

RPX *Motivated Sales*

Prices & Transaction Counts



Radar Logic continually reviews new offerings in an effort to increase the flexibility with which real estate and finance professionals can trade residential property values. To that end, we are introducing **RPX Motivated Prices and Transaction Counts**, which track prices and sales of foreclosed homes in the 25 metropolitan statistical areas covered by Radar Logic.

In fall 2007, Radar Logic identified a bifurcation in many housing markets around the country. Sales of foreclosed homes were becoming a larger share of housing transactions than they had been historically. As these sales increased, they began to exert significant influence over RPX prices. We began tracking these sales and referring to them as “motivated sales” because the sellers are financial institutions motivated by concerns about financial liquidity, and therefore less price sensitive than sellers who live in their homes.

Today, motivated sales have become a central feature in most housing markets. Prices in these transactions are significantly less than prices in other transactions and move independently from them over time. Changes in motivated price levels and shifts in the mix of motivated and other sales exert significant influence over MSA-level price trends.

In light of the importance of motivated transactions to the housing market, Radar Logic now offers subscriptions to RPX motivated price and transaction count data.

Annual Subscription - An annual subscription provides one year’s unlimited access to daily motivated price and transaction count figures. Values are updated daily. Historical data dating back to January 2000 are included in the annual subscription.

Monthly Subscription - A monthly subscription provides one month’s access to one month’s worth of daily motivated price and transaction count data. Subscribers have access to data for the most recent month for which transaction data is available through the end of the month.

Historical Data File - Historical motivated prices and transaction counts are available for download. Historical data are available from January 2000 to the most recent month for which transaction data is available through the end of the month.

Motivated sales data are available in CSV format via download from a secure FTP connection. If you are interested in more information or would like to subscribe, please visit http://www.radarlogic.com/productservices_analytics.html.

© 2010 Radar Logic Incorporated. All Rights Reserved.

A Valuable Source of Market Information

Foreclosure sales now make up nearly 25% of all housing transactions, making motivated sales data important and useful.

- Traders and investors in mortgage loans, residential mortgage-backed securities (MBS) and mortgage servicing rights can use this information to model loss severities in the event of borrower default and, in turn, better model the values of their portfolios.
- Real estate asset managers and investors in distressed residential property can use this information to evaluate investment opportunities and manage risks in their existing portfolios.
- Professional observers of the economy can use motivated sales data as leading indicators of the nation's economic health. Today's economic recovery is closely tied to the stability of the housing market and foreclosures are the principle remaining threat to the housing market. Motivated sales are the point at which the inventory of foreclosed homes has a measurable impact on the housing market.

A Basis for Innovative Investment Strategies

Motivated prices enable finance and real estate professionals to incorporate RPX-based financial instruments into their products and portfolios.

