

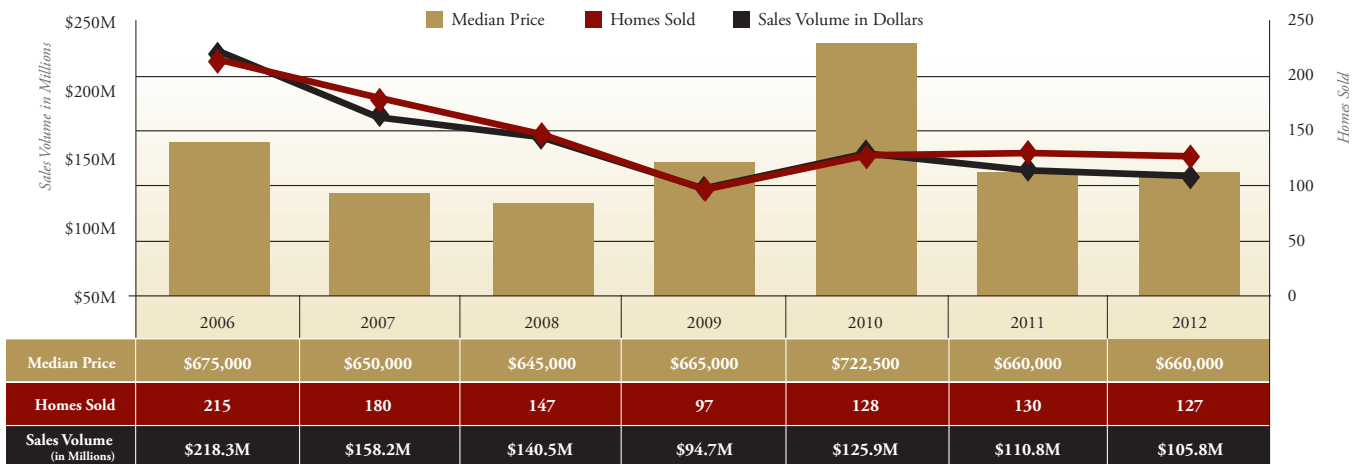


ROBERT PAUL PROPERTIES MARKET REPORT

2012 SOUTH COAST HIGH-END MARKET 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	124	116	91	60	67	78	78	8	72	11.1 Months
\$750K - \$999K	40	20	28	14	19	25	23	5	24	12.5 Months
\$1M - \$1.9M	35	35	13	14	31	21	21	1	33	18.9 Months
\$2M - \$2.9M	9	6	10	6	7	6	4	0	9	27.0 Months
\$3M - \$3.9M	2	2	3	2	4	0	1	0	5	60.2 Months
\$4M - \$4.9M	2	1	1	0	0	0	0	0	1	N/A
\$5M +	3	0	1	1	0	0	0	0	4	N/A
TOTAL	215	180	147	97	128	130	127	14	148	13.9 Months
HIGHEST SALE	\$5.7M	\$3.9M	\$6.5M	\$5.5M	\$4.0M	\$2.9M	\$3.8M	Source: MLS PIN and Banker & Tradesman Type: Single Family Residential Only Includes: Wareham, Marion, Mattapoisett, Fairhaven, Dartmouth, and Westport		
OVERALL MARKET TOTALS	Total Units Sold	822	769	668	740	744	785	938		
	Overall Median Price	\$309,000	\$300,100	\$412,239	\$237,250	\$234,250	\$232,000	\$238,250		
	Total Sales in \$	\$327.3M	\$292.8M	\$236.9M	\$234.4M	\$232.8M	\$242.3M	\$277.0M		

SOUTH COAST HIGH END \$500K + SALES GRAPH





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Buoyed by strong fourth quarter performance, the overall South Coast real estate market saw a significant 19.5% improvement in 2012 over 2011. For the overall market, the South Coast also experienced a small 2.7% price increase after four years of declining prices. These statistics mirror an improving national market which saw existing home sales up by 9.2% over 2011 and prices up nationally by 6.3%, the strongest gain since 2005. The housing market is clearly in recovery, driven by an improving consumer confidence which in the last quarter of 2012, saw the highest level since 2008.

Across the South Coast, however, 2012 saw mixed results in the high-end, that is home sales above \$500,000. Home sales in this market segment declined slightly by 2.4%, while the median price remained the same as in 2011. The South Coast's high-end has trended down from robust sales in 2006, impacted by inflexibly high pricing, high inventory and a stalled move-up market as the result of tight credit and owners under water.

The middle market, \$500K to \$999K, has improved over the last two years, at the same time the \$1M to \$2M has declined. This is the result of both price reductions which brought the home value into alignment with the buyer's price tolerance, as well as new properties which were priced to market, and sold.

The luxury market, \$2M and above, has been anemic since 2008, and statistically did not show improvement in 2012. However, when you analyze trends behind the numbers, Marion Village realized record breaking prices in 2012, with 4 sales from \$1,050,000 to \$1,700,000. As another sign of revival, the highest sale in the South Coast of \$3.8M was significantly higher than 2011's sale of \$2.9M.

Momentum is a key indicator of future activity, and after a slog of weak demand since 2008, we anticipate that high-end home sales will improve in 2013. Based on real estate cycles, the South Coast has historically lagged one year behind Cape Cod in home sales activity. Luxury home sales on Cape Cod rose 82% in 2012 over 2011, as affluent buyers unleashed the liquidity they had preserved over the last five years and purchased second homes.

Adding to the South Coast's positive momentum is a significant 25% reduction in active inventory, that will further stimulate more decisive action on the part of buyers concerned about securing a home while prices and interest rates remain low.

National factors impacting 2013 home sales will be inventory levels, the threat of increasing prices, 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 in coastal Massachusetts. The South Coast will prosper from the consumer come-back which began in 2012 and will further bloom in 2013.



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