

ROBERT PAUL PROPERTIES MARKET REPORT

2013 MID-YEAR HIGH-END SALES REPORT



The Robert Paul Market Report

Mid-Year 2013 High-End Single Family Homes

We invite you to read through our market report, examining residential single home sales year over year across Cape Cod, while we put the Cape in a larger context of national home sale trends. This report utilizes data from the Cape & Islands MLS service. We report on the high-end of the market, \$500K and above, and further focus on vacation home sales of \$1M+. We also provide a snap-shot of the overall market to provide a comprehensive analysis of sales activity in the first half of 2013.

Single family home sales across Cape Cod show a subdued pace of growth, while some indicators are in retreat. Home sales are up by 3.4%, median prices are up 4.1%, and inventory has declined by 11.7% in 2013 over the same period in 2012. A key metric expressing future activity known as "Pendings", or, "homes under agreement", is down by 6.5%, suggesting that the market was slightly soft as it entered the summer selling months. After a robust improvement in sales and a small increase in prices in 2012 over 2011, 2013 shows only moderate improvement. This slow and steady recovery may seem lackluster in comparison to national housing news, although a market which is not too hot but not too cold is historically a resilient and good market.

Forbes reported that at the end of May, existing home sales had increased 15.2% YOY, and home prices shot up 12.2% nationally over the last 12 months. This surge is the result of sun-belt states and Las Vegas and Phoenix rebounding from the great recession where sales are being driven by institutional investors. While there are some urban hot spots, including Boston, these numbers do not represent most markets. Additionally, this mini-bubble is losing some air with pending home sales declining by 0.4% in June.

The luxury market of \$1Million+ on Cape Cod shows greater improvement with home sales up 15.5% YOY. At the same time, the median price of \$1,372,500 in 2013 has declined 8.4% from the 2012 median price of \$1,487,500. Days on Market have remained a long 360 days, with many ultra-luxury homes sold several years after listing. The softening of prices is attributed to a little more pragmatism on the seller's part as discretionary buyers continue to be value driven and willing to wait to make a deal, unless the property, usually waterfront, is turn-key down to every last detail, including furnishings. The Cape is becoming a "prêt-à-vivre" real estate escape, where taking the hassle out of decorating a second home can be a huge draw for more affluent clients. It looks like this trend will only continue into the future as the market heats up through 2014.

The ultra-luxury market, home sales above \$5Million, is significantly strengthening even though the number of sales is still comparatively small. As luxury property sales surged at the end of 2012, it was unclear as to whether or not pent-up demand was satisfied, and sales would be soft during the first two quarters of 2013. That was not the case. And, as we write this report, buyer activity is increasing. Traditionally we see a stronger second half of the year in high-end sales, so our expectation is for luxury home sales to improve at a steady rate throughout 2013. Additionally, significant estates are coming to market for the first time in years which we anticipate will drive stalled buyers to take advantage of this interesting time in luxury offerings.

Sincerely,

Robert Kinlin & Paul Grover

Robert Kinlin and Paul Grover
Robert Paul Properties



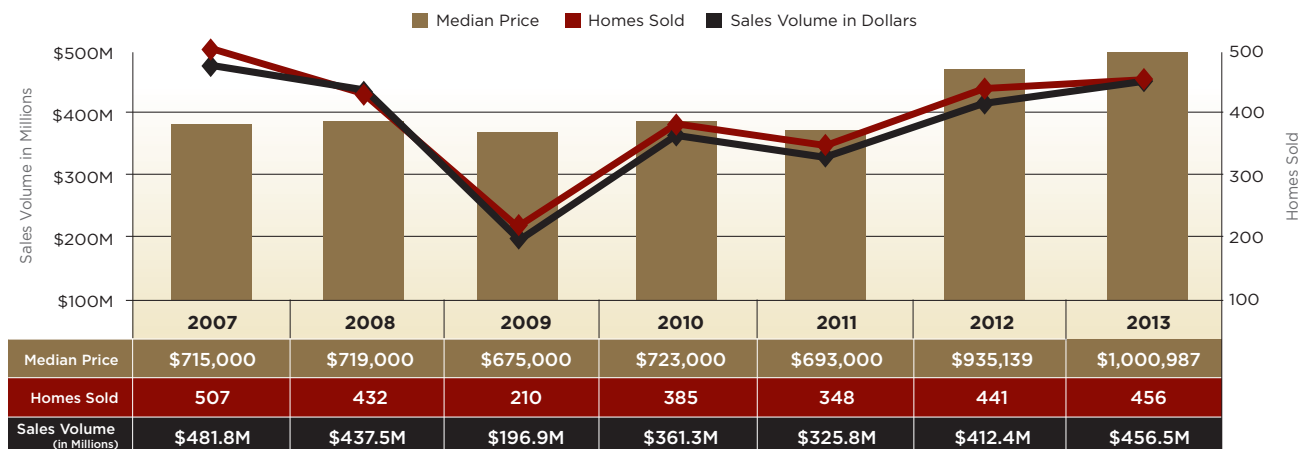
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Mid-Year 2013 High-End Single Family Homes