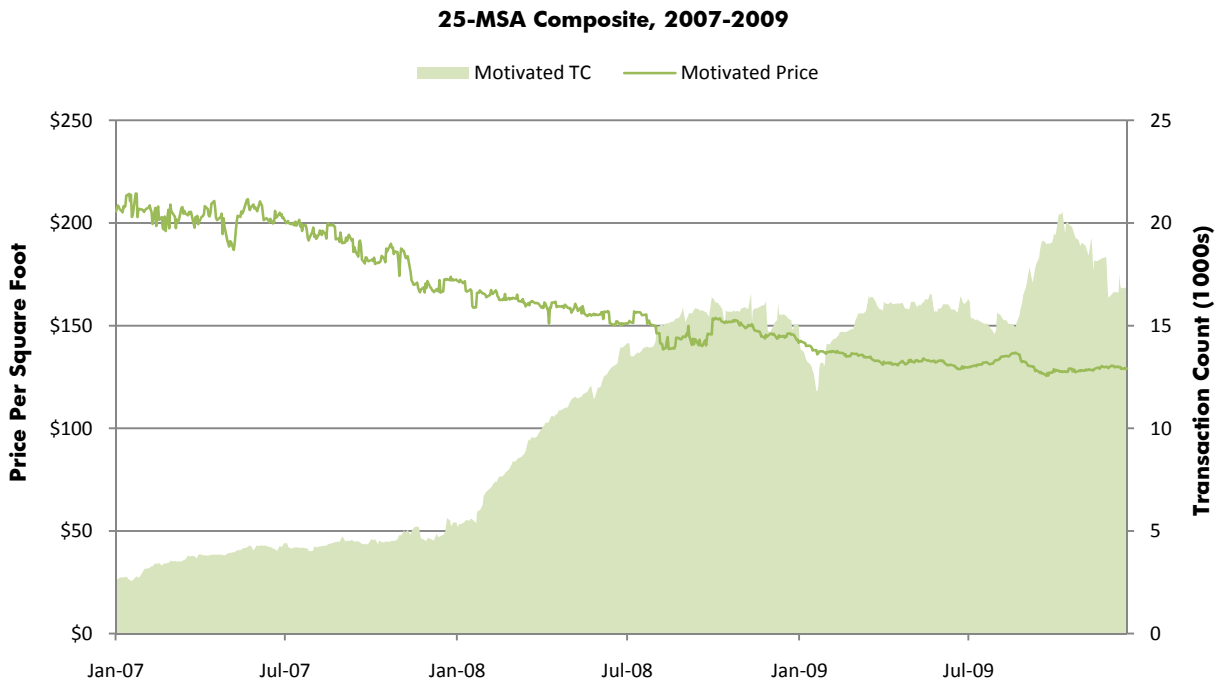
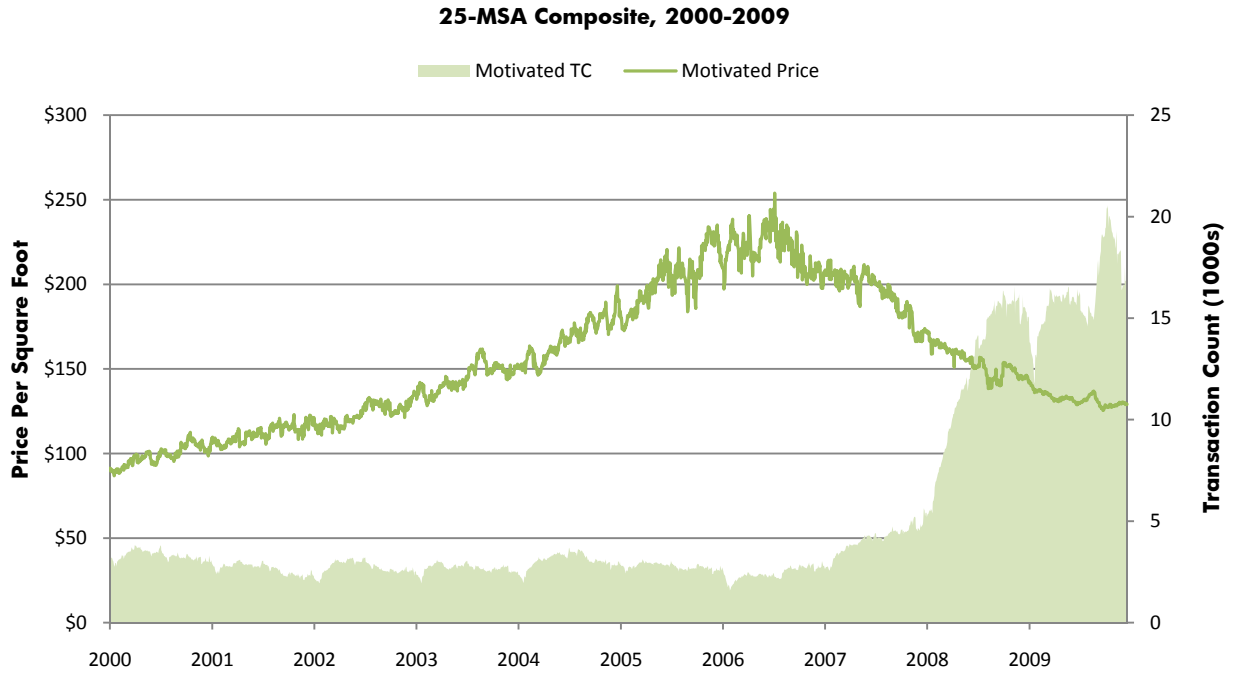
- Traders and investors of mortgage loans and mortgage-backed securities can hedge their positions using RPX-based securities.
- Financial asset managers engaged in structuring MBS can develop innovative new products that limit losses in the event of borrower default.
- Real estate asset managers and investors interested in purchasing foreclosed properties can lock in current low prices while assembling their portfolios.

