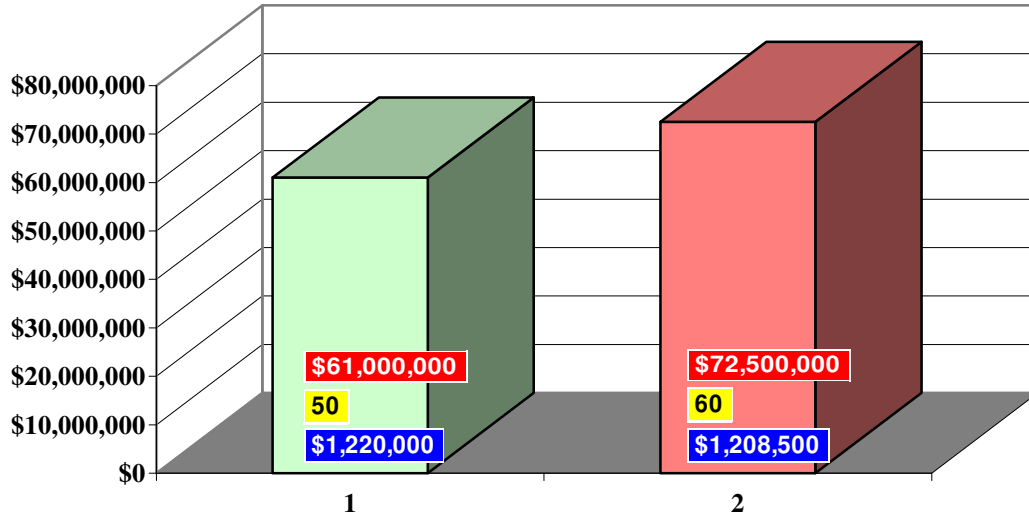


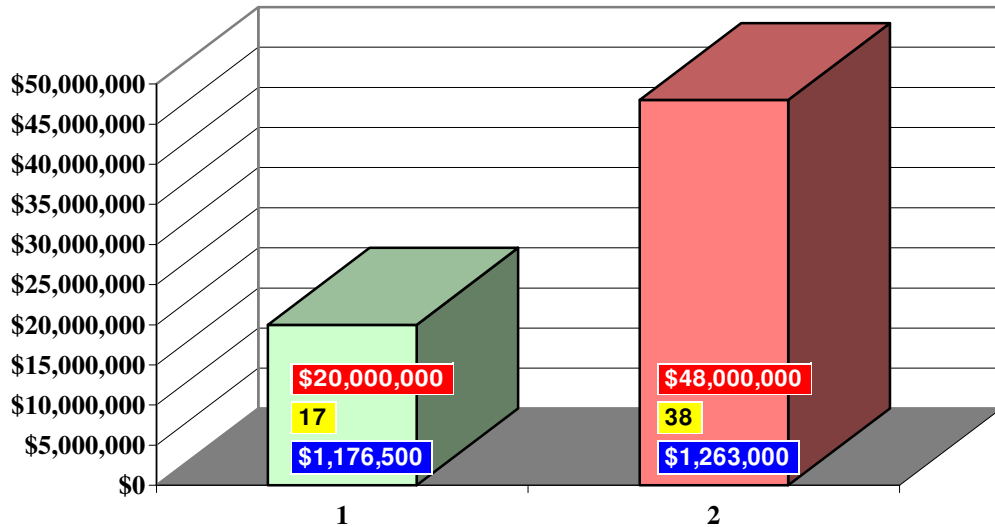


**OVERALL MARKET - 2012  
1ST & 2ND QUARTERS**

**AVALON**



**STONE HARBOR**



**TOTAL SALES VOLUME**      **TOTAL NUMBER OF SALES**      **AVG SALE PRICE**

TRENDS 2012 (vs) 2011  
(SECOND QUARTER 2012)

**SALES**

**Avalon**

- > .5% decrease in number of transactions.
- > 1.5% decrease in total sales volume.
- > 3.5% increase in average sale price.
- > 1.5% decrease in the average % sale prices were discounted from listed prices.
- > Many buyers remain very interested in purchasing a second home at the shore.

