

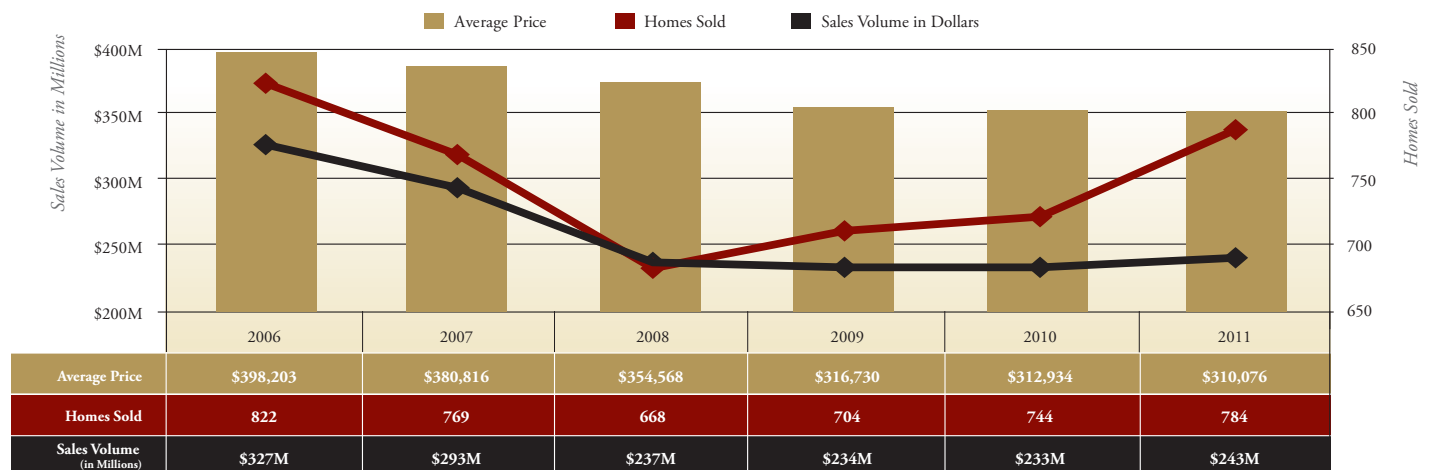


ROBERT PAUL PROPERTIES MARKET REPORT

2011 SOUTH COAST END OF THE YEAR HIGH END SALES REPORT

	HOMES SOLD						HOMES UNDER AGREEMENT	HOMES LISTED	
PRICE BANDS	2006 YTD	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	AS OF 12/31/2011	CURRENT INVENTORY AS OF 12/31/2011	INVENTORY BY MONTH
\$500K - \$749K	117	111	89	64	65	78	10	90	13.9 Months
\$750K - \$999K	38	21	25	14	16	25	1	37	17.8 Months
\$1M - \$1.9M	29	35	12	13	26	21	2	37	21.1 Months
\$2M - \$2.9M	5	9	10	6	4	6	0	15	30.0 Months
\$3M - \$3.9M	3	2	4	2	3	0	0	0	NA
\$4M - \$4.9M	1	1	1	1	0	0	0	3	NA
\$5M +	2	0	1	1	0	0	0	3	NA
TOTAL	195	179	142	101	114	130	13	185	17.1 Months
HIGHEST SALE	\$5.3M	\$3.85M	\$6.5M	\$5.5M	\$3.99M	\$2.56M	<i>Source: MLS PIN and Banker & Tradesman Type: Single Family Residential Only Includes: Wareham, Marion, Mattapoisett, Fairhaven, Dartmouth, and Westport</i>		
OVERALL MARKET TOTALS	Total Units Sold 822	769	668	704	744	784			
	Total Sales in \$ \$327M	\$293M	\$237M	\$234M	\$233M	\$243M			

SOUTH COAST OVERALL SALES GRAPH





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2011 year closed on several positive notes in the housing market, and a number of recently released reports suggest we could be seeing the market stabilizing and even gaining some momentum as we begin the New Year of 2012. Nationally, in 2011, while prices continued to decline another 7.9%, the number of transactions has gained momentum by 3.7%. Further, new construction spending is up and interest rates are now at an all-time low.

Across the South Coast, 2011 had mixed results, and yet by Q4 of 2011, we saw some positive trends emerging. The overall market increased 4% in volume of sales. The 2010 average price of \$313K only slightly softened in 2011 to an average price of \$310K. All key statistics were up from the anemic year of 2009. Most importantly, pending home sales going into 2012 improved 44% over the same statistic of 2011, and fears of a double-dip were never realized, so the general market seems to be stabilizing.

In the high-end, key trends were quite mixed. Overall, sales of homes from \$500K and up increased 14% over sales in 2010. This was very good news, as the middle market, \$500K to \$999K saw the greatest growth. The new affordability and Buyer's pent-up demand fueled this market segment as these credit worthy Buyers took advantage of market conditions.

In 2011, the \$1M+ market was a different story. Sales dropped 22%, with no home sales over \$2.5M. Since 2008, the South Coast has experienced a steady decline in the top price paid for luxury homes. Nationally, from boom to trough, the high-end lost 30% - 35% in value. In the new market, sale prices have come more into alignment with what Buyers are willing to pay. Buyers are strongly considering not just the value of the land and home, but also they add in the costs of home improvement and restoration.

In the high-end market there has been weak demand since 2008. In 2011, we saw that nationally there was real growth in 2011. Luxury buyers are dialed into the market. They understand market cycles, they know that the new affordability will not last forever, and they are educated and able to make a move when the right house at the right price comes to market. While this is only a sliver of the market, it does highlight a market segment which may cause improvement across the South Coast in luxury sales as price and desirability intersect.

Political and economic turmoil may cause 2012 to remain flat, or, the new affordability and desirability of owning a second home may cut through all the market doubt and fuel a moderate growth trend in 2012. Current activity in the market, especially in the \$500K+ market, shows a growth track. Pending sales and improved consumer confidence support the idea that the market is in a soft recovery.



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