

ROBERT PAUL PROPERTIES MARKET REPORT
2013 END OF THE YEAR HIGH-END SALES REPORT



The Robert Paul Market Report

2013 End of Year High-End Residential Properties

We invite you to read through our market report which examines the high-end residential real estate sales across Cape Cod while also putting the Cape market in the context of national home sale trends. This report utilizes data from the Cape & Islands MLS service.

Cape Cod high-end sales, \$500K and above, were essentially flat with a mere 1% gain over 2012. As compared to the entire market which declined by 4.5% as reported by the Barnstable County Registry of Deeds, the increase showed some promise. Prices were also essentially unchanged in 2013 over 2012, while the listing inventory was up 21.8%. The absorption rate, the number of months to sell all inventory at the current pace of sales, was at a slower rate of 15.9 months in comparison to a 13.4 month rate in 2012.

National Association of Realtors, NAR, reported that national sales were up by 9.1%, while prices were up by 11.5%. These increases were the strongest gains since 2005, confirming that a housing recovery was in effect. Nationally, many urban markets and much of the West Coast were impacted by very low listing inventory. Conversely, resort markets remained moderately active with excess inventory.

The market segment with the most robust growth in 2013 was the \$1M to \$2M with an 18.6% increase YOY. This sales activity was fueled by vacation home buyers finding the benefits and features they sought in water or village oriented homes. The majority of these sales were cash transactions, and many of the buyers were first-time second home buyers.

The luxury tier, always expressed as the top 10% of a marketplace, on Cape Cod begins at \$2M. In 2012 this market was in full recovery since the recession, and through mid-year 2013 this segment was still trending up with a YOY improvement of 15.5%. That changed in the second half of 2013 as luxury home sales stalled creating an overall 12.8% decline of luxury home sales in 2013.

Traditionally we see a strong burst of luxury sales in the second-half of the year. In 2012, sales surged in the final quarter as Seller's pressed to close in 2012 for tax advantages. That surge absorbed many luxury sales which would have occurred in 2013, and the hangover from that event was finally felt in the fourth quarter of 2013 and became one of the causes for the falloff. Pricing and a decline in consumer confidence were other factors impacting this purchase pause.

As 2014 begins, momentum in the marketplace is back, even with the bad weather. January sales are up 17.2% over January of 2013, and pending sales are up by 37%. While the market is expected to improve in 2014, price growth may be tempered by increasing inventory. However, we continue to see well priced properties move quickly as they enter the market, and buyers have the means and motivation to move on a marketplace which has so much to offer. This should be the year which surpasses the Cape's 2007 peak in high-end sales.

Sincerely,



Robert Kinlin and Paul Grover
Robert Paul Properties



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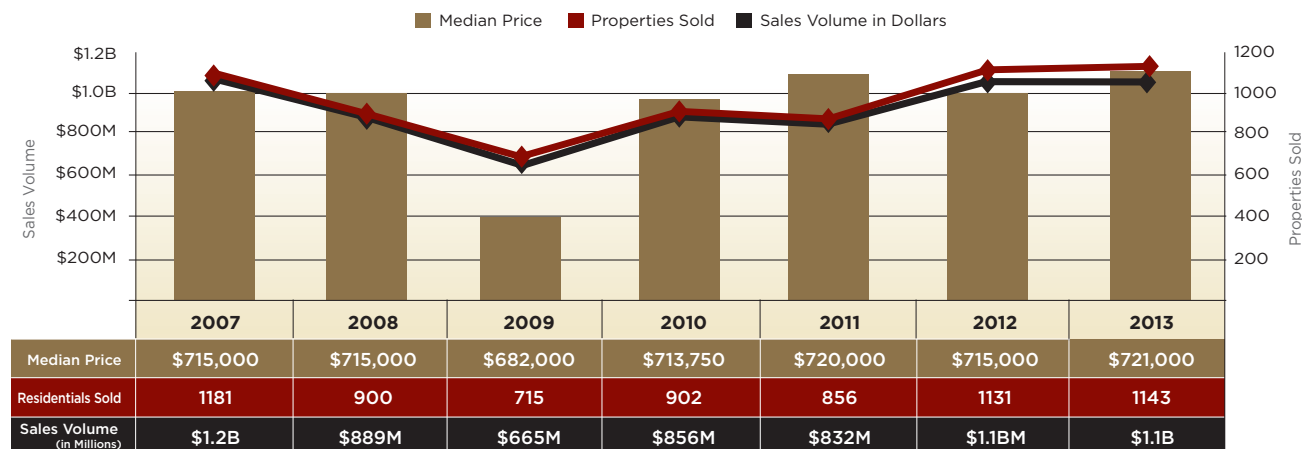
2013 End of Year High-End Residential Properties

