

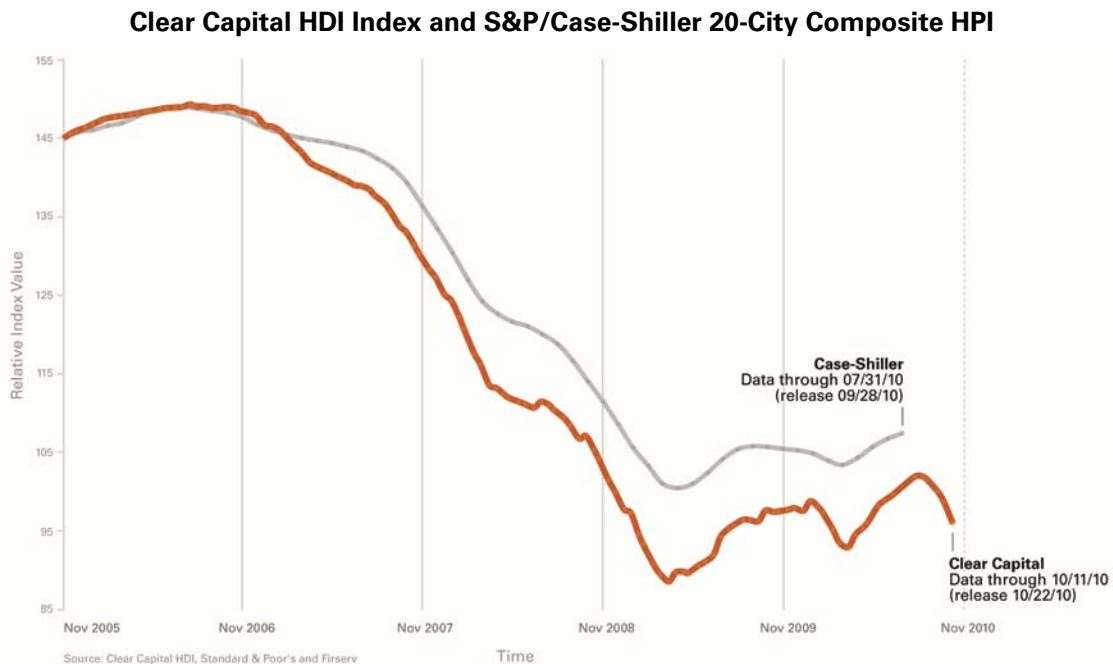
# Special Release: Clear Capital™ Reports Sudden and Dramatic Drop in U.S. Home Prices

Most recent data shows a two-month 5.9% price decline representing a magnitude and speed of decline not seen since March 2009; similar declines for September and October expected to appear in other industry indices in coming months.

**TRUCKEE, Calif. – Oct. 22, 2010** – Clear Capital ([www.clearcapital.com](http://www.clearcapital.com)), is issuing this special alert on a dramatic change observed in U.S. home prices.

“Clear Capital’s latest data shows even more pronounced price declines than our most recent HDI market report released two weeks ago,” said Dr. Alex Villacorta, senior statistician, Clear Capital. “At the national level, home prices are clearly experiencing a dramatic drop from the tax credit-induced highs, effectively wiping out all of the gains obtained during the flurry of activity just preceding the tax credit expiration.”

This special Clear Capital Home Data Index (HDI) alert shows that national home prices have declined 5.9% in just two months and are now at the same level as in mid April 2010, two weeks prior to the expiration of the recent federal homebuyer tax credit. This significant drop in prices, in advance of the typical winter housing market slowdowns, paints an ominous picture that will likely show up in other home data indices in the coming months.



For example, both Clear Capital and S&P/Case-Shiller indices have displayed consistent market peak, trough, secondary trough, and tax credit run-ups. Despite these consistencies, a critical difference is that HDI's patent pending methodology enables more timely and granular reporting. Therefore, if previous correlations between the Clear Capital and S&P/Case-Shiller indices continue as expected, the next two months will show a similar downward trend in S&P/Case Shiller numbers.

## **Clear Capital HDI Methodology**

- Generates indices in patent pending rolling quarter intervals that compare the most recent four months to the previous three months. The rolling quarters have no fixed start date and can be used to generate indices as data flows in, significantly reducing the multi-month lag time experienced with other indices.
- Includes both fair market and institutional (real estate owned) transactions, giving equal weight to all market transactions and identifying price tiers at a market specific level. By giving equal weight to all transactions the HDI is truly representative of each unique market.
- An address-level cascade results in an index with the most granular, statistically significant market area available.
- Provides weighted repeat sales, and price-per-square-foot index models that use multiple sale types, including single-family homes, multi-family homes and condominiums.

## **About Clear Capital**

Clear Capital ([www.clearcapital.com](http://www.clearcapital.com)) is a premium provider of data and solutions for real estate asset valuation and risk assessment for large financial services companies. Our products include appraisals, broker-price opinions, property condition inspections, value reconciliations, and home data indices. Clear Capital's combination of progressive technology, high caliber in-house staff and a well-trained network of more than 40,000 field experts sets a new standard for accurate, up-to-date and well documented valuation data and assessments. The Company's customers include 75 percent of the largest U.S. banks, investment firms and other financial organizations.

*The information contained in this report is based on sources that are deemed to be reliable; however no representation or warranty is made as to the accuracy, completeness, or fitness for any particular purpose of any information contained herein. This report is not intended as investment advice, and should not be viewed as any guarantee of value, condition, or other attribute.*

Media Contact:

Michelle Sabolich

Atomic PR for Clear Capital

415.593.1400

[michelle.sabolich@atomicpr.com](mailto:michelle.sabolich@atomicpr.com)