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R P X MONTHLY

July 2007

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HOUSING MARKET REPORT

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Key Characteristics

- Five of the 24* metro areas showed gains from the same period last year, five were neutral (± 1%) and 14 showed declines. This is the opposite pattern of the prior year, which showed gains in 18 metro areas, two markets were neutral and five markets showed declines.
- The five most expensive metro areas were located along the east and west coasts, with the four highest located in California. San Jose, CA is the highest priced metro area at $465.40, while Cleveland, OH is the least expensive at $96.91 per square foot.
- The three weakest performing MSAs over the last five years were located in the Midwest and did not realize the uptick in housing prices that characterized the recent housing boom in the first half of the decade.
- The condo market is underperforming the single family market in 14 of the 24 MSAs over the past year.

25 Metro Residential Areas (1 Year % Change)

Rank	MSA	Code	PPSF	% Change
1	Seattle, WA	SE	$234.73	9.2%
2	Charlotte, NC	CH	$100.86	5.4%
3	New York, NY	NY	$302.76	4.5%
4	Milwaukee, WI	MW	$118.08	4.3%
5	Atlanta, GA	AT	$102.50	2.7%
6	San Francisco, CA	SF	$449.01	0.9%
7	Chicago, IL	CG	$195.82	0.4%
8	Philadelphia, PA	PH	$156.93	0.2%
9	Cleveland, OH	CL	$96.91	-0.2%
10	San Jose, CA	SJ	$465.40	-0.7%
11	Columbus, OH	CO	$99.45	-1.1%
12	Los Angeles, CA	LA	$389.70	-1.4%
13	Denver, CO	DV	$148.75	-1.9%
14	Phoenix, AZ	PX	$155.53	-1.9%
15	Jacksonville, FL	JX	$123.57	-2.2%
16	Boston, MA	BO	$244.07	-2.4%
17	Minneapolis, MN	MN	$157.73	-3.0%
18	Miami, FL	MI	$195.80	-5.0%
19	Las Vegas, NV	LV	$173.66	-5.9%
20	Detroit, MI	DT	$108.04	-7.3%
21	Tampa, FL	TA	$134.70	-7.3%
22	Washington, DC	DC	$235.04	-10.2%
23	San Diego, CA	SD	$309.68	-10.8%
24	Sacramento, CA	SC	$213.38	-12.7%
25*	Saint Louis, MO	SL	NA	NA

Source: 28-day RPX™ index value for each MSA

* Due to recent inconsistencies with public source data, the Saint Louis MSA was omitted from this month's analysis.

Introduction

Welcome to the inaugural issue of the RPX Monthly Housing Market Report prepared by Jonathan Miller, EVP and Director of Research for Radar Logic. Radar Logic provides insights and detailed analysis of its 25 Metropolitan Statistical Areas (MSAs) across the United States on a monthly basis. These reports will be released 63 days after the last transaction date of every month. They will reflect data from the 28-day aggregated value of RPX Daily Prices, which represent the best surrogate available for a "spot market" for residential real estate. The price per square foot metric provides a powerful tool to analyze housing markets because it significantly reduces the influence of property sizes on overall housing prices that can skew results. The current report reflects the state of the market as of July 2007.

The behavior of the US housing market varies significantly by region as indicated by the 24 metropolitan areas presented in this monthly report. There is not a national housing market in the purest sense because consumers and investors emphasize regional and local housing market conditions. Inventory, population trends, employment and other factors have local implications on housing trends, making housing a trailing economic indicator. National housing statistics have long served to confuse public understanding of the residential housing market as users of this information incorrectly attempt to apply national results to local markets.

The 24 metro residential areas were analyzed on a price per square foot basis and sorted by their percentage change from the same period last year, without needing to adjust for seasonal variations. In addition, changes over the past two years and five years were analyzed to explore longer term price movements.

One way to better understand each of the RPX MSAs is to view them in the context of how the markets evolved over the past five years, in general terms. Each metropolitan area tends to fall into several categories including speculative markets, technology centers, stagnant economic areas and stable middle markets. These rankings are based on the inclusion of all valid, arms-length residential property sales, including sales of single family and condominium units.

Markets that saw the largest gains over the past year tended to be technology centers, including Seattle, Charlotte, New York and San Francisco. Markets that saw significant investor speculation during the housing boom were found near the bottom of the rankings, including Las Vegas, Miami, Tampa, Washington, DC, San Diego and Sacramento. Markets that did not participate in the housing boom and have experienced economic sluggishness include Detroit, Cleveland and Columbus. The remaining middle markets round out the list. *(continued on next page)*

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Leading and Trailing

Five of the 24* metropolitan areas showed gains from the same period last year, five were neutral (± 1%) and 14 showed declines. This is the opposite pattern of the prior year, which showed gains in 18 metro areas, two markets were neutral and five markets showed declines indicating further deterioration of the housing markets covered in this study.

Seattle, Charlotte and New York remain in the top five rankings for both this and the past year. Philadelphia slipped to 8th position and Jacksonville dropped sharply to 15th position in the one year rankings. Four of the five trailing metro markets over the past two years have remained in the bottom five of the one year rankings. The exception was Boston, which showed some improvement, rising to 16th place.

