

# Clear Capital Home Data Index Market Report Reveals First National Quarter-over-Quarter Home Price Increase Since 2006

Three of the four U.S. regions achieve positive quarter-over-quarter price returns; the top three performing markets are in Ohio; and parts of Miami see slowing price declines.

**TRUCKEE, Calif. – July 9, 2009** – Clear Capital ([www.clearcapital.com](http://www.clearcapital.com)), a premium provider of data and solutions for real estate asset valuation, investment and risk assessment, today released its July Home Data Index (HDI) Market Report, including a National/Four Region Overview, Metropolitan Statistical Area (MSA) drilldown and a new Micro Market Analysis all based on its game-changing Home Data Index toolset.

Key highlights for July include:

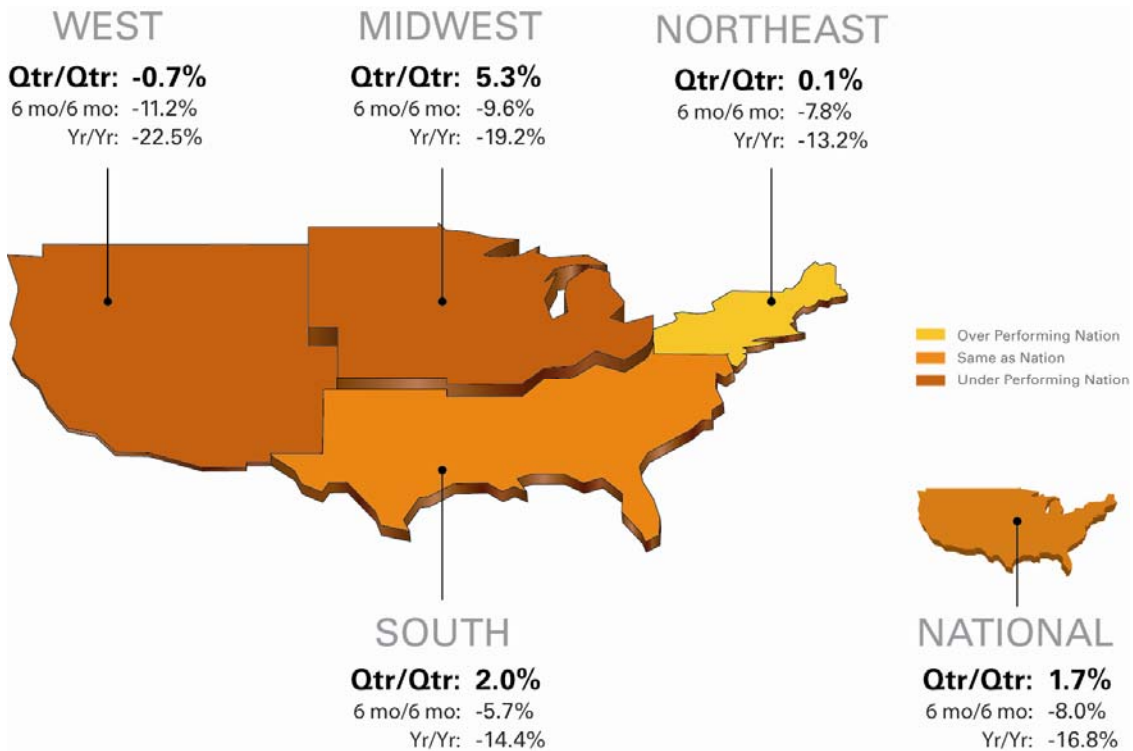
- For the first time since 2006, the rolling quarter-over-quarter price returns for the Nation were positive (1.7%). Leading the National price returns into positive territory were the Midwest (5.3%), Southern (2.0%) and Northeast (0.1%) regions.
- Driven by strong seasonal sales, Ohio's three largest cities—Cleveland (19.6%), Columbus (15.6%), and Cincinnati (12.9%)—topped quarter-over-quarter price gains; and the Las Vegas market turned in the biggest quarterly decline (-12.4%).
- Despite poor results from the Miami MSA, local market Pembroke Pines (ZIP code 33028) declined only 10.8 percent for the year—and produced a modest 1.9 percent gain for the quarter.

The Clear Capital Home Data Index™ Market Report offers investors and lenders a near real-time look at pricing conditions not only at the national and metropolitan level, but within local markets. Clear Capital data is built on the most recent statistical data available from recorder/assessor offices, and then further enhanced by adding the Company's proprietary market data for the most comprehensive geographic coverage available. Patent pending rolling quarter technology significantly reduces the multi-month lag time associated with other indices. This month's report features data compiled through June 25, 2009.

