%
Los Angeles, CA	4/9/2007	\$401.65	\$238.37	-40.7%
Miami, FL	5/15/2006	\$208.48	\$94.81	-54.5%
Milwaukee, WI	6/15/2007	\$135.29	\$91.47	-32.4%
Minneapolis, MN	6/9/2006	\$164.36	\$99.96	-39.2%
New York, NY	6/28/2007	\$310.00	\$243.90	-21.3%
Philadelphia, PA	5/31/2007	\$164.59	\$131.98	-19.8%
Phoenix, AZ	6/7/2006	\$167.81	\$72.90	-56.6%
Sacramento, CA	9/5/2005	\$252.78	\$110.76	-56.2%
San Diego, CA	5/18/2006	\$357.34	\$205.79	-42.4%
San Francisco, CA	6/1/2007	\$463.32	\$260.30	-43.8%
San Jose, CA	5/23/2007	\$484.69	\$315.38	-34.9%
Seattle, WA	6/26/2007	\$236.16	\$153.35	-35.1%
St. Louis, MO	5/28/2007	\$124.52	\$93.14	-25.2%
Tampa, FL	6/27/2006	\$147.18	\$77.79	-47.1%
Washington, DC	5/29/2006	\$267.18	\$169.47	-36.6%
25-MSA Composite	6/8/2007	\$278.32	\$183.99	-33.9%