To learn more about these and other uses of RPX-based financial products, contact a licensed RPX dealer. A list of licensed dealers is available at www.radarlogic.com/dealers.html.

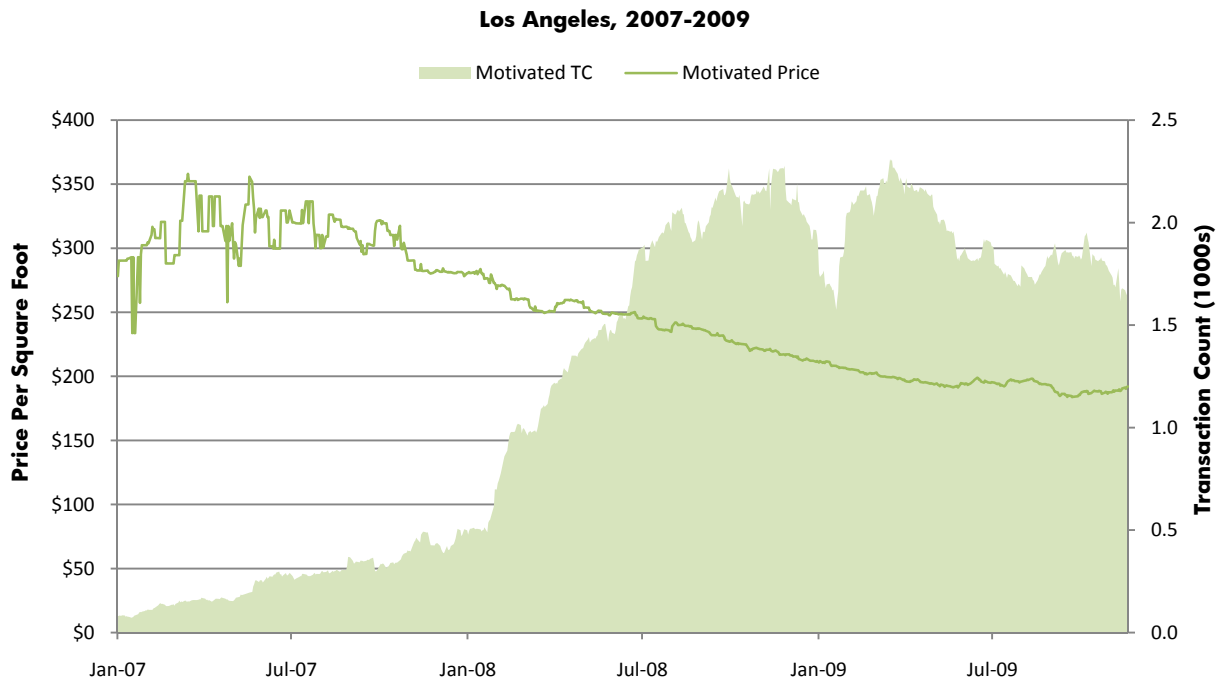
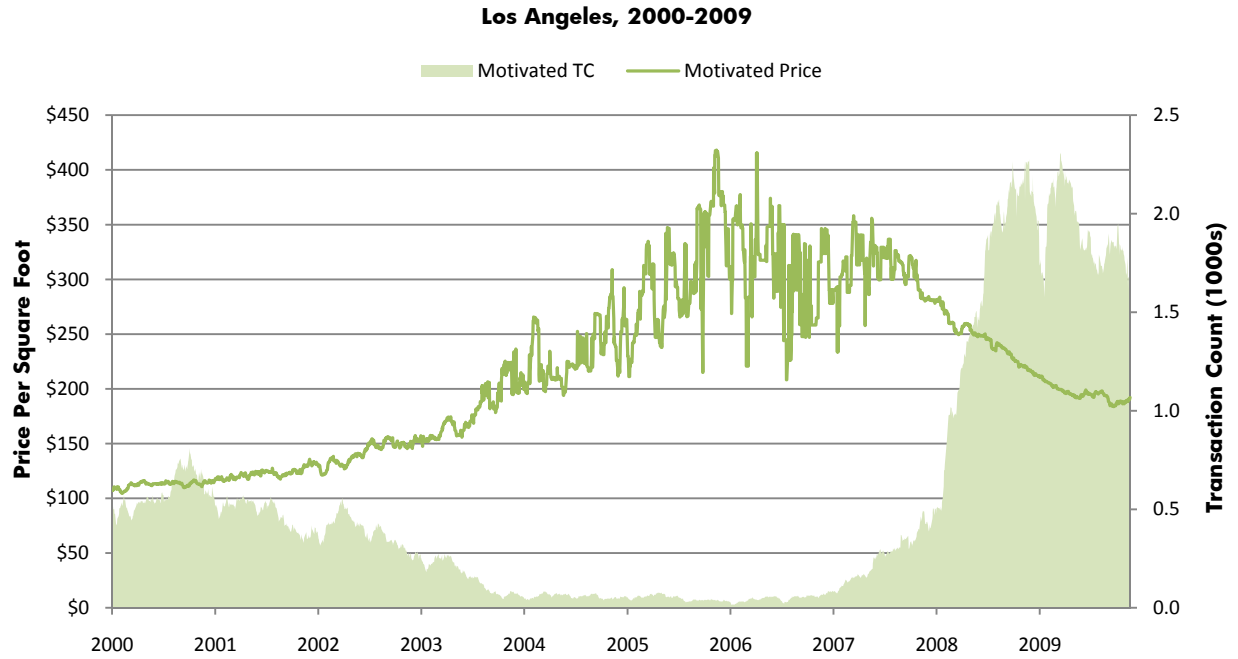
What is a Motivated Sale?