"We are encouraged to see the first quarterly national appreciation in three years," said Kevin Marshall, President of Clear Capital. "Foreclosure moratoriums, first time home buyer incentives, and investment activity have contributed to this springtime appreciation of home price trends. While this does not conclusively indicate that the market has bottomed, dramatic

price depreciation rates have been curbed so we see a higher degree of confidence in the housing markets."

## National/Four Region Market Overview (May 26, 2008 - June 25, 2009)



Driven by the seasonal strength of springtime sales, all four regions showed significant improvement in quarter-over-quarter and year-over-year price changes. The Midwest and South demonstrated the largest quarter over quarter gains, and the Northeast saw very little price appreciation compared to last quarter. After experiencing quarterly declines as high as 10.5 percent over the past year, the West region's decline of only 0.7 percent is a promising shift in the market.

The U.S. saw its first quarter-over-quarter price growth (1.7%) since 2006, driven primarily by strong seasonal spring sales in the Midwest. Only the West region significantly underperformed the National year-over-year change, with the Midwest and South approximately the same and the Northeast over-performing the nation. Free from seasonal influences, year-over-year price changes remained well in the negative. All four regions, however, did show significant improvements over last month's report—led by the Midwest's 4.8 percentage point gain.

## Metro Markets (May 26, 2008 - June 25, 2009)

Qtr/Qtr Rank	Metropolitan Statistical Area	Qtr/Qtr			Yr/Yr	REO Saturation
		0%	20%	% +/-		
1	Cleveland, OH · Elyria, OH · Mentor, OH			19.6%	1.8%	43.6%
2	Columbus, OH			15.6%	-8.9%	36.4%
3	Cincinnati, OH · Middletown, OH			12.9%	-12.1%	28.7%
4	Pittsburgh, PA			10.8%	1.2%	10.9%
5	Denver, CO · Aurora, CO			10.6%	-0.2%	28.8%
6	Birmingham, AL · Hoover, AL			9.7%	-21.9%	30.1%
7	Memphis, TN			8.6%	-24.4%	42.8%
8	Milwaukee, WI · Waukesha, WI · West Allis, WI			7.2%	-30.1%	29.9%
9	Rochester, NY			5.5%	-0.9%	18.2%
10	Boston, MA · Cambridge, MA · Quincy, MA			5.3%	-16.7%	15.4%
11	Charlotte, NC · Gastonia, NC · Concord, NC			5.0%	-10.3%	15.3%
12	St. Louis, MO			4.8%	-17.5%	36.1%
13	Louisville, KY			4.3%	-15.3%	25.3%
14	Minneapolis, MN · St. Paul, MN · Bloomington, MN			4.0%	-22.9%	38.6%
15	Atlanta, GA · Sandy Springs, GA · Marietta, GA			3.7%	-22.4%	40.2%

All of the highest performing major markets experienced quarter-over-quarter gains this month. The Ohio markets of Cleveland, Columbus and Cincinnati were the top three performers, returning quarterly increases of 19.6, 15.6 and 12.9 percent, respectively.

Cleveland's significant quarter-over-quarter jump to 19.6 percent can be attributed to seasonal springtime activity coupled with lower priced homes continuing to drive the market. Lower priced homes accounted for 50 percent of home sales where much smaller swings in price can provide noticeable gains. Also, the decrease in REO saturation indicates more homes are selling for their actual value.

Pittsburgh has also fared well over the past year, with current gains pushing last quarter's modest 6.6 percent year-over-year loss into positive territory and placing current values in line with where they were in the fall of 2008.

Boston and Minneapolis moved onto the list; along with Louisville, which made a dramatic jump aided by a 4.3 percent quarterly gain.



