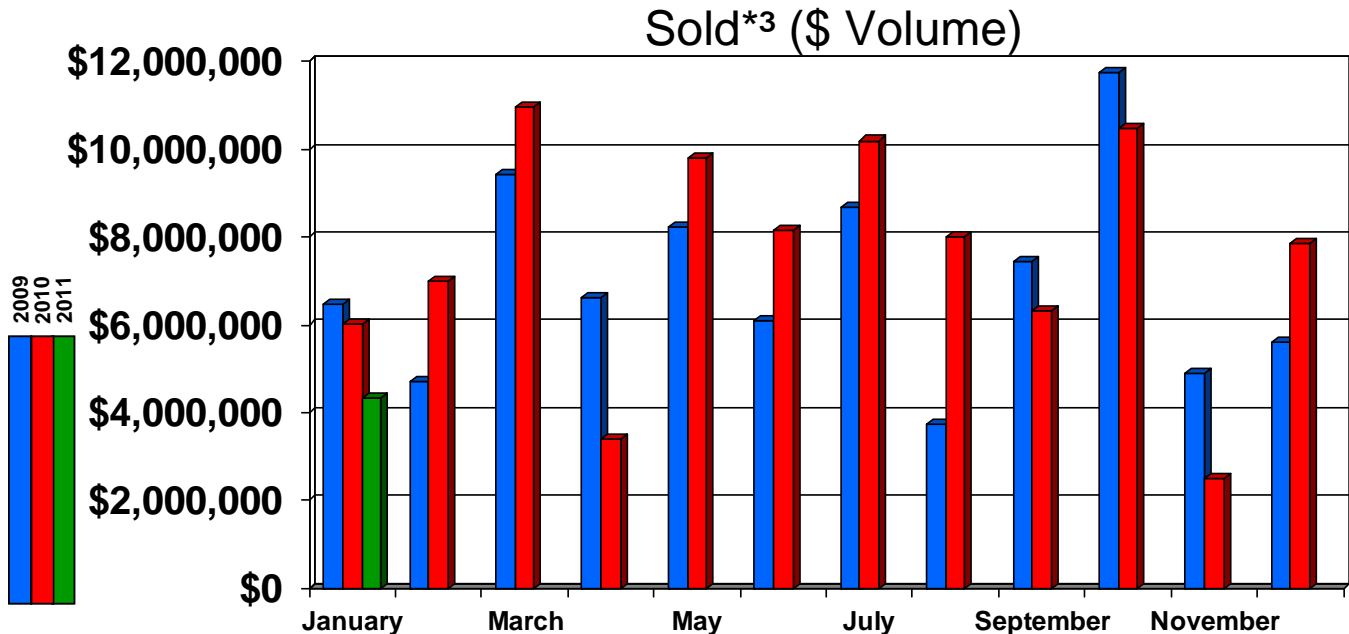


2011 STARTS SLOWLY



Based on information from the Western Upstate Multiple Listing Service for the Period January 1, 2009 through January 31, 2011

Lake Keowee Homes*¹

In the topsy-turvy world of Lake Keowee real estate, 2011 started slowly. The preceding December had signaled a market improvement and overall sales for 2010 were about 8.5% higher than those experienced in 2009. In the chart above, those **red** bars from 2010 out performed their **blue** bar counterparts from 2009 most of the time and we felt that the third quarter 2009 dip as the general economy faltered had played itself out. In January, however, only eight homes closed (six of these were in Keowee Key) totaling about \$4,300,000; about 28% less than experienced in January, 2010. The chart, of course, includes both waterfront homes on Lake Keowee and interior homes in Lake Keowee waterfront subdivisions (*"The Market"*). Sales of these homes for the months of November, December and January were about \$14,700,000 down about 11% from the comparable period of a year earlier. During that three month period, selling price discounts from the Initial asking price of a home remained high at about 31% and the average Days On Market (*"DOM"*) increased to about 374 days.

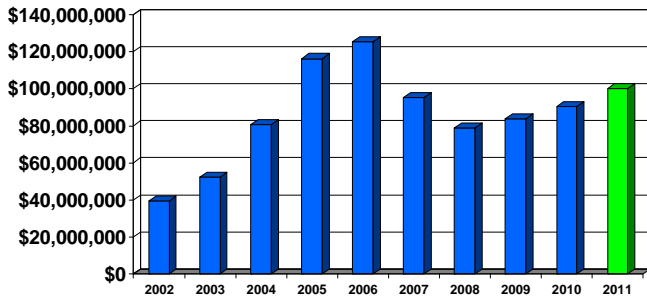
The months of January (5.8% of annual sales) and February (4.4% of annual sales) are always volatile and not a good predictor of things to come. A transaction here or there can really swing the statistics. So, we're hanging with our prediction from last month that 2011 is going to be a better year than 2010 as far as sales volume is concerned. However, actually selling prices will continue to be discounted and time on market will remain long.