**Stone Harbor**

- > 35.5% increase in number of transactions.
- > 8.5% decrease in total sales volume.
- > 33% decrease in average sale price.
- > 1.5% increase in the average % sale prices were discounted from listed prices.
- > Many buyers remain very interested in purchasing a second home at the shore.

**SALE LISTINGS**

**Avalon**

- > 21% decrease in current listings.
- > 14% decrease in new listings.
- > There was a (1.15 to 1) ratio of new listings (69) to sale transactions (60) (vs) (1.27 to 1) - (80 to 63) ratio.

**Stone Harbor**

- > 11% increase in current listings.
- > 43% decrease in new listings.
- > There was a (1.13 to 1) ratio of new listings (43) to sale transactions (38) (vs) (2.68 to 1) - (75 to 28) ratio.

**SUMMARY**

There was a 4.5% decrease in the Total Sales Volume (\$120,500,000 (vs) \$126,000,000) and a 7.5% increase in the number of transactions (98 (vs) 91) for the Second Quarter of 2012 (vs) 2011 in the overall marketplace for Seven Mile Beach Island. The figures indicate that the marketplace has stabilized this quarter..

We anticipate a continued increase in Buyer activity during the remainder of 2012. The Buyers realize the personal benefits of having their families enjoy a second home at the Shore. They also understand that interest rates will not always remain at the current low levels. Lastly, the properties being sold are those where the owners are willing to negotiate the listed sale price.

**OVERALL MARKET SEGMENT  
(SECOND QUARTER 2012)**

**SECOND QUARTER—2012**

**SECOND QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	60	38	63	28
Total Sales Volume	\$72,500,000	\$48,000,000	\$73,500,000	\$52,500,000
Price Range	\$250,000 To \$4,000,000	\$365,000 To \$2,600,000	\$65,000 To \$3,862,500	\$290,000 To \$3,500,000
Average Sale Price	\$1,208,500	\$1,263,000	\$1,166,500	\$1,875,000
Average % Sale Prices Discounted From Listed Prices	6%	11.5%	7.5%	10%
<b>SALE LISTINGS</b>				
Current	255	198	315	178
New	69	43	80	75
<b>TOTAL</b>	324	241	395	253

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	110	55
Total Sales Volume	\$133,500,000	\$68,000,000
Price Range	\$250,000 To \$4,150,000	\$349,000 To \$3,875,000
Average Sale Price	\$1,213,500	\$1,236,500
Average % Sale Prices Discounted From Listed Prices	7%	11%
<b>SALE LISTINGS</b>		
Current (*)	255	198
New (Cumulative)	166	107

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**OCEANFRONT HOMES MARKET SEGMENT  
(SECOND QUARTER 2012)**

	<b>SECOND QUARTER—2012</b>		<b>SECOND QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	2	1	3
Total Sales Volume	\$6,225,000	\$10,900,000	\$2,950,000	\$12,000,000
Price Range	\$2,250,000 To \$3,975,000	\$4,300,000 To \$6,600,000	\$2,950,000	\$2,775,000 To \$5,460,000
Average Sale Price	\$3,112,500	\$5,450,000	\$2,950,000	\$4,000,000
Average % Sale Prices Discounted From Listed Prices	6.5%	17%	9.5%	9%
<b>SALE LISTINGS</b>				
Current	16	3	17	4
New	2	2	1	1
<b>TOTAL</b>	<b>18</b>	<b>5</b>	<b>18</b>	<b>5</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	3
Total Sales Volume	\$6,225,000	\$14,775,000
Price Range	\$2,250,000 To \$3,975,000	\$3,875,000 To \$6,600,000
Average Sale Price	\$3,112,500	\$4,925,000
Average % Sale Prices Discounted From Listed Prices	6.5%	17.5%
<b>SALE LISTINGS</b>		
Current (*)	16	3
New (Cumulative)	5	3

