



ROBERT PAUL PROPERTIES MARKET REPORT

2013 1ST QUARTER HIGH END SALES REPORT

	HOMES SOLD						HOMES UNDER AGREEMENT	HOMES LISTED	
PRICE BANDS	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	2013 YTD	AS OF 03/31/2013	CURRENT INVENTORY AS OF 03/31/2013	INVENTORY BY MONTH
\$500K - \$749K	80	44	70	73	77	80	90	517	11.5 Months
\$750K - \$999K	34	13	33	23	24	34	45	297	16.1 Months
\$1M - \$1.9M	36	16	24	29	29	33	35	324	21.2 Months
\$2M - \$2.9M	17	4	2	4	11	3	9	123	47.6 Months
\$3M - \$3.9M	2	2	3	2	2	2	3	38	52.0 Months
\$4M - \$4.9M	2	2	0	0	0	1	1	17	64.0 Months
\$5M +	2	0	0	0	2	0	1	32	44.0 Months
GRAND TOTALS	173	81	132	131	145	153	184	1348	16.5 Months
MEDIAN PRICE	\$760,000	\$727,000	\$702,000	\$667,000	\$728,750	\$740,000	\$775,000	\$875,000	<i>Source: Cape Cod & Islands MLS, Inc Type: Single Family Residential Only</i>
HIGHEST PRICE	\$10.275M	\$4.8M	\$3.85M	\$3.5M	\$6.0M	\$4.5M			

Cape Cod transaction activity in the high-end was stable in the 1st Quarter of 2013. After a stunning 4th Quarter in 2012, and poor weather throughout 2013's 1st Quarter, the strength of the Q1 in 2013 is a little surprising and very encouraging. The median price increased by 4.7%, and the number of home sales increased by 5.5% over Q1 2012. Homes under agreement at the end of Q1 were not as strong as Q1 2012, declining 8.7%, this being the tell-tale result of poor weather and a softer demand as so many buyers purchased at the end of 2012.

In the high-end, two key metrics – inventory and absorption rates – are improving significantly. The high-end market, predominantly representing the second-home market on Cape Cod, has been encumbered by high-inventory which causes low absorption rates. That inventory has come down by 8.2%, and the months it will take to absorb that inventory as a result of buyer activity has come down over 27%. Buyers are reacting to this limited inventory by making offers more quickly, sometimes resulting in multiple offers, and have more confidence in the market which now translates into a slight increase in prices.

The market trend of lower inventory and improving prices has been stimulated not only by improving consumer confidence and continued low rates, but also as a result of banks showing more willingness to make home equity loans freeing up cash for second-home buyers. Having equity again gives a real boost to fueling the realization of satisfying pent-up demand in this current environment of continued low rates and affordability. While there is still significant price sensitivity, buyers recognize a reviving housing environment and the value of entering the market now.

Current buyer activity in the luxury market, property over \$2 Million, is exceptionally vibrant. There is strong demand for beach front homes and waterfront homes with docks. During the great recession, boat sales were very weak, but have surged again and the desire for docks reflect this luxury shift. We anticipate continued steady demand from local, regional and international buyers throughout 2013.