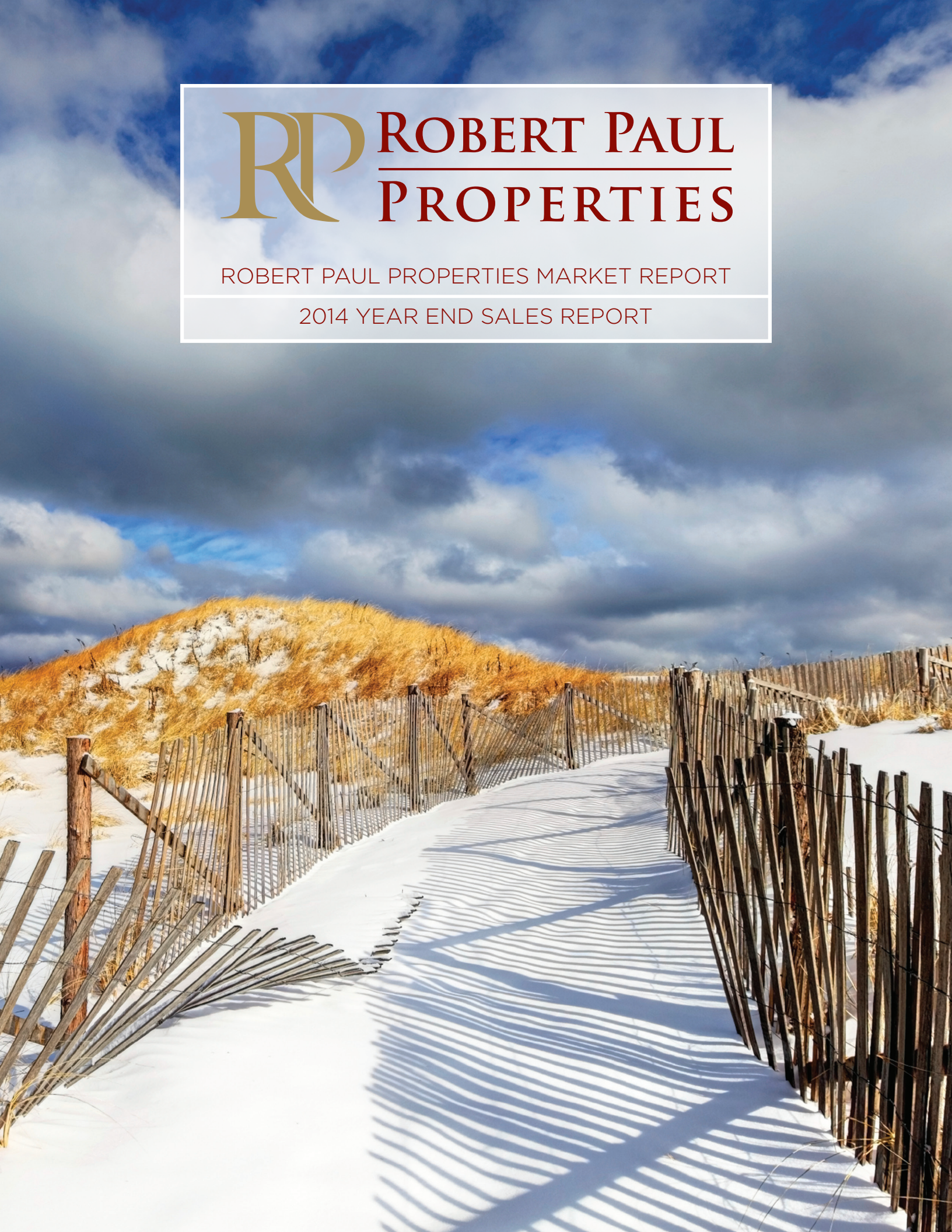


A photograph of a snowy beach path. The path is covered in white snow and is flanked by wooden fences made of vertical slats. In the background, there are sand dunes with dry, yellowish-brown grass. The sky is blue with scattered white clouds. The overall scene is bright and clear.

RP ROBERT PAUL PROPERTIES

ROBERT PAUL PROPERTIES MARKET REPORT

2014 YEAR END SALES REPORT

The Robert Paul Market Report

2014 Year End Residential Properties Report

We invite you to read through our market report which examines the Cape Cod market and especially the high-end residential sales across the region, while also putting the Cape market in the context of national home sale trends. This report utilizes data from the Cape & Islands Multiple Listing Service.

