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Rising tide lifts luxury homes sales according to Robert Paul Properties

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Something significant is happening in Cape Cod's luxury home market, and it is benefiting sellers and buyers alike. The "luxury market," which is defined as the top 10% of the market, comes in at \$2 million and above on Cape Cod. 2007 was the Cape's best year for luxury sales, but a surge in high-end activity has propelled 2012 into potential record-setting territory.

Luxury sales through May 31st, 2007 were 31 sales with a volume of \$178 million. As of May 31st, 2012 there have been 30 sales with a volume of \$180 million. Furthermore, the average luxury sale price in 2012 is \$3.03 million compared to \$2.86 million in 2007. By the end of 2007, there were 94 sales over \$2 million, with a total volume of \$600 million. Only time will tell if 2012 can hit that extraordinary benchmark, but the early indicators are quite promising.

How can you explain this rejuvenation? "Confidence," said Paul Grover of Robert Paul Properties. "We haven't seen this type of buyer confidence since 2005. Some premium listings are receiving multiple offers, buyers are placing back-up offers on estates they were watching but missed, and deals are closing nearer to the asking price." And it's happening throughout the Cape. Osterville and Chatham have anchored the high-end market for the past decade (Osterville has sold 30 homes over \$5 million and Chatham has sold 10), but other towns have joined the list. Orleans and Yarmouth Port have achieved landmark sales in 2012 at \$5.7 million and \$6 million, respectively.

Robert Paul Props. is at the epicenter of the Cape's luxury home market and reports an unprecedented flurry of activity in May alone. "The beachfront properties are drawing younger families to the Cape once again," said Robert Kinlin. "Moderating prices and the potential scarcity of exceptional offerings in the future has helped savvy buyers understand that market conditions are now optimal." While the \$10 million benchmark for the sale of an individual estate has not yet been broken in 2012, Kinlin expects to see several such sales by the end of the year.

Buyers are also drawn to the cape's luxury market due to the unique investment opportunity. Inventory levels are essentially unchanged over the past four quarters, but Grover observes there is greater movement with new listings more accurately priced compared to what came on in 2010 and 2011. "Sellers are much more realistic," he says. "We now have complimentary sales to point to and determine correct prices." With incredibly low interest rates and volatile capital markets, it is clear that the increasing price stability of high-end real estate makes the present a compelling time to come off the sidelines.

Since 2007, consumers have become more sophisticated and informed. The advent of real estate websites and databases have allowed potential buyers to conduct their own extensive due diligence. At the same time, buyers recognize the value of on-the-ground expertise and wisdom, which accounts for a shift away from large corporate brokerage agencies to boutique firms with an established market presence.

In 2009, Robert Kinlin and Paul Grover opened Robert Paul Properties with a new vision for luxury real estate sales. "People told us we were crazy for starting a company in the middle of a recession," Grover said, "but we knew we were offering something different." Kinlin and Grover hand-picked a roster of experienced agents who could contribute to a team-first culture of delivering comprehensive service while obtaining strong results for clients.

In 2011, Robert Paul Properties ranked number one on Cape Cod with \$130 million in home sales over \$1 million. The company may have started during a recession, but a sound and unique model has positioned them to best help clients navigate the rising tide in luxury real estate.

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