Manhattan Condominium	12/16/2008	\$1,212.83	\$1,032.17	-14.9%

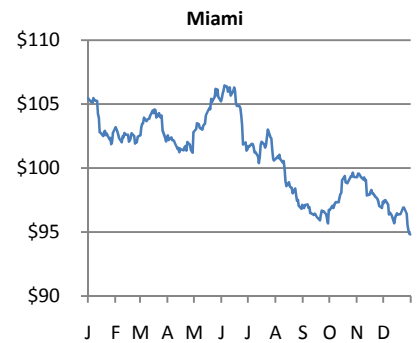
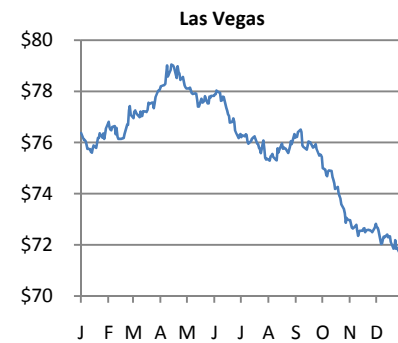
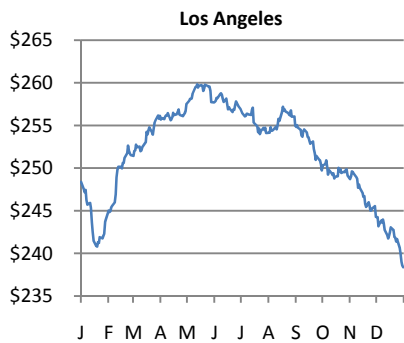
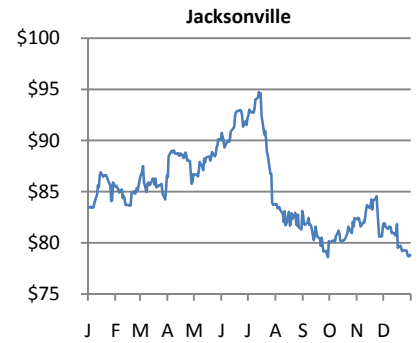
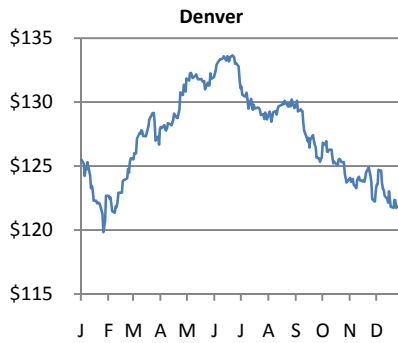
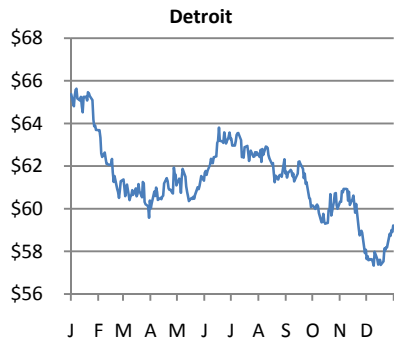
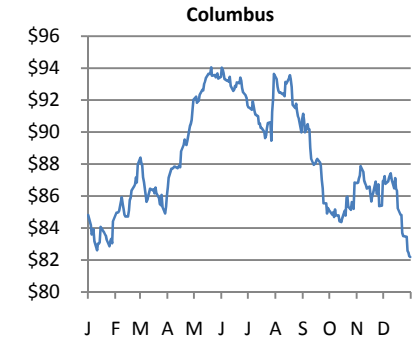
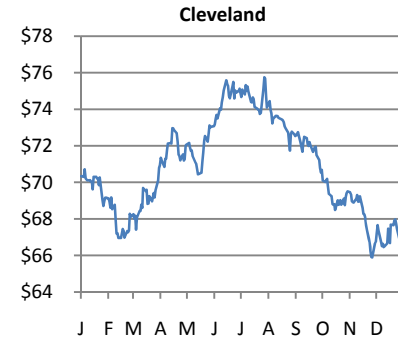
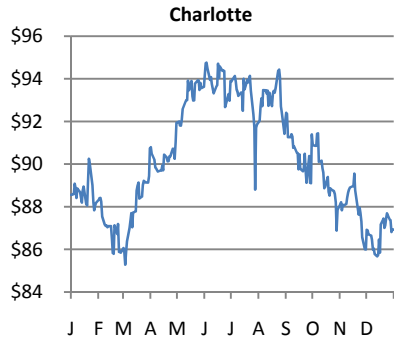
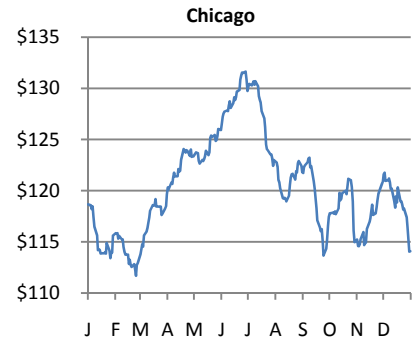
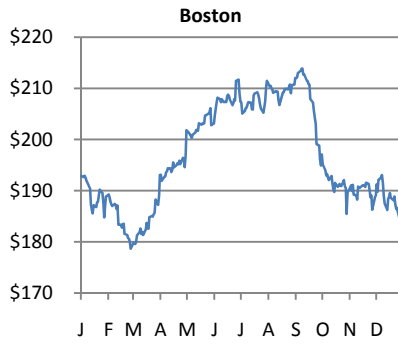
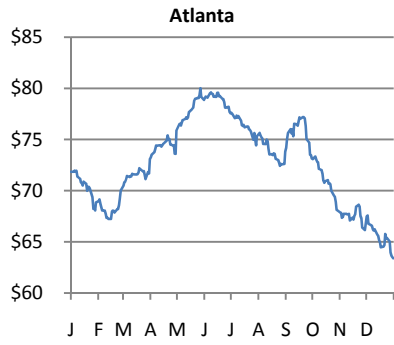
## RPX Prices, Increase From Trough

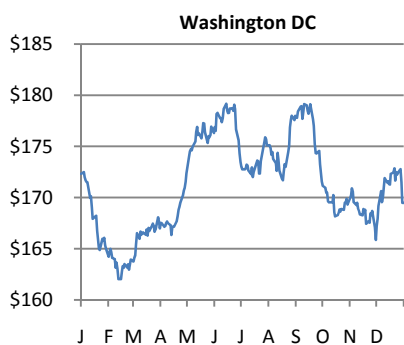
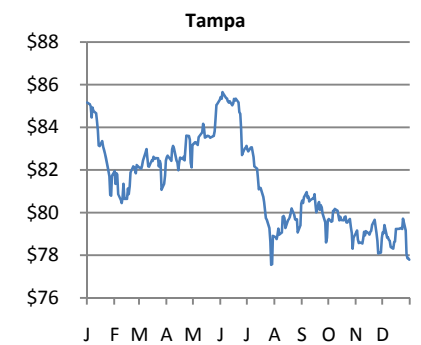
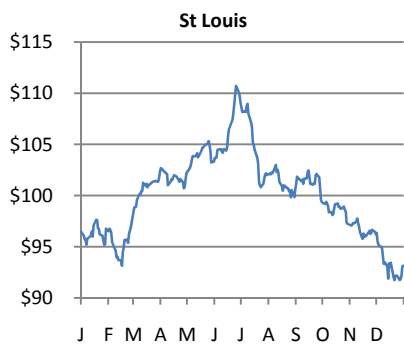
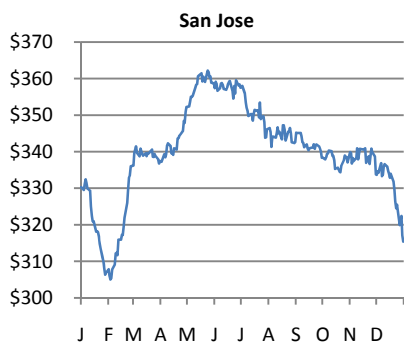