Cape Cod High End \$500k + Sales Graph

PRICE BANDS	HOMES SOLD							HOMES UNDER AGREEMENT	HOMES LISTED	ABSORPTION RATE BY MONTH
	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	2013 YTD	AS OF 12/31/2013	CURRENT INVENTORY AS OF 12/31/2013	
\$500K - \$749K	633	486	409	481	461	616	619	82	522	10.1 Months
\$750K - \$999K	231	173	136	193	171	230	223	33	290	15.6 Months
\$1M - \$1.9M	223	171	128	168	172	191	228	38	338	17.8 Months
\$2M - \$2.9M	58	49	25	37	31	57	42	14	120	34.3 Months
\$3M - \$3.9M	17	10	10	18	10	21	17	4	44	31.0 Months
\$4M - \$4.9M	11	3	4	2	4	5	6	0	11	22.0 Months
\$5M +	8	8	3	3	7	11	8	1	42	62.9 Months
GRAND TOTALS	1181	900	715	902	856	1131	1143	172	1367	14.3 Months
HIGHEST PRICE	\$9.2M	\$10.3M	\$6.8M	\$5.8M	\$11.6M	\$19.5M	\$11.75M			

Source: Cape Cod & Islands MLS, Inc
Type: All Residential Properties

Cape Cod High End \$500k + Sales Graph



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2013 End Of The Year High-End Sales Data From Cape Cod MLS

2013 End of Year Regional Sales Report Overall Housing Market Across Cape Cod



Median Price: \$285,000
Highest Sale Price: \$9,000,000
Homes Sold: 1,881

MID CAPE

Led by the Town of Barnstable, sales across all price points were strong YOY. While there was some softness under \$500K, the upper end drove sales volume and sales prices up. Activity remains strong moving into 2014 in this region.

OUTER CAPE

While the overall sales were off almost 20% in 2013, the Outer Cape experienced a significant increase in 1 \$Million+ sales as the Outer Cape saw overheated prices soften and buyers recognized the new value and were willing to drive further to find what they wanted.



Median Price: \$425,000
Highest Sale Price: \$3,000,000
Homes Sold: 500

UPPER CAPE

The Upper Cape continues to experience steady growth in sales and prices. While sales under \$500K were down slightly, the continuous momentum in this market is driven by second-home buyers who enjoy the numerous waterfront areas and exciting downtowns.



Median Price: \$326,000
Highest Sale Price: \$11,750,000
Homes Sold: 1,589

LOWER CAPE

After three years of strong growth across the Lower Cape which resulted in rising prices and a slight decrease in inventory, new sales, prices and especially \$1M+ home sales all declined as buyers paused. 2014 has however seen some very strong early activity suggesting demand has returned.



Median Price: \$375,000
Highest Sale Price: \$6,400,000
Homes Sold: 982

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A report from the Barnstable County Registry of Deeds on 2013 real estate activity shows that the total Cape Cod market was down in the number of sales. 2012 sales volume was 6,977 homes sold. 2013 sales volume was 6,660 homes sold. The median price of a home was up from \$300,000 in 2012 to \$315,000 in 2013. These statistics represent all properties transferred whether from MLS or direct. Through MLS, both land sales and condominium sales improved YOY, and while the market was truly flat for 2013, sales in January 2014 were up 15.4% from January of 2013, suggesting that there is new momentum in the marketplace.