



ROBERT PAUL PROPERTIES MARKET REPORT

2014 3RD QUARTER HIGH END SALES REPORT

	HOMES SOLD								HOMES PENDING	HOMES LISTED	
PRICE BANDS	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	2013 YTD	2014 YTD	AS OF 09/30/2014	CURRENT INVENTORY AS OF 09/30/2014	ABSORPTION RATE
\$500K - \$749K	411	338	218	318	307	389	400	442	131	740	15.1 Months
\$750K - \$999K	166	122	71	137	110	142	148	180	68	433	21.7 Months
\$1M - \$1.9M	163	119	75	108	111	120	153	152	61	445	26.3 Months
\$2M - \$2.9M	41	40	18	20	20	35	30	44	17	139	28.4 Months
\$3M - \$3.9M	8	8	7	14	5	11	12	17	8	47	24.7 Months
\$4M - \$4.9M	4	3	4	1	2	4	3	5	0	15	26.9 Months
\$5M +	5	4	1	2	6	7	6	5	4	49	88.1 Months
GRAND TOTALS	798	634	394	600	561	708	752	845	289	1868	20.0 Months
MEDIAN PRICE	\$728,000	\$715,000	\$700,500	\$720,000	\$708,000	\$715,000	\$725,000	\$729,900	<i>Source: Cape Cod & Islands MLS, Inc</i> <i>Type: All Residential Properties</i>		
HIGHEST PRICE	\$9.18M	\$10.28M	\$6.80M	\$5.80M	\$11.60M	\$8.60M	\$11.75M	\$13.00M			

Cape Cod real estate sales experienced solid growth in the high-end through the third quarter. Year-over-year, sales improved by 12.4%. This improvement occurred while Cape Cod lower end home sales continued to stall and were off 6.6% year over year.

Particularly strong were home sales from \$500,000 to \$999,999 showing a 14.1% increase. Even more impressive was the remarkable luxury market, those homes selling for more than \$2 Million, where we saw 39.2% year-over-year growth in home sales. Through the 3rd quarter, high-end sales have finally caught up with and now passed by a slim 5% the market peak of 2006.

Inventory continues to rise. Year-over-year, inventory rose 27.3%. There was even a slight up-tick from Q2 of 2014 as improving prices have once again allowed people to sell with equity to spare. The increasing inventory has caused the absorption rate to increase, approaching almost two years. With supply outweighing demand so significantly, prices will most likely soften.

As we enter the final quarter of the year, buyer activity in the high-end on Cape Cod has cooled as demand for properties under \$500,000 is warming up. The National Association of Realtors reported that nationally real estate sales were up 2.4% in September after a decline in August. However, sales for 2014 lag 1.7% behind 2013 numbers. Prices were up 5.6% following 31 consecutive months of increases. In Massachusetts, MAR reported closed sales were down 3.3% over last year as a function of low inventory and higher prices.

Pending sales, those sales put under agreement but closing at a future date, were almost 41% stronger in Q3 of 2014 than Q3 of 2013. We anticipate that the 4th quarter in 2014 will have a strong finish in closed sales but lag behind the robust sales activity of 2013. Any improvement in consumer confidence coupled with low interest rates and moderating prices may improve this picture.