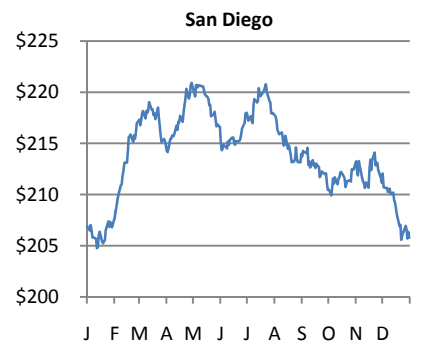
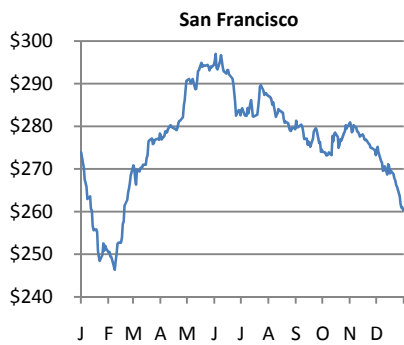
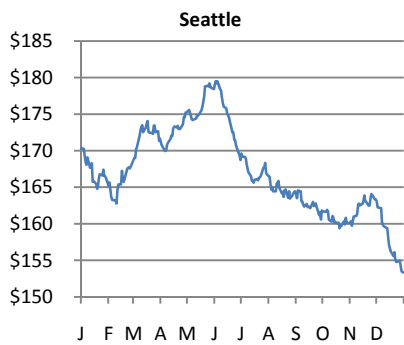
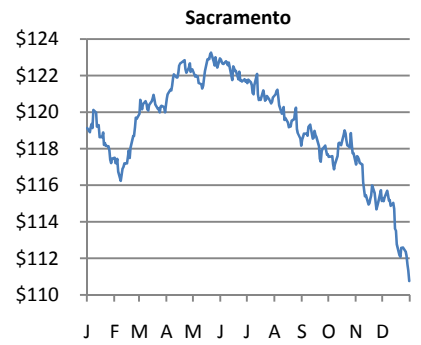
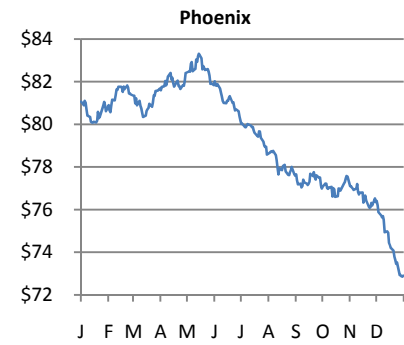
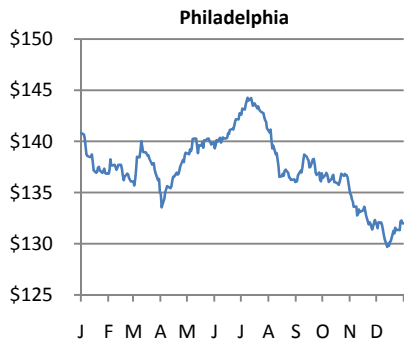
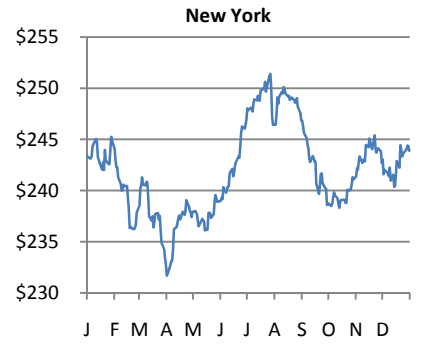
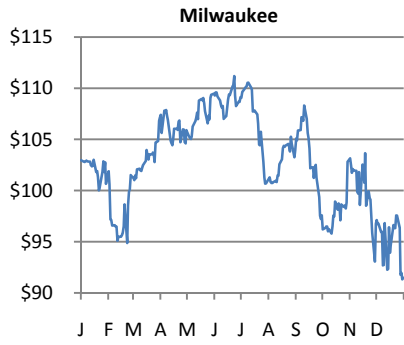
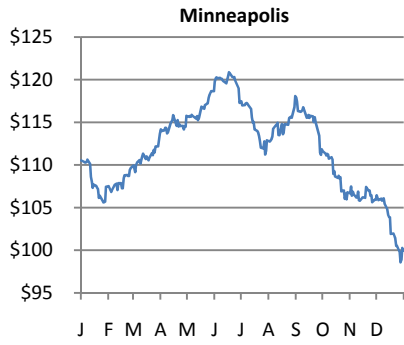
Overall, housing prices are at their lowest point since the beginning of the housing bust. On December 31, 2010, the RPX Composite price reached its lowest point since its peak in June 2007. It has continued to weaken into 2011. RPX prices for Atlanta, Columbus, Miami and San Jose were also at their troughs for the current cycle at year-end, and many other metropolitan areas were very near their cyclical lows.