## Lowest Performing Major Markets

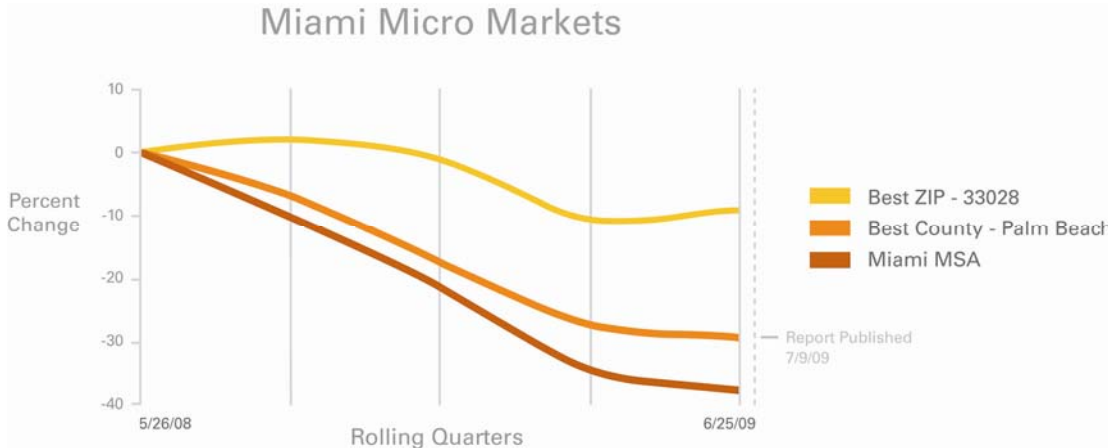
Qtr/Qtr Rank	Metropolitan Statistical Area	Qtr/Qtr			Yr/Yr	REO Saturation
		-20%	0%	% +/-		
1	Las Vegas, NV · Paradise, NV			-12.4%	-40.8%	66.8%
2	Orlando, FL			-9.3%	-38.1%	46.7%
3	Riverside, CA · San Bernardino, CA · Ontario, CA			-8.9%	-36.1%	68.2%
4	Phoenix, AZ · Mesa, AZ · Scottsdale, AZ			-7.7%	-43.5%	62.2%
5	Los Angeles, CA · Long Beach, CA · Santa Ana, CA			-5.2%	-27.9%	48.0%
6	New Haven, CT · Milford, CT			-4.8%	-27.8%	28.6%
7	Miami, FL · Ft. Lauderdale, FL · Miami Beach, FL			-4.8%	-36.8%	43.0%
8	Fresno, CA			-4.3%	-33.7%	52.5%
9	New York, NY · Long Island, NY · No. New Jersey, NJ			-2.9%	-19.2%	18.2%
10	Baltimore, MD · Towson, MD			-2.4%	-14.8%	17.5%
11	New Orleans, LA · Metairie, LA · Kenner, LA			-2.1%	-9.4%	13.9%
12	San Diego, CA · Carlsbad, CA · San Marcos, CA			-1.8%	-22.0%	50.2%
13	Bridgeport, CT · Stamford, CT · Norwalk, CT			-1.7%	-23.9%	20.3%
14	Honolulu, HI			-1.5%	-12.9%	7.7%
15	Providence, RI · New Bedford, MA · Fall River, MA			-1.4%	-30.4%	31.0%

Overall, the lowest performing major markets showed a noticeable decrease in their rates of decline, with quarterly results ranging from 1.4 to 12.4 percent declines compared to last month's range of 7.5 to 17.0 percent declines.

Highly REO saturated markets of the West region still dominate the lowest performing list, filling seven of the fifteen slots. This month Honolulu and San Diego were added to the list; while Detroit, a notable omission from the list, saw a quarter-over-quarter price increase of 0.4 percent.

## Micro Markets (May 26, 2008 - June 25, 2009)

This section highlights a single market every month with a deeper dive into how the micro- and macro-markets relate to each other.



The Miami MSA found itself in the middle of the lowest performing major markets this month, slightly better than Florida companion, Orlando. Its 36.8 percent decline for the year positions the Miami MSA among the poorest performing markets with both REO condominium and REO single family sales accounting for more than 40 percent of total sales in their respective classes. On a more positive note, the Miami MSA showed a decrease in the rate of decline from last quarter—similar to many of the declining markets this month.

While the counties of Miami, Broward and Palm Beach have performed reasonably similar as a whole, Palm Beach has shown the most resistance to the Miami MSA's declines with a 29.1 percent decline for the year. Despite Palm Beach County outperforming Broward County, the latter claimed the top performing sub-market with Pembroke Pines (ZIP 33028) declining only 10.8 percent for the year—with a modest 1.9 percent gain for the quarter. In contrast to the 43 percent REO saturation rate for the Miami MSA, REO sales only accounted for 22.2 percent of all Pembroke Pines sales over the last 90 days.