Of the top five metro areas that led the way during the housing boom of 2002 through 2005, four are showing declines. Miami showed a 92.7% increase in price per square foot as compared to the same period 5 years ago, yet prices have begun to slip there, falling 5% over the past year. Similar trends are seen in Las Vegas and Phoenix, which increased 80.1% and 73.6% over the past five years, yet have fallen 5.9% and 1.9%, respectively, over the past year. These markets were characterized by significant speculative activity during the recent boom years. The exception is Seattle, which showed price appreciation of 9.2% over the past year, which led all the metro areas covered in this study.

One of the five weakest metro areas of the past year, Detroit, MI, is also the weakest market of the past five years, indicating that not only did it miss the significant price appreciation of the recent housing boom, but its weakness continues. The average price per square foot of Detroit, MI increased 2.2% over the past five years and declined 7.7% over the past year. The 4 other metro areas over the past year that experienced the greatest declines were characterized by significant investor speculation.

Leading 5 Metro Areas (2 Year Change)

Rank	MSA	% Change
1	Seattle, WA	30.6%
2	Charlotte, NC	11.3%
3	Philadelphia, PA	11.0%
4	Jacksonville, FL	9.8%
5	New York, NY	9.7%

Trailing 5 Metro Areas (2 Year % Change)

Rank	MSA	% Change
1	Sacramento, CA	-15.1%
2	San Diego, CA	-11.8%
3	Detroit, MI	-10.4%
4	Washington, DC	-5.3%
5	Boston, MA	-3.8%

Highest Priced Metro Areas

Rank	MSA	PPSF
1	San Jose, CA	$465.40
2	San Francisco, CA	$449.01
3	Los Angeles, CA	$389.70
4	San Diego, CA	$309.68
5	New York, NY	$302.76

The 5 most expensive metro areas were located along the east and west coasts, with the four highest located in California. San Jose, CA is the highest price metro area at $465.40, while Cleveland, OH is the least expensive at $96.91 per square foot.

Condos as a significant other

Residential housing markets, especially those centered in downtown urban areas, have been effected by the new development of condominium units. These units impacted the overall pricing characteristics of each metropolitan area. Condo sales represented approximately 16.4% of all units analyzed in this monthly report and were an average of 24.1% more expensive than single family houses on a per square foot basis. Three of the five leading condo markets were also the top three overall markets, including Charlotte, New York and Seattle. Speculative metro areas comprised four of the five trailing condo markets, led by Sacramento, followed by Las Vegas, Jacksonville and San Diego.

Leading 5 Metro Areas (5 Year % Change)

Rank	MSA	% Change
1	Miami, FL	92.7%
2	Los Angeles, CA	91.3%
3	Las Vegas, NV	80.1%
4	Phoenix, AZ	73.6%
5	Seattle, WA	72.5%

Trailing 5 Metro Areas (5 Year % Change)

Rank	MSA	% Change
1	Detroit, MI	2.2%
2	Columbus, OH	5.3%
3	Cleveland, OH	7.1%
4	Denver, CO	7.5%
5	Atlanta, GA	15.5%

Lowest Priced Metro Areas

Rank	MSA	PPSF
1	Cleveland, OH	$96.91
2	Columbus, OH	$99.45
3	Charlotte, NC	$100.86
4	Atlanta, GA	$102.50
5	Detroit, MI	$108.04

ABOUT Radar Logic

Radar Logic is a technology-driven research and analytics business founded for the purpose of enabling financial derivatives based on real estate using state-of-the-art mathematical techniques to create Daily Prices derived from the actual prices paid for real estate. The Radar Logic Daily Price is a single, statistically accurate value representing the price per square foot paid in a defined metropolitan area on any given day. Data are gathered from public source records and then translated by proprietary algorithms into a statistically accurate and robust reflection of the values paid in actual arms-length real estate transactions. This data forms the basis of the research and analytics available to our clients.

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

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Leading Condo Markets (% Change)

Rank	MSA	PPSF	1 Year	2 Year	5 Year
1	Chicago, IL	$79.21	31.5%	-6.1%	-2.7%
2	Milwaukee, WI	$134.55	23.3%	8.1%	56.3%
3	Charlotte, NC	$115.10	23.1%	4.0%	21.4%
4	New York, NY	$398.87	17.7%	19.5%	93.5%
5	Seattle, WA	$260.34	9.1%	34.5%	76.0%

Trailing Condo Markets (% Change)

Rank	MSA	PPSF	1 Year	2 Year	5 Year
1	Sacramento, CA	$180.57	-21.7%	-24.0%	32.2%
2	Las Vegas, NV	$175.57	-12.5%	0.9%	98.9%
3	Jacksonville, FL	$119.22	-9.0%	-9.8%	64.8%
4	Philadelphia, PA	$160.40	-8.5%	-3.6%	52.6%
5	San Diego, CA	$320.46	-8.1%	-15.7%	42.2%

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