### Price Change From Trough for 25 Metropolitan Statistical Areas as of December 31, 2010

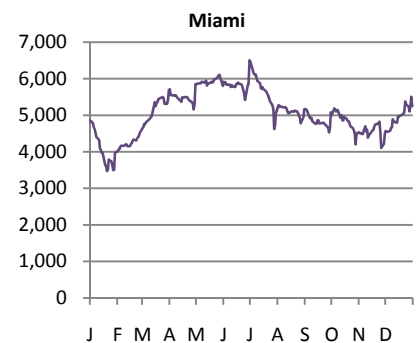
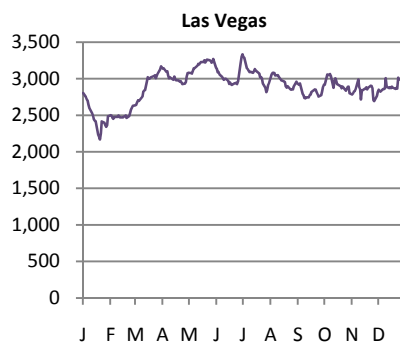
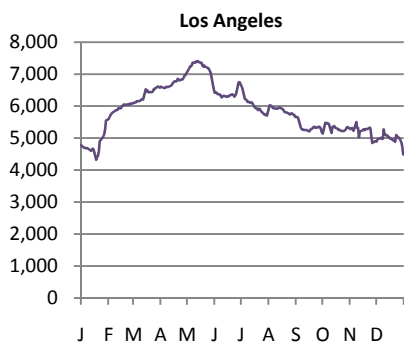
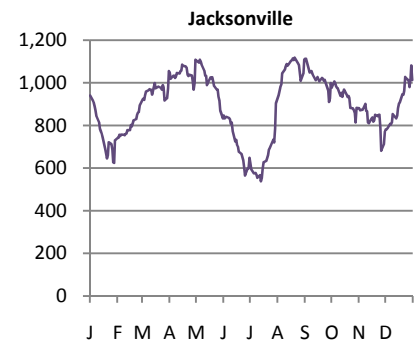
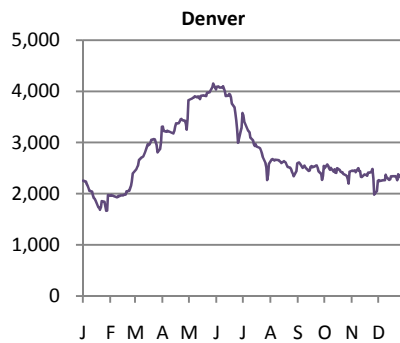
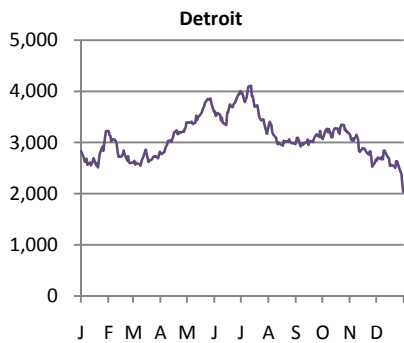
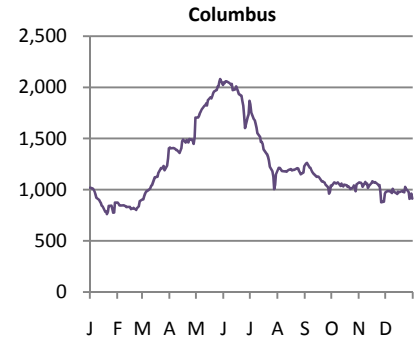
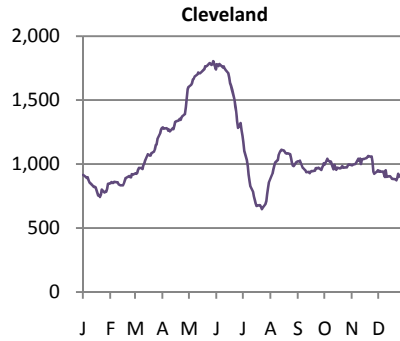
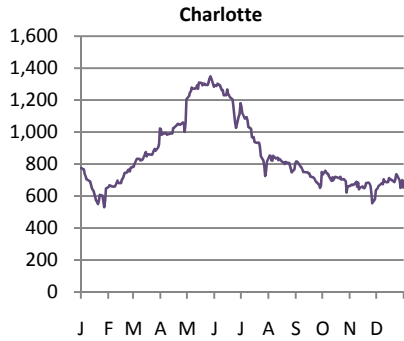
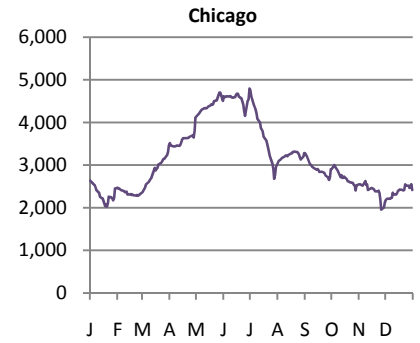
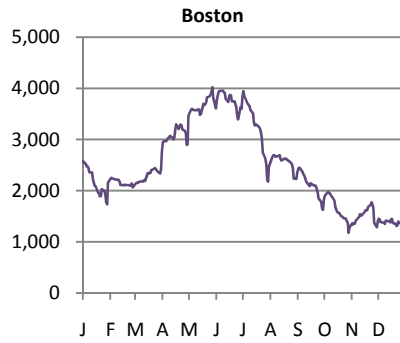
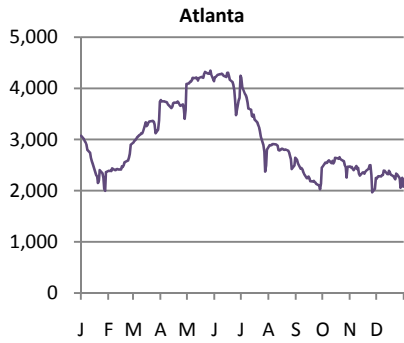
MSA	Trough Date	Trough Price	12/31/2010 Price	% Increase in Price, Trough - 12/31/2010
Atlanta, GA	12/31/2010	\$126.78	\$126.78	0.0%
Boston, MA	2/16/2009	\$153.80	\$178.68	16.2%