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**BEACHBLOCK HOMES MARKET SEGMENT  
(SECOND QUARTER 2012)**

	<b>SECOND QUARTER—2012</b>		<b>SECOND QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	5	3	2	2
Total Sales Volume	\$8,600,000	\$6,150,000	\$4,377,500	\$4,900,000
Price Range	\$1,400,000 To \$2,000,000	\$1,150,000 To \$2,600,000	\$1,585,000 To \$2,762,500	\$2,200,000 To \$2,700,000
Average Sale Price	\$1,720,000	\$2,050,000	\$2,188,750	\$2,450,000
Average % Sale Prices Discounted From Listed Prices	5.5%	15%	11%	13%
<b>SALE LISTINGS</b>				
Current	27	27	48	6
New	4	3	8	23
<b>TOTAL</b>	31	30	56	29

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	12	4
Total Sales Volume	\$22,000,000	\$7,500,000
Price Range	\$1,230,000 To \$2,340,000	\$1,150,000 To \$2,600,000
Average Sale Price	\$1,833,500	\$1,875,000
Average % Sale Prices Discounted From Listed Prices	7%	15.5%
<b>SALE LISTINGS</b>		
Current (*)	27	27
New (Cumulative)	16	10

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**BAYFRONT HOMES MARKET SEGMENT  
(SECOND QUARTER 2012)**

	<b>SECOND QUARTER—2012</b>		<b>SECOND QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	4	4	6	5
Total Sales Volume	\$10,200,000	\$5,500,000	\$14,000,000	\$15,000,000
Price Range	\$1,150,000 To \$4,000,000	\$1,100,000 To \$1,825,000	\$960,000 To \$3,862,500	\$2,012,500 To \$3,500,000
Average Sale Price	\$2,550,000	\$1,375,000	\$2,333,500	\$3,000,000
Average % Sale Prices Discounted From Listed Prices	8.5%	20.5%	12.5%	8%
<b>SALE LISTINGS</b>				
Current	32	13	32	8
New	9	5	6	13
<b>TOTAL</b>	41	18	38	21

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	10	8
Total Sales Volume	\$25,000,000	\$12,800,000
Price Range	\$1,150,000 To \$4,000,000	\$1,100,000 To \$1,825,000
Average Sale Price	\$2,500,000	\$1,600,000
Average % Sale Prices Discounted From Listed Prices	10.5%	17.5%
<b>SALE LISTINGS</b>		
Current (*)	32	13
New (Cumulative)	17	8

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**MID-ISLAND HOMES MARKET SEGMENT  
(SECOND QUARTER 2012)**

**FOURTH QUARTER—2012**

**FOURTH QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	27	12	25	12
Total Sales Volume	\$33,000,000	\$15,000,000	\$30,500,000	\$17,000,000
Price Range	\$720,000 To \$2,600,000	\$550,000 To \$2,747,500	\$410,000 To \$3,035,000	\$500,000 To \$2,500,000
Average Sale Price	\$1,222,500	\$1,250,000	\$1,220,000	\$1,416,500
Average % Sale Prices Discounted From Listed Prices	5.5%	9.5%	7%	11%
<b>SALE LISTINGS</b>				
Current	69	68	99	70
New	23	12	25	15
<b>TOTAL</b>	92	80	124	85

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	43	14
Total Sales Volume	\$50,000,000	\$17,000,000
Price Range	\$675,000 To \$2,600,000	\$550,000 To \$2,747,000
Average Sale Price	\$1,162,500	\$1,200,000
Average % Sale Prices Discounted From Listed Prices	5.5%	10.5%
<b>SALE LISTINGS</b>		
Current (*)	69	68
New (Cumulative)	47	39

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**CONDOMINIUMS/TOWNHOMES MARKET SEGMENT  
(SECOND QUARTER 2011)**

	<b>SECOND QUARTER—2012</b>		<b>SECOND QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	18	14	27	5
Total Sales Volume	\$11,400,000	\$8,600,000	\$20,168,500	\$2,800,000
Price Range	\$250,000 To \$1,262,500	\$365,000 To \$840,000	\$445,000 To \$1,350,000	\$290,000 To \$724,000
Average Sale Price	\$633,500	\$614,500	\$747,000	\$560,000
Average % Sale Prices Discounted From Listed Prices	4.5%	9%	6%	11%
<b>SALE LISTINGS</b>				
Current	84	66	79	58
New	20	18	37	17
<b>TOTAL</b>	<b>104</b>	<b>84</b>	<b>116</b>	<b>75</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	37	19
Total Sales Volume	\$24,000,000	\$11,000,000
Price Range	\$250,000 To \$1,275,000	\$349,000 To \$840,000
Average Sale Price	\$648,500	\$579,000
Average % Sale Prices Discounted From Listed Prices	5.5%	8%
<b>SALE LISTINGS</b>		
Current (*)	84	66
New (Cumulative)	57	39

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

Activity in this marketplace continues to increase. There are many buyers interested in purchasing a second home at the shore and the mortgage rates remain low with many excellent mortgage programs available. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.