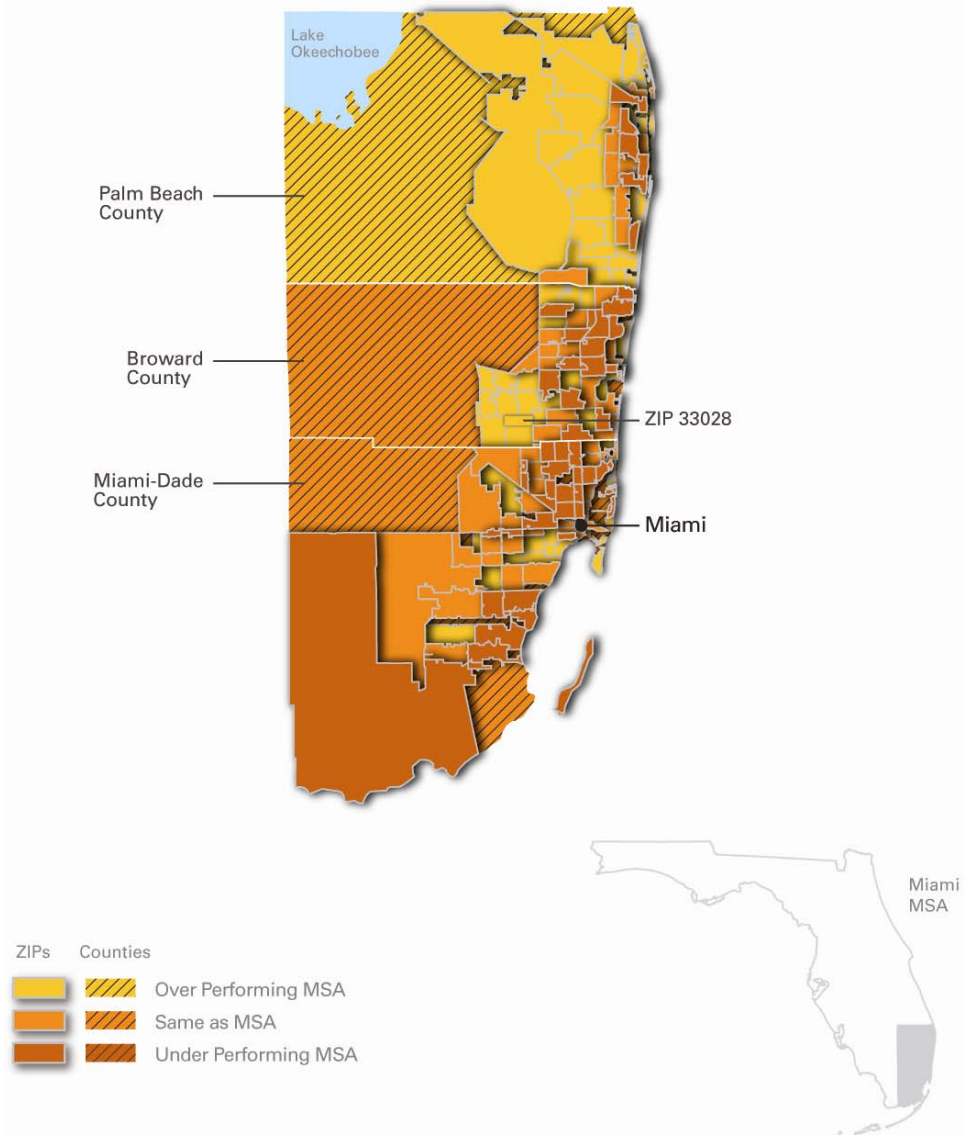
The relatively mild price decline for Pembroke Pines represented the strong performance of high-priced, single-family homes as compared to Broward County and the Miami MSA. The median sale price of Pembroke's predominantly single family homes was nearly \$100,000 higher than both the county and MSA's median sale price.

As with last month's Sacramento micro market analysis, the Miami-area market underscores the need to avoid broad classifications of micro markets in REO re-marketing, short sale approvals and investment activities.

# Miami

## Metropolitan Statistical Area (MSA)

### Year-Over-Year Comparison



## Clear Capital Home Data Index™ Methodology

The Clear Capital Home Data Index (HDI) provides weighted paired sales, and price-per-square-foot index models that use multiple sale types, including single-family homes, multi-family homes and condominiums. These models are combined with an address-level cascade to provide sale-type-specific analysis for thousands of geographic areas across the country. The indices include both fair market and institutional (real estate owned) transactions. They also provide indicators of REO activity such as REO discount rates, REO days on market and REO saturation. The Clear Capital HDI 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, or at any arbitrary time period.

## 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.

## Legend

**Address Level Cascade** – Provides the most granular market data available. From the subject property, progressively steps out from the smallest market to larger markets until data density and statistical confidence are sufficient to return a market trend.

**Home Data Index (HDI)** – Major intelligence offering that provides contextual data augmenting other, human-based valuation tools. Clear Capital's multi-model approach combines address-level accuracy with the most current proprietary home pricing data available.

**Metropolitan Statistical Area (MSA)** – Geographic entities defined by the U.S. Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics.

**Paired Sales Model** – Weighted linear model based on repeat sales of same property over time.

**Price Per Square Foot (PPSF) Model** – Median price movement of sale prices divided by square footage over a period of time—most commonly a quarter.

**Real Estate Owned (REO) Saturation** – Calculates the percentage of REOs sold as compared to all properties sold in the last 90 days.

**Rolling Quarters** – Patent pending rolling quarters compare the most recent four months to the previous three months.

*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) 402-0230

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