Charlotte, NC	1/27/2009	\$83.94	\$86.93	3.6%
Chicago, IL	2/24/2010	\$111.69	\$114.08	2.1%
Cleveland, OH	11/26/2010	\$65.89	\$66.61	1.1%
Columbus, OH	12/31/2010	\$82.19	\$82.19	0.0%
Denver, CO	1/28/2009	\$110.20	\$119.51	8.4%
Detroit, MI	12/9/2010	\$57.33	\$59.21	3.3%
Jacksonville, FL	9/29/2010	\$78.61	\$78.83	0.3%
Las Vegas, NV	12/30/2010	\$71.27	\$71.35	0.1%
Los Angeles, CA	1/22/2009	\$235.46	\$238.37	1.2%
Miami, FL	12/31/2010	\$94.81	\$94.81	0.0%
Milwaukee, WI	12/30/2010	\$91.33	\$91.47	0.2%
Minneapolis, MN	12/28/2010	\$98.57	\$99.96	1.4%
New York, NY	4/1/2010	\$231.68	\$243.90	5.3%
Philadelphia, PA	12/13/2010	\$129.69	\$131.98	1.8%
Phoenix, AZ	12/30/2010	\$72.85	\$72.90	0.1%
Sacramento, CA	12/31/2010	\$221.52	\$221.52	0.0%
San Diego, CA	2/26/2009	\$188.32	\$205.79	9.3%