Sales of homes that have been repossessed by mortgage holders, also known as real estate owned (REO) sales, and sales of homes at foreclosure auctions to third-party buyers (i.e., the buyer is not the mortgage holder) are counted as motivated sales. Deed transfers to mortgage holders at foreclosure auctions in exchange for the outstanding mortgage balance are not counted as motivated sales, as they are not considered to be arms-length transactions reflecting the market value for housing. Short sales – sales of homes by owners for less than outstanding mortgage balance – are not included in motivated sales.

Aggregate Motivated Prices and Transaction Counts for the 25 RPX MSAs

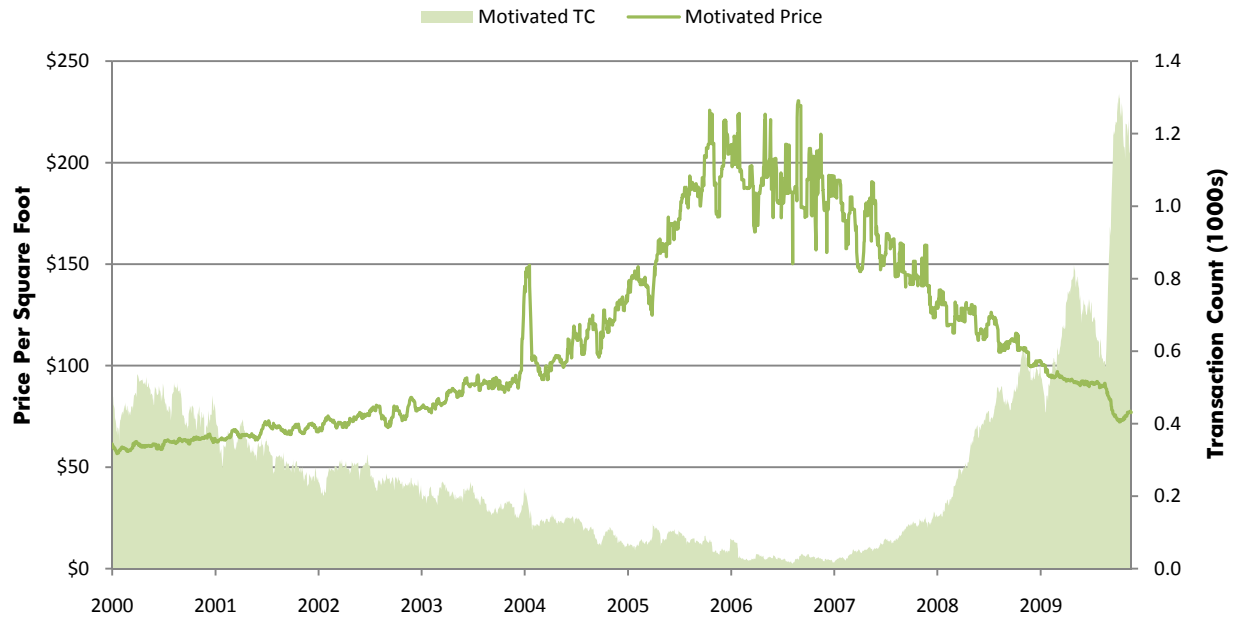


Aggregate Motivated Prices and Transaction Counts for the Los Angeles MSA

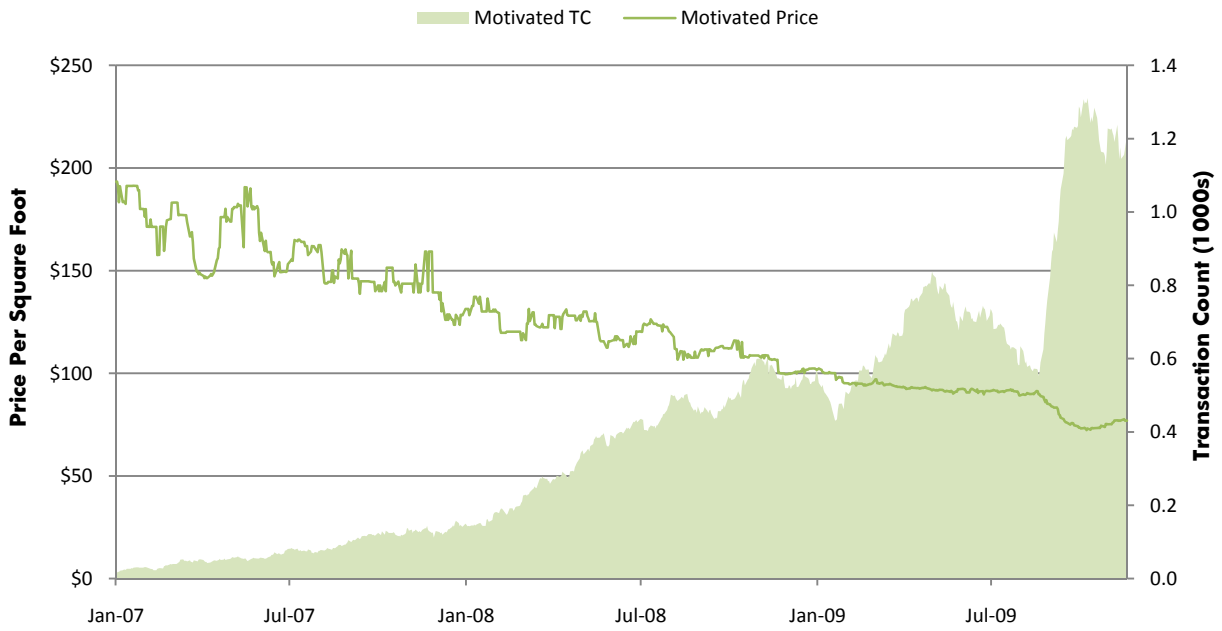


Aggregate Motivated Prices and Transaction Counts for the Miami MSA

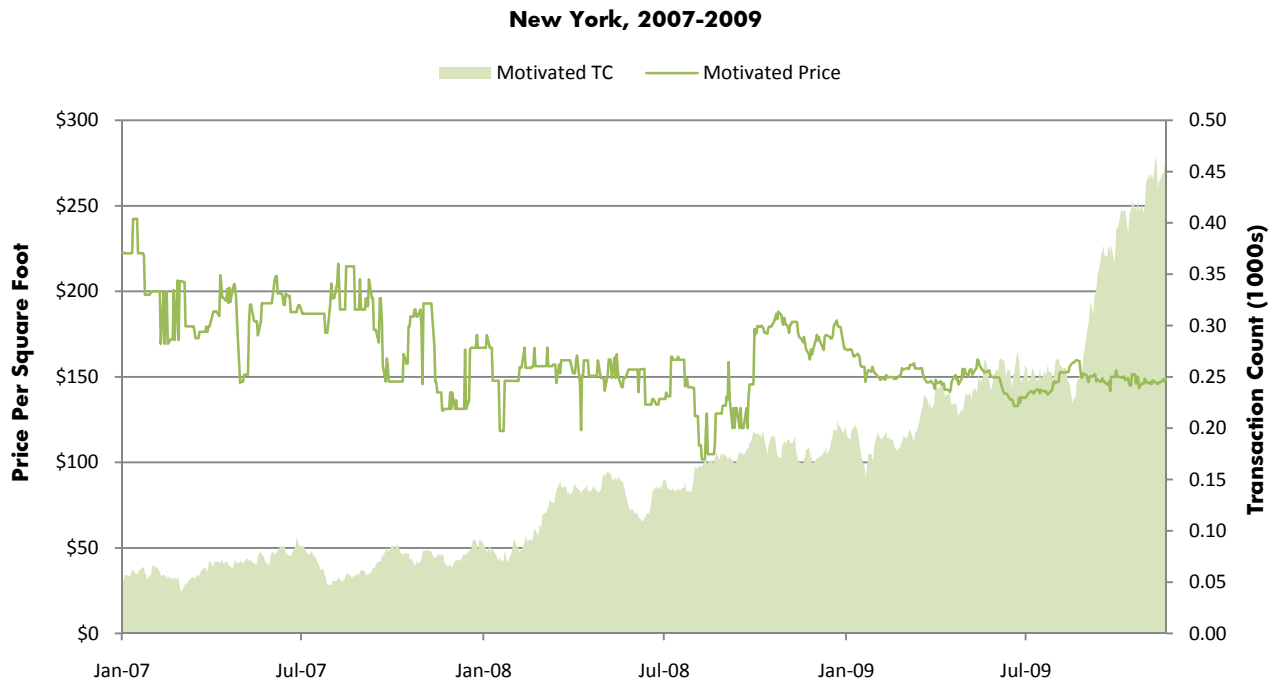
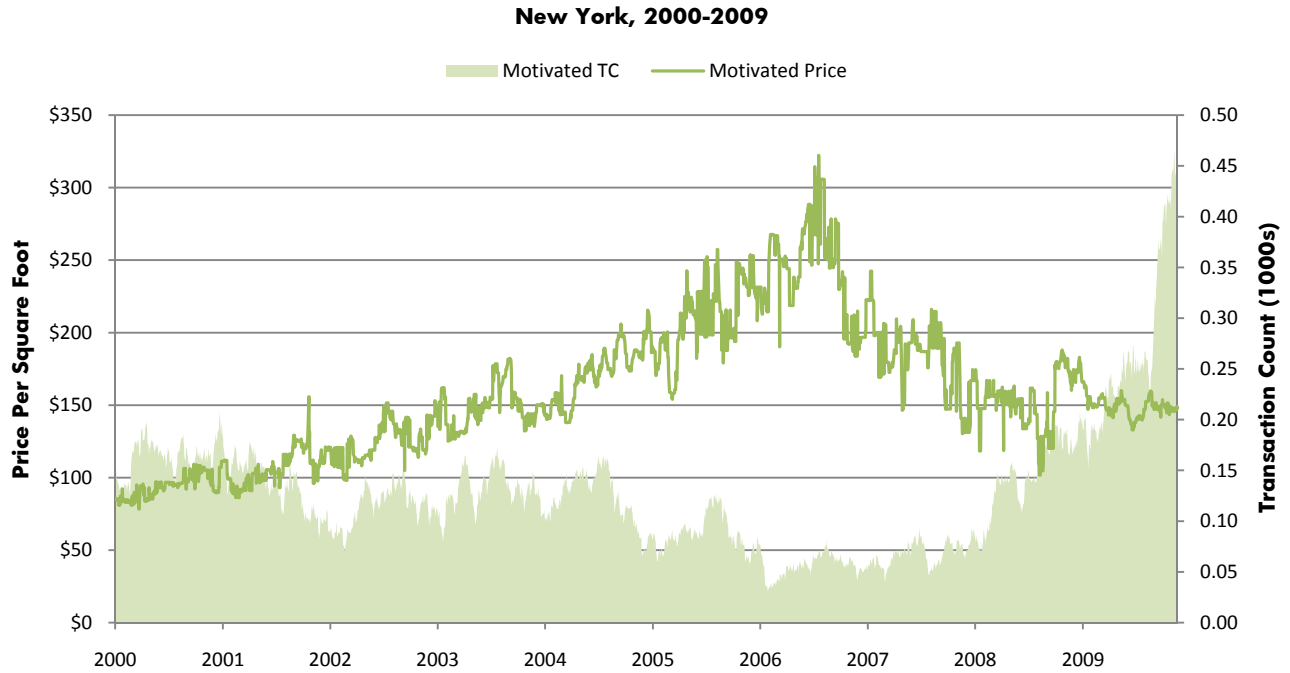
Miami, 2000-2009



