

RP ROBERT PAUL PROPERTIES

CAPE COD MARKET

2017 MID YEAR SALES REPORT



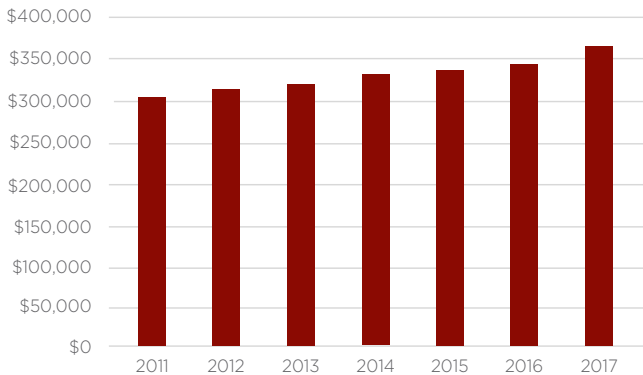
The Robert Paul Market Report

2017 Mid-Year Sales Statistics

Cape Cod homes sales continue on a strong pace in the first half of 2017, tempered only by lower inventory of homes for sale in the \$0 - \$499K price ranges. Above \$500,000 sales have been historically robust, as the economy, stock market and low interest rates drive up consumer confidence and demand for both primary and second homes.

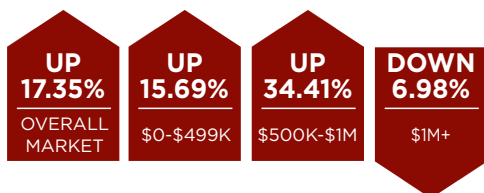
Market wide, Cape Cod overall median prices improved by 7% year-over-year, setting a new record at \$369,000. Prices have been on an upward trend since the recovery, however, relative to these increases, this most recent price increase is by far the largest. Further, the median price of \$369,000 beats by \$1,000, the highest median price prior to 2005 and the great recession.

MEDIAN SALES PRICE MARKET-WIDE

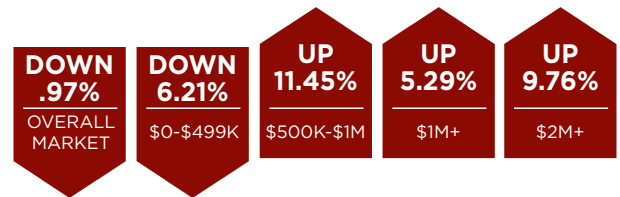


Pending sales, those properties put under agreement which have not closed by the end of June, 2017, are up year-over-year as demand is strong. Cape Cod has experienced a number of multiple offers as buyers compete for homes new to the market and priced to sell. Correlative to this, a key metric - DOM (days on market), shows a 21.2% decline to only 78 days. The average DOM used to be 148 days. The \$1 Million + market was soft on pendings during a brief hiatus from the buying frenzy in June, however activity is back and pendings are building at the beginning of July.

PENDING HOME SALES YEAR OVER YEAR

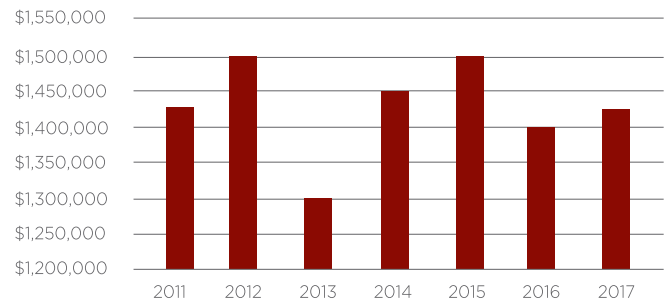


2017 YTD HOMES SALES



The Luxury Market, defined as the top 10 percent of an area's sales, has experienced significant growth in the first half of 2017 following a surge in home sales over \$1 million which began in 2016. Year-over-year sales improved by 11.1% with the median price moving up a slight 1.8%. While the luxury market has been trending up since the great recession, 2017 will be record breaking both in the number of homes sold as well as the number of home sales over \$10 million. This upswing, fueled by a younger demographic of affluent buyers, and sellers coming to terms with value pricing, has allowed Cape Cod luxury sales to defy softer sales in other luxury vacation destinations, such as the Hamptons.

MEDIAN SALES PRICE - \$1 MILLION+



By the end of the first half of 2017, all the key home sale metrics point to a continuing story of sales growth, only moderated by the push and pull between low inventory and high demand. Active listings overall are down by 17.1%. New listings brought to the market are off by 11.8%. DOM are at an all-time low. The median price is at an all-time high. The luxury market inventory is down 12.6% year-over-year. The sweet spot of Cape Cod sales remains between \$1M and \$1.9M. Yet sales between \$2M to \$2.9M increased 39.1%, as buyers seek waterview and waterfront second homes. While the lower inventory could dampen sales growth in the second half of 2017, we forecast that the rising tide of luxury sales will raise the overall market growth by the end of what may trend toward a historically peak year.