San Francisco, CA	1/21/2009	\$233.61	\$260.30	11.4%
San Jose, CA	3/31/2009	\$288.74	\$315.38	9.2%
Seattle, WA	12/31/2010	\$153.35	\$153.35	0.0%
St. Louis, MO	12/31/2007	\$88.71	\$93.14	5.0%
Tampa, FL	7/28/2010	\$77.55	\$77.79	0.3%
Washington, DC	2/15/2010	\$162.02	\$169.47	4.6%
25-MSA Composite	12/31/2010	\$183.99	\$183.99	0.0%
Manhattan Condominium	5/26/2009	\$923.42	\$1,032.17	11.8%

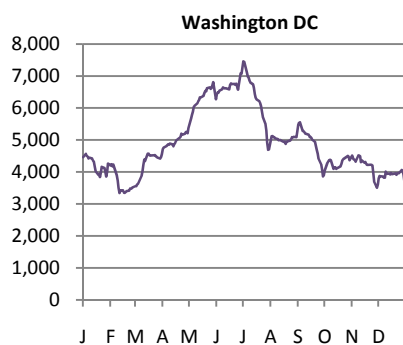
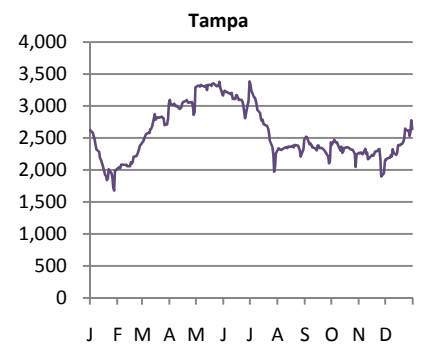
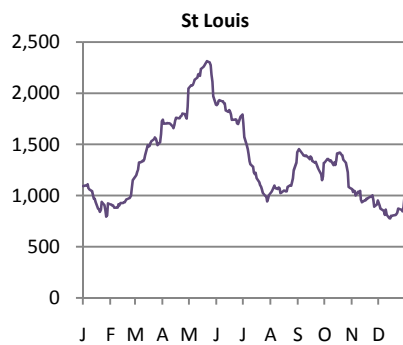
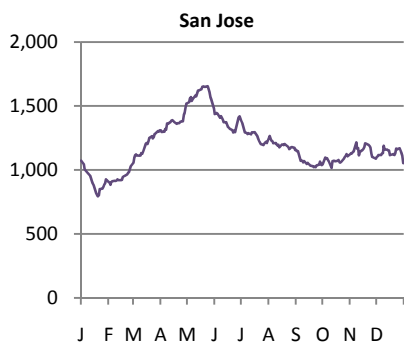
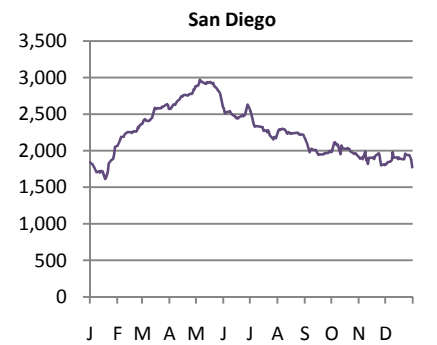
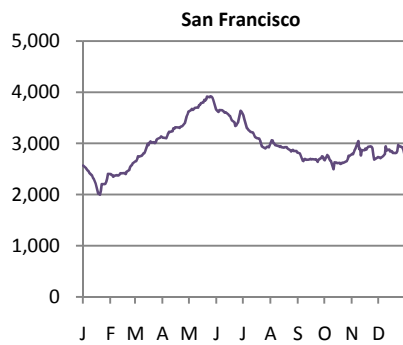
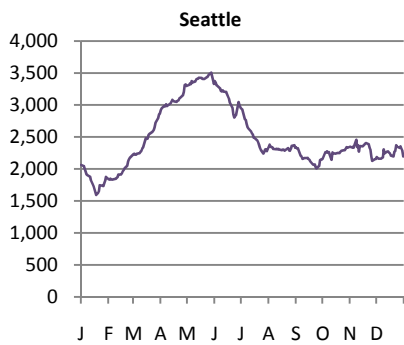
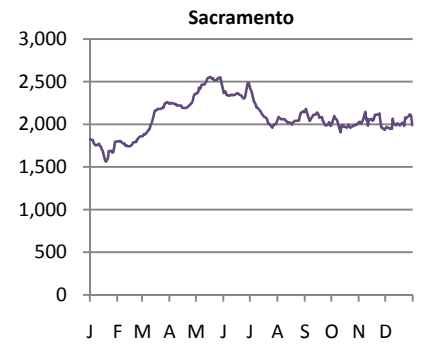
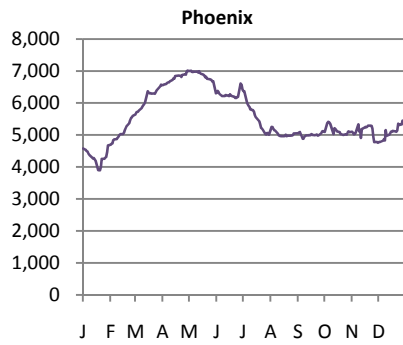