**MULTI-FAMILY MARKET SEGMENT  
(SECOND QUARTER 2012)**

**SECOND QUARTER—2012**

**SECOND QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	0	2	0	1
Total Sales Volume	\$0	\$1,325,000	\$0	\$830,000
Price Range	\$0	\$650,000 To \$675,000	\$0	\$830,000
Average Sale Price	\$0	\$662,500	\$0	\$830,000
Average % Sale Prices Discounted From Listed Prices	0%	14.5%	0%	10%
<b>SALE LISTINGS</b>				
Current	8	13	8	17
New	1	1	0	1
<b>TOTAL</b>	9	14	8	18

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	0	4
Total Sales Volume	\$0	\$2,800,000
Price Range	\$0	\$650,000 To \$740,000
Average Sale Price	\$0	\$700,000
Average % Sale Prices Discounted From Listed Prices	0%	9%
<b>SALE LISTINGS</b>		
Current (*)	8	13
New (Cumulative)	3	4

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There continues to be limited buyer activity in this market segment. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**LOTS MARKET SEGMENT  
(SECOND QUARTER 2012)**

**SECOND QUARTER—2012**

**SECOND QUARTER—2011**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	3	0	1	0
Total Sales Volume	\$2,100,000	\$0	\$1,300,000	\$0
Price Range	\$550,000 To \$885,000	\$0	\$1,300,000	\$0
Average Sale Price	\$700,000	\$0	\$1,300,000	\$0
Average % Sale Prices Discounted From Listed Prices	6.5%	0%	13%	0%
<b>SALE LISTINGS</b>				
Current	15	4	24	7
New	7	1	3	5
<b>TOTAL</b>	<b>22</b>	<b>5</b>	<b>27</b>	<b>12</b>

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	4	0
Total Sales Volume	\$3,100,000	\$0
Price Range	\$550,000 To \$999,000	\$0
Average Sale Price	\$775,000	\$0
Average % Sale Prices Discounted From Listed Prices	12%	0%
<b>SALE LISTINGS</b>		
Current (*)	15	4
New (Cumulative)	17	2

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There continues to be limited buyer activity in this market segment. The overall marketplace continues moving in a positive direction and we expect this to continue for the remainder of the year.

**COMMERCIAL MARKET SEGMENT  
(SECOND QUARTER 2012)**

	<b>SECOND QUARTER—2012</b>		<b>SECOND QUARTER—2011</b>	
<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	1	1	1	0
Total Sales Volume	\$1,150,000	\$545,000	\$65,000	\$0
Price Range	\$1,150,000	\$545,000	\$65,000	\$0
Average Sale Price	\$1,150,000	\$545,000	\$65,000	\$0
Average % Sale Prices Discounted From Listed Prices	34.5%	1%	19%	0%
<b>SALE LISTINGS</b>				
Current	4	4	8	8
New	3	1	0	0
<b>TOTAL</b>	7	5	8	8

**YEAR TO DATE—2012**

<b>SALES</b>	<b>AVALON</b>	<b>STONE HARBOR</b>
Number	2	3
Total Sales Volume	\$3,200,000	\$2,800,000
Price Range	\$1,150,000 To \$2,066,000	\$485,000 To \$1,800,000
Average Sale Price	\$1,600,000	\$933,500
Average % Sale Prices Discounted From Listed Prices	33%	9%
<b>SALE LISTINGS</b>		
Current (*)	4	4
New (Cumulative)	4	2

(\*) Total for current quarter

*This Analysis is based upon statistics of the Cape May Count Multiple Listing Service and is subject to errors and omissions.*

**CONCLUSION:**

There is limited activity in this marketplace even though activity has increased in the residential marketplace.