2014 was a year of three different markets, lower-end (\$499,000 and below), high-end (500,000 and above), and the luxury market (\$2,000,000 and above). Overall the 2014 market was flat with a slight 1.7% drop in sales over 2013. Prices however were up overall just over 3%.

Home sales over \$500,000 were up 4.6%, and prices rose 2%. In the luxury market, home sales rose a significant 31.5%, while prices were flat at a median price of \$2,599,575. The sweet spot across all markets was the growth in the \$2 Million to \$4 Million segment with an increase in the number of home sales of almost 40%.

Nationally for all of 2014, there was a 2.1% decline in home sales, while prices rose 5.8%. Throughout Massachusetts, homes sales were off 2.6% and home prices appreciated by 3.4%. Low inventory, rising prices and continued tight credit were contributing factors in the downward change in the number of home sales.

Across Cape Cod, high-end sales buoyed the market. Many of the sales in the Cape's "sweet spot," \$2M to \$4M, came as the result high-net-worth individuals, often from generation X purchasing their first second home, and coming in at a significant price point. Above \$4M, the number of home sales were unchanged although there were three sales over \$10M compared with only one sale over \$10M in 2013. The luxury market faltered in the fourth quarter with little activity from buyers, possibly a result of dropping oil prices and the strong sales through the third quarter.

At the end of 2013, we forecast a breakthrough year for luxury home sales in 2014, and an improving trend for sales over \$10,000,000. Because of the quiet activity in the high-end in the fourth quarter of 2014, projected sales of \$1M+ for January of 2015 are only half of what they were in January of 2014. However, with the stock market remaining strong, significant bonuses being paid and cash reserves on the rise, we forecast a very lively spring market. High inventory is still heavily influencing sales, keeping prices down and driving some sellers to readjust prices to reflect market demands. If this happens, we could see another record breaking sales year for waterfront and village second homes.