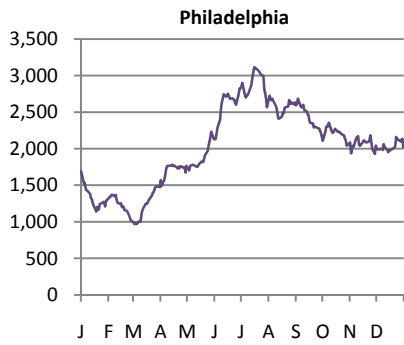
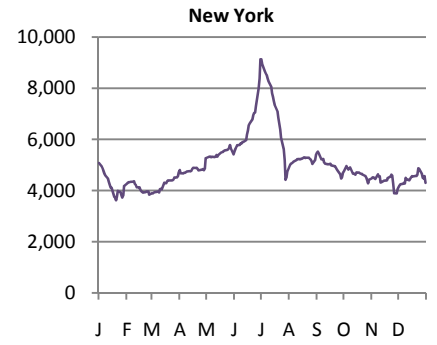
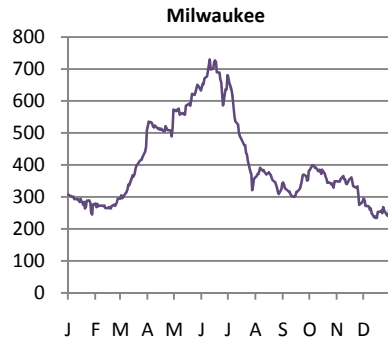
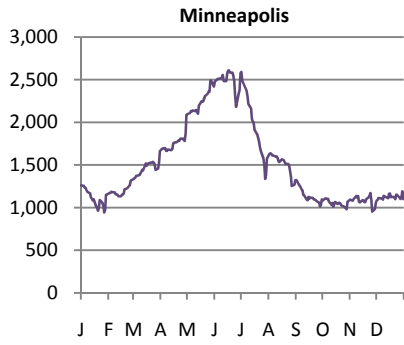
# 2010 RPX Prices, 25 MSAs





# 2010 RPX Transaction Counts, 25 MSA





## ***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 2010 RPX Year In Review reflect the 28-day aggregated value of Radar Logic Daily Prices.

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 2010 RPX Year In Review 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.

## ***RPX Analytics & Research***

Radar Logic offers specialized analytic services that 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 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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