Cape Cod High End \$500k + Sales Graph

PRICE BANDS	HOMES SOLD							HOMES UNDER AGREEMENT	HOMES LISTED	INVENTORY BY MONTH
	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	2013 YTD	AS OF 06/30/2013	CURRENT INVENTORY AS OF 06/30/2013	
\$500K - \$749K	271	230	127	201	194	249	240	100	557	13.9 Months
\$750K - \$999K	99	80	35	95	63	89	97	35	323	19.9 Months
\$1M - \$1.9M	102	82	31	64	71	76	88	33	360	24.5 Months
\$2M - \$2.9M	27	30	11	13	13	18	16	11	147	55.1 Months
\$3M - \$3.9M	4	4	4	9	4	5	9	1	45	30 Months
\$4M - \$4.9M	2	3	2	1	1	0	1	3	13	77.8 Months
\$5M +	2	3	0	2	2	4	5	1	38	45.6 Months
GRAND TOTALS	507	432	210	385	348	441	456	184	1483	19.5 Months
MEDIAN PRICE	\$715,000	\$719,000	\$675,000	\$723,000	\$693,000	\$700,000	\$729,000	<i>Source: Cape Cod & Islands MLS, Inc Type: Single Family Residential Only</i>		
HIGHEST PRICE	\$9.175M	\$7.6M	\$2.25M	\$5.8M	\$6.2M	\$8.6M	\$11.75M			

Cape Cod High End \$500k + Sales Graph



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Mid-Year 2013 Sales Data From Cape Cod MLS

First Half 2013 Regional Sales Report Overall Housing Market Across Cape Cod

UP
6.5%
MEDIAN
PRICE

ACTIVE
DOWN
10.8%

SALES
DOWN
1.8%

MID CAPE

Led by the Town of Barnstable, Mid-Cape sales were strong YOY. The high-end, sales over \$500K, were especially high, 35.6% over 2012. Under \$500K sales represent 84% of the overall home sales market, and are off by 5.4%

Median Price: \$279,000
Highest Sale Price: \$9,000,000

OUTER CAPE

In the current housing recovery, results are local and not pervasive. Low inventory, sales off 40.3% in the high-end of \$500K+, and median prices down slightly suggest that consumers are waiting until the fall to purchase in the Outer Cape.

MEDIAN
PRICE
DOWN
7.6%

ACTIVE
DOWN
4.2%

SALES
DOWN
6.9%

Median Price: \$415,000
Highest Sale Price: \$3,000,000

UPPER CAPE

The Upper Cape, while down overall, is up YOY at almost 6% above \$500K, led by Falmouth, and has an increase in sales pending of 18.2%. The Upper Cape has the majority of listings available above \$500K, even though the inventory is down.

UP
3.4%
MEDIAN
PRICE

ACTIVE
DOWN
12.3%

SALES
DOWN
4.5%

Median Price: \$320,000
Highest Sale Price: \$11,750,000

LOWER CAPE

Chatham is strong in \$1M+ with 14.3% growth but down otherwise. Orleans sales remain steady YOY, while Harwich is seeing overall growth up 5.4%, yet the \$1M+ sales are slightly off. Pending sales are strong and suggest a robust summer.

MEDIAN
PRICE
DOWN
4.5%

UP
2.8%
ACTIVE

SALES
DOWN
1.9%

Median Price: \$363,250
Highest Sale Price: \$3,700,000



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The Cape Cod & Islands MLS Statistical Report, comparing the first half of overall Cape Cod housing activity in 2013 with the first half of 2012, show an increase in Single Family Home sales from 2,121 in 2012 to 2,132, or .52%, and an increase in median price from \$470,902 to \$499,560 or 3.21%. Condominium sales are off by 8.29%, and median prices have declined by .43%. Land sales are up 12.1%, and the median price of land is up significantly 23.5%.