Robert Kinlin & Paul Grover

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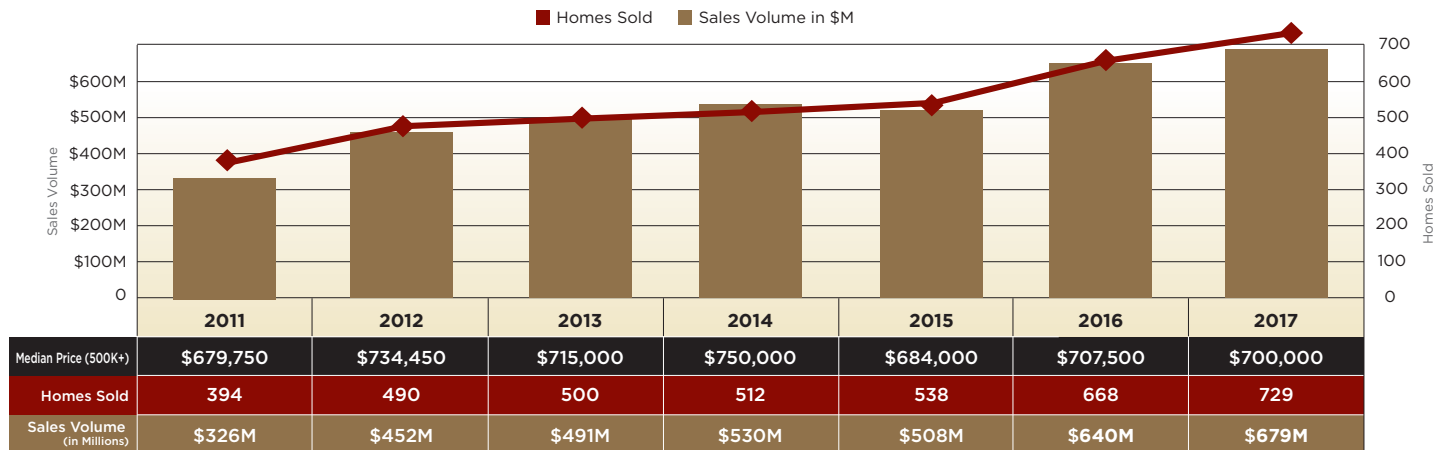
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2017 Mid-Year Sales Statistics

Cape Cod Sales Graph

| PRICE BANDS | HOMES SOLD | | | | | | | PENDING HOME SALES | HOMES LISTED | MONTHLY ABSORPTION RATE |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---|-----------------------------------|-------------------------|
| | 2011 YTD | 2012 YTD | 2013 YTD | 2014 YTD | 2015 YTD | 2016 YTD | 2017 YTD | AS OF 6/30/2017 | CURRENT INVENTORY AS OF 6/30/2017 | |
| \$0K - \$499K | 1424 | 1855 | 1799 | 1705 | 1763 | 2004 | 1917 | 376 | 1574 | 4.93 Months |
| \$500K - \$749K | 194 | 246 | 236 | 248 | 310 | 370 | 398 | 91 | 673 | 10.15 Months |
| \$750K - \$999K | 63 | 87 | 95 | 109 | 100 | 128 | 152 | 34 | 360 | 14.21 Months |
| \$1M - \$1.9M | 71 | 75 | 87 | 104 | 89 | 129 | 134 | 27 | 406 | 18.18 Months |
| \$2M - \$2.9M | 13 | 18 | 16 | 25 | 21 | 23 | 32 | 7 | 126 | 23.63 Months |
| \$3M - \$3.9M | 9 | 5 | 9 | 9 | 11 | 11 | 8 | 2 | 47 | 35.25 Months |
| \$4M - \$4.9M | 1 | 0 | 1 | 3 | 4 | 1 | 3 | 1 | 28 | 56.00 Months |
| \$5M + | 1 | 4 | 5 | 4 | 3 | 6 | 2 | 3 | 38 | 114.00 Months |
| GRAND TOTALS | 1776 | 2290 | 2248 | 2207 | 2301 | 2672 | 2646 | 541 | 3252 | 7.37 Months |
| MEDIAN PRICE | \$305,000 | \$314,900 | \$320,000 | \$332,000 | \$337,000 | \$345,000 | \$369,000 | <i>Source: Cape Cod & Islands MLS, Inc Type: All Residential Properties</i> | | |
| HIGHEST SALE YTD | \$6.2M | \$8.6M | \$11.8M | \$13.0M | \$6.4M | \$8.5M | \$10.2M | | | |

Cape Cod High End \$500K + Sales Graph



The Robert Paul Regional Report

2017 Mid-Year Regional Sales Trends

Mid-Year Market-Wide Sales Analysis

MID CAPE



Median Price: \$325,000
Highest Sale Price: \$10,200,000
Homes Sold: 968
Homes Sold Over \$1M+: 54

OUTER CAPE



Median Price: \$500,000
Highest Sale Price: \$3,250,000
Homes Sold: 260
Homes Sold Over \$1M+: 34

LOWER CAPE



Median Price: \$420,000
Highest Sale Price: \$3,855,000
Homes Sold: 477
Homes Sold Over \$1M+: 42

UPPER CAPE



Median Price: \$373,000
Highest Sale Price: \$4,665,000
Homes Sold: 942
Homes Sold Over \$1M+: 49

On the national home-sales scene at the end of June, low supply kept homes selling at a near record pace but ultimately ended up muting overall activity, according to the National Association of Realtors. This translates to an annual rate of 5.52 million forecasted home sales for 2017. "Closings were down last month because interested buyers are being tripped up by supply that remains stuck at a meager level and price growth that's straining their budget," said Lawrence Yun, NAR's chief economist. In Massachusetts, prices continue to go up because of high demand and historically-low inventory. Median prices are up 7.9% reaching an all-time high median price of \$410,000. Closed sales are down 2.3% year-over-year. Across Cape Cod, sales are down in three of the four regions while prices are up across all regions. The Lower Cape, which has led the market for several years in the sale of homes over \$1 million, has market forces now driving down sales in the luxury market as other regions continue to rebound.

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