Robert Kinlin & Paul Grover

Robert Kinlin and Paul Grover
Robert Paul Properties



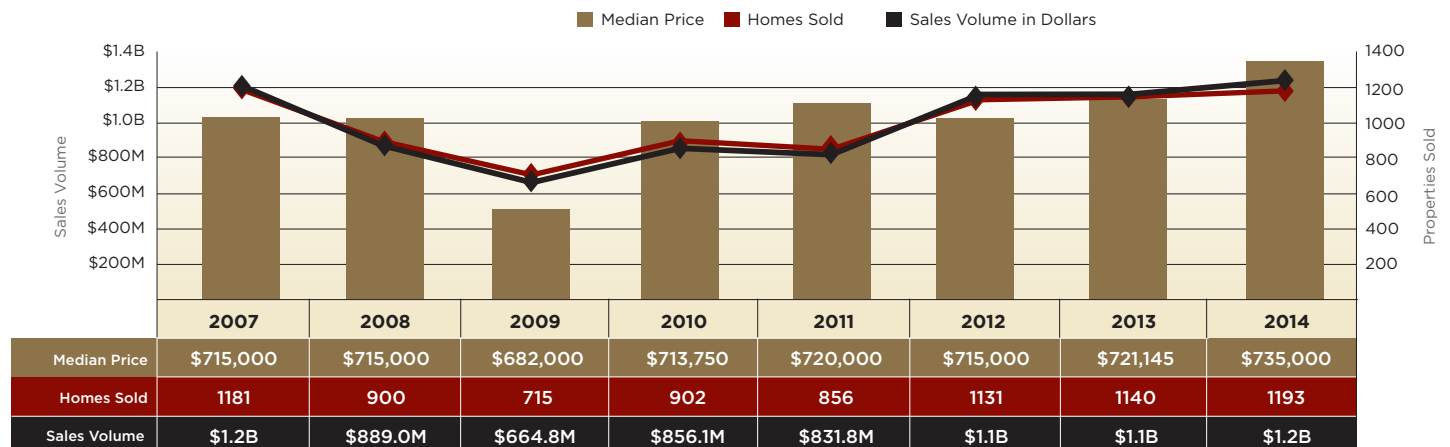
The Robert Paul Market Report

2014 Year End Residential Properties Report

Cape Cod Sales Graph

PRICE BANDS	HOMES SOLD								HOMES UNDER AGREEMENT	HOMES LISTED	ABSORPTION RATE BY MONTH
	2007 YTD	2008 YTD	2009 YTD	2010 YTD	2011 YTD	2012 YTD	2013 YTD	2014 YTD	AS OF 12/31/2014	CURRENT INVENTORY AS OF 12/31/2014	
\$50K - \$499K	2868	2870	2905	3092	3037	3897	3795	3631	566	1833	6.1 Months
\$500K - \$749K	633	486	409	481	461	616	616	618	103	512	9.9 Months
\$750K - \$999K	231	173	136	193	171	230	223	255	38	299	14.0 Months
\$1M - \$1.9M	223	171	128	168	172	191	228	224	35	332	17.8 Months
\$2M - \$2.9M	58	49	25	37	31	57	42	59	6	99	20.2 Months
\$3M - \$3.9M	17	10	10	18	10	21	17	23	6	99	51.6 Months
\$4M - \$4.9M	11	3	4	2	4	5	6	5	0	12	28.8 Months
\$5M +	8	8	3	3	7	11	8	9	0	45	60.0 Months
GRAND TOTALS	4049	3770	3620	3994	3893	5028	4935	4824	754	3171	7.9 Months
MEDIAN PRICE	\$368,000	\$329,250	\$305,000	\$318,500	\$310,000	\$315,000	\$328,000	\$338,000	Source: Cape Cod & Islands MLS, Inc Type: All Residential Properties		
SALES VOLUME	\$2.08B	\$1.72B	\$1.47B	\$1.72B	\$1.66B	\$2.21B	\$2.22B	\$2.29B			
HIGHEST SALE	\$9.18M	\$10.28M	\$6.80M	\$5.80M	\$11.60M	\$19.50M	\$11.75M	\$13.20M			

Cape Cod \$500K+ Sales Graph



The Robert Paul Market Report

2014 Regional Sales Trends Report

2014 Q4 Regional Sales Report Overall Housing Market Across Cape Cod

**UP
.9%**
MEDIAN
PRICE

**\$1M+ SALES
DOWN
8.3%**

**ALL SALES
DOWN
1.4%**

Median Price: \$282,500
Highest Sale Price: \$13,200,000
Homes Sold: 1855

MID CAPE

After strong sales and price increases in 2013, the Mid-Cape market experienced some deceleration in number of sales across the board. The ultra luxury waterfront market took off and all of the significant home sales were to be found in Osterville in the Mid-Cape. Price gains were more moderate, forecasting a resurgence of sales and prices in 2015.

OUTER CAPE

After a strong \$1M+ market in 2013, and slower growth in lower-end condominiums, the Outer Cape saw the reverse occurred as there was significant growth in the mid-market range and condominium sales. More and more buyers are finding that "old Cape feel" in this less dense region. As 2015 begins, there are significant high-end properties which are under agreement and we anticipate further growth in this region.

**UP
5.9%**
MEDIAN
PRICE

**\$1M+ SALES
DOWN
4.4%**

**UP
6.2%**
ALL SALES

Median Price: \$449,900
Highest Sale Price: \$3,800,000
Homes Sold: 531

UPPER CAPE

Year after year the Upper Cape has become a go-to region for waterfront second homes. The significant increase in \$1M+ sales is a result of the large waterfront geography enjoyed by this region; many different scales and types of architecture from Victorian to Modern; the closeness to the bridge; and the attractions the lively downtown brings.

**UP
4.4%**
MEDIAN
PRICE

**UP
22.4%**
\$1M+ SALES

**ALL SALES
DOWN
1.4%**

Median Price: \$340,250
Highest Sale Price: \$5,200,000
Homes Sold: 1535

LOWER CAPE

The Lower Cape continues to grow in the higher end as the result of desirability and comparatively less extravagant waterfront prices. The landscape and active towns in the Lower Cape all maintain a wonderful ambiance and yet have many more recreational offerings each year. In the mid-market, sales fell off as prices rose beyond the local incomes and job growth could not keep up with the appreciation.

**UP
6.7%**
MEDIAN
PRICE

**UP
11.5%**
\$1M+ SALES

**ALL SALES
DOWN
8.0%**

Median Price: \$400,000
Highest Sale Price: \$5,760,000
Homes Sold: 903

Overall we forecast improving home sales in 2015. Rates will remain historically low, at least through the first two quarters; there are new mortgage products available for first time home buyers; home owners are finally realizing equity in their homes allowing them funds to move up or out; and nationally economists are forecasting a 7% rise in home sales behind a strengthening economy. Across the Cape, the re-entry of the first time home-buyer and first-time second home buyer will stimulate a domino effect and allow for unit growth coupled with moderate price growth.



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