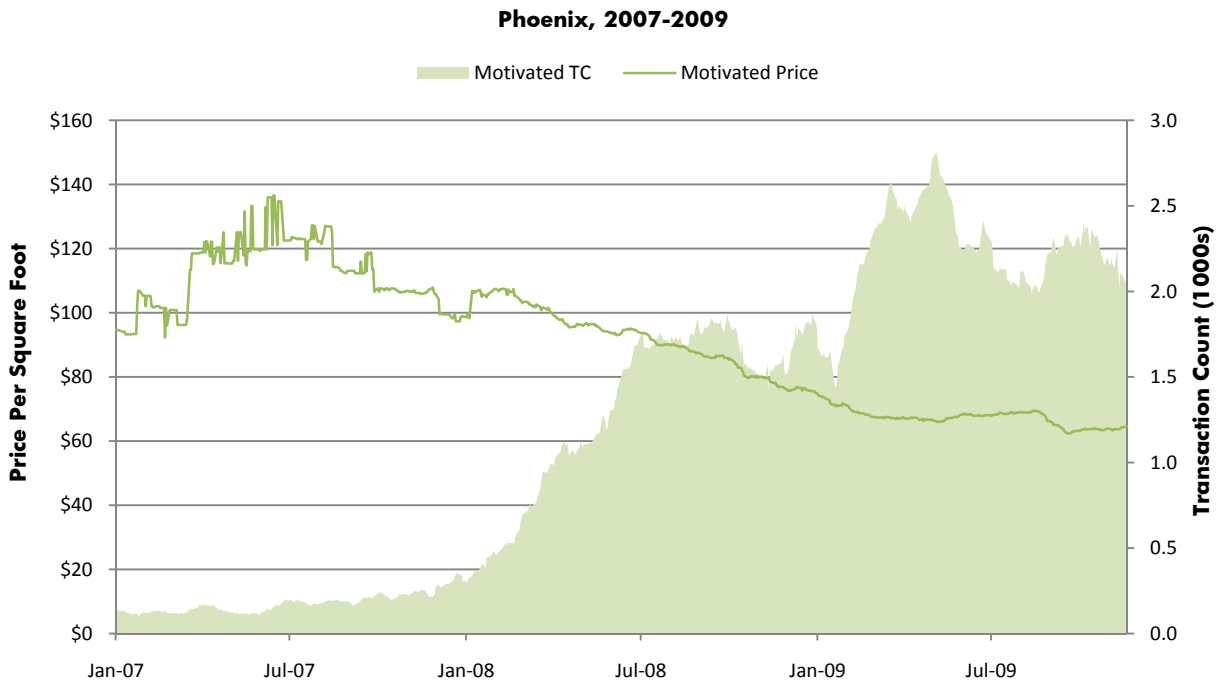
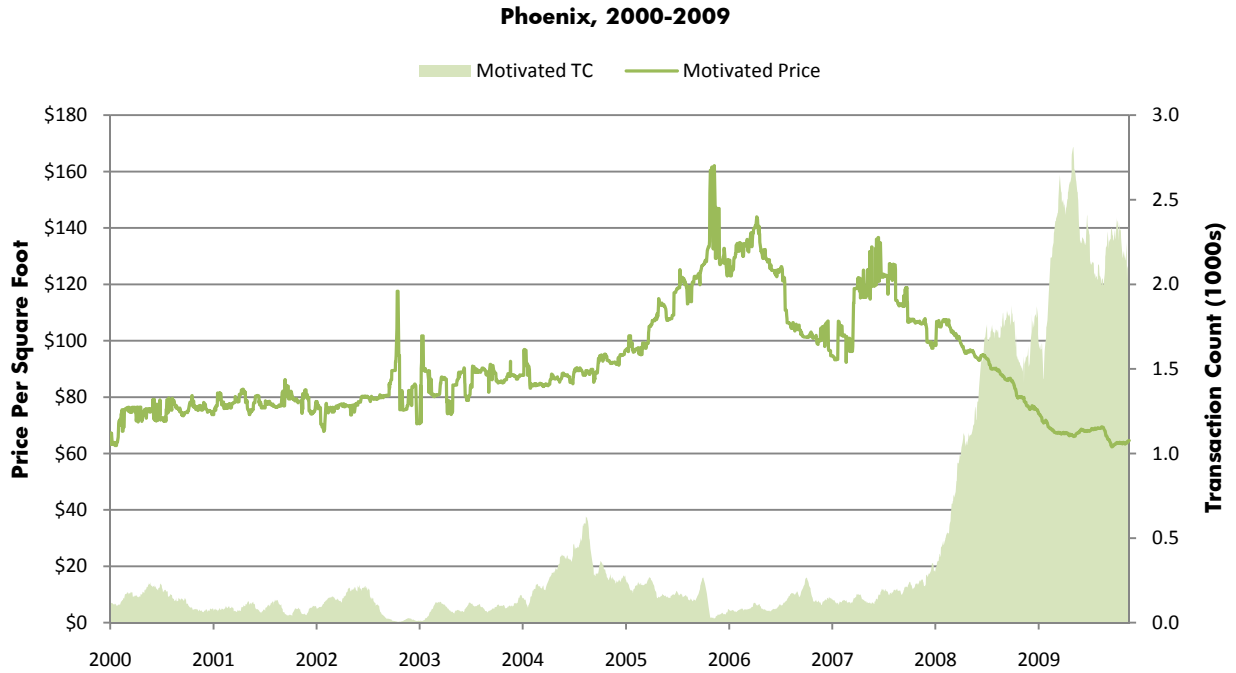
Miami, 2007-2009



Aggregate Motivated Prices and Transaction Counts for the New York MSA



Aggregate Motivated Prices and Transaction Counts for the Phoenix 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 finance 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. 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 Daily Prices are published 63 days after the date of the transaction on which they are based.

RPX Analytics & Research

Radar Logic offers specialized data and research that allow real estate and finance 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 public source records.

Historical and daily price and transaction counts are available through our website at www.RadarLogic.com. Our web-based tools 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 inquiries about our research or analytic products, please contact:

Radar Logic Incorporated.
379 West Broadway, Suite 401
New York, New York 10012
(212) 965.0300
info@radarlogic.com