

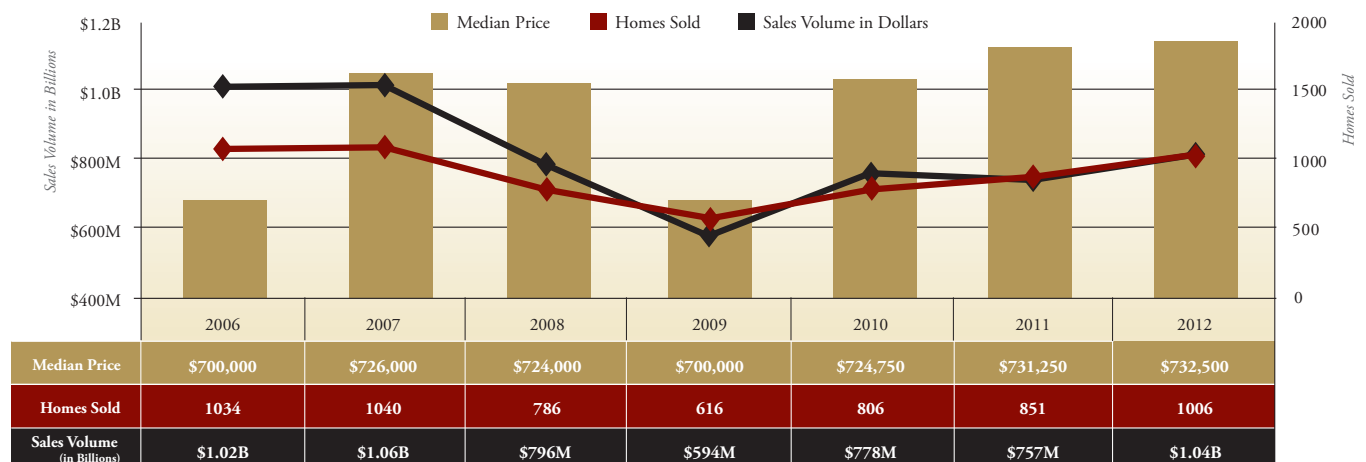


ROBERT PAUL PROPERTIES MARKET REPORT

2012 CAPE COD HIGH END SALES REPORT

	HOMES SOLD							HOMES UNDER AGREEMENT	HOMES LISTED	
PRICE BANDS	2006 YTD	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	AS OF 12/31/2012	CURRENT INVENTORY AS OF 12/31/2012	INVENTORY BY MONTH
\$500K - \$749K	576	543	416	339	421	393	526	50	417	9.5 Months
\$750K - \$999K	206	205	155	119	169	151	206	33	243	14.1 Months
\$1M - \$1.9M	174	204	146	117	161	164	183	25	284	18.6 Months
\$2M - \$2.9M	50	55	48	24	33	29	56	5	102	21.8 Months
\$3M - \$3.9M	17	16	10	10	17	10	20	3	35	20.9 Months
\$4M - \$4.9M	4	9	3	4	2	4	4	1	13	39.0 Months
\$5M +	7	8	8	3	3	7	11	0	28	30.5 Months
TOTAL	1034	1040	786	616	806	758	1006	117	1122	13.4 Months
HIGHEST SALE	\$12.5M	\$9.2M	\$10.3M	\$6.8M	\$5.8M	\$11.6M	\$19.5M	Source: Cape Cod & Islands MLS, Inc Type: Single Family Residential Only		
OVERALL MARKET TOTALS	Total Units Sold	4136	4023	3745	3594	3961	5001			
	Overall Median Price	\$372,500	\$368,000	\$329,200	\$305,000	\$318,500	\$310,000			
	Total Sales in \$	\$2.11B	\$2.08B	\$1.72B	\$1.47B	\$1.72B	\$1.65B			

CAPE COD HIGH END \$500K+ SALES GRAPH





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A strong 2012 fourth quarter performance, stimulated especially in the high-end second home market by concerns over increasing capital gains and new real estate taxes, was the cap to a healthy if not robust year of real estate sales. The housing market is clearly in recovery.

Across Cape Cod, high-end sales increased by a significant 32.7% over 2011, while median prices remained stable. Key metrics suggest a steadily improving market, highlighted by housing inventory declining by 9.9% from 2012 over 2011, absorption rates – months on market – improving by 46%, and days on market dropping from 202 days in 2011 to 186 days in 2012. And, 2012 trended toward numbers close to the 2007 peak high-end home sales.

Overall sales across Cape Cod increased 31% lifted by affordability, low interest rates and improving consumer confidence. Homes sales in 2012 broke 5,000 units, a first since the 2005 high of 5,452 units sold. The interesting metric is that in 2005, the median home price was \$375,000, while 2012 realized a much lower median price of \$315,000, allowing many buyers entry once again into the home purchase market, even with continuing tight credit policies.

The luxury home market experienced the greatest improvement in key metrics. The “luxury market,” (which is defined as the top 10% of the market, comes in at \$2 million and above on Cape Cod), saw an increase of 82% over 2011, and in fact beat the 2007 peak record of 88 home sales. Also significant is a sharply declining inventory falling from the 2011 EOY numbers of 273 to the 2012 EOY numbers of 178 luxury homes currently on the market.

Improvement in the luxury market was the result of affluent buyers unleashing the liquidity they had preserved over the last five years, incredibly cheap money, and realistic prices. Beyond confidence in the market, generational change fueled many purchases as younger buyers recognized that 2012 was ripe with opportunity to purchase legacy homes on the water.

The momentum of the fourth quarter of 2012 moved into the first weeks of 2013 with above average buyer activity. While five years of a United States’ recessionary economy and a constantly looming international collapse are cautionary circumstances, consumers do believe in the security and wisdom of owning property on Cape Cod.

Factors impacting 2013 home sales will be inventory levels, the threat of over pricing, consumer demand, and the influence the global economy will exert on consumer confidence. While buyers and sellers have become more sophisticated and informed, marketplace movement is persuasive, and a housing recovery is under way. The burgeoning building sector, moderate price increases and the forecast of slightly rising interest rates should fuel new interest in the high-end second home market across Cape Cod before availability and affordability change and slow market progress.



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