Annual Market Trending

Annual Market

(Total Market by Year)



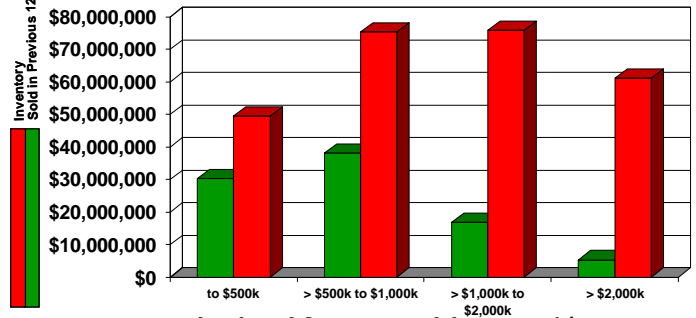
Lake Keowee Homes*1

This chart shows trends in *The Market* since 2002. Sales peaked in 2006 at just over \$120,000,000. It's clear that the market "bottomed out" in 2008. We now expect 2011 (estimated in green) sales to be about \$100,000,000, a 10% increase over 2010. But that doesn't mean prices are going up.

Inventory by Price Segment

Sales vs Inventory*2

(Market Segmented by Price Range)



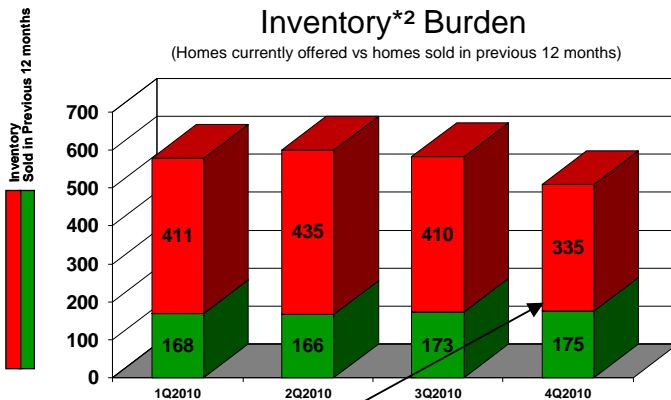
Lake Keowee Homes*1

This chart compares the total sales in a given price range (green) over the past twelve months versus the current inventory (red) of homes in that price range offered as of mid January 2011. Inventory is in better balance below \$500,000. At \$2,000,000 and above there's about \$61,000,000 of homes currently offered. There were two sales reported in that range in over the past twelve months.

Inventory*2 Dynamics

Inventory*2 Burden

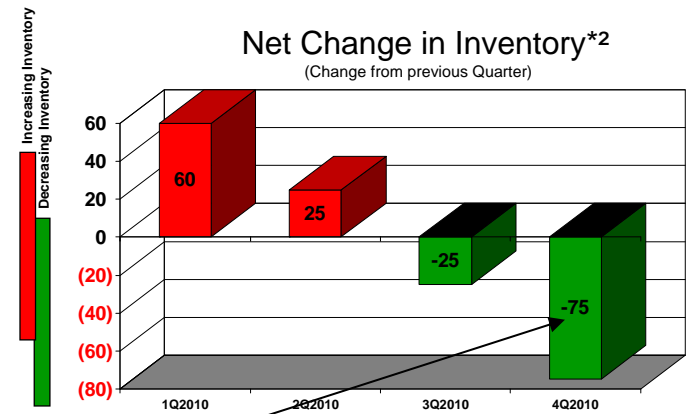
(Homes currently offered vs homes sold in previous 12 months)



Lake Keowee Homes*1

Net Change in Inventory*2

(Change from previous Quarter)



To put *The Market* into perspective, you need to look at how a years worth of sales (green) stacks up to the current inventory of homes being offered (red). In the twelve months that ended on December 31, 2010 (the "4Q2010" stack on the left hand chart above) 175 homes valued at \$90,500,000 sold. As of January 11, 2011 there was a total of 335 such home being offered asking an aggregate of \$262,000,000. The trend shows improvement. Sales are increasing and inventory is being withdrawn from the market. Inventory was reduced by 75 homes and \$60,000,000 in the fourth quarter. (Average price of a home withdrawn from inventory was \$800,000. Since the average price of a home sold was \$430,000, clearly higher end properties are leaving the inventory unsold.) Such a withdrawal is typical in a fourth quarter. We will need to watch how much of the withdrawn inventory returns to market in the Spring. Only when inventory is in balance with sales will prices stabilize.



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Lake Keowee Homes*1 - Sold*3 November, 2010 through January, 2011

Community	Type	Address	City	Beds	Bath	Half	Garage	SqFt	Closed	Sold	Initial	Discount	% DOM	
PORT SANTORINI		220 Apollo Dr	Seneca	3	2	0	2	2030	11/9/2010	\$200,000	\$249,900	\$49,900	20%	204
KEOWEE SUBDIVISION		1605 Keowee Lakeshore Drive	Seneca	3	2	0	2	1750	11/10/2010	\$212,000	\$219,000	\$7,000	3%	194
KEOWEE KEY		13 Low Tide Court	Salem	3	2	0	2	2022	11/10/2010	\$240,000	\$274,900	\$34,900	13%	234
KEOWEE KEY		4 Spy Glass Lane	Salem	3	3	0	2	2300	11/12/2010	\$230,000	\$284,900	\$54,900	19%	280
LORAN POINTE		1544 Enterprise Lane	Seneca	4	3	0	2	3000	11/17/2010	\$275,000	\$355,900	\$80,900	23%	244
PINE RIDGE POIN	Waterfront	203 Pine Croft Court	Seneca	5	3	1	3	5000	11/19/2010	\$1,100,000	\$1,695,000	\$595,000	35%	762
KEOWEE SUBDIVISION		1316 Juniper Court	Seneca	4	3	0	2	3376	11/24/2010	\$262,500	\$279,900	\$17,400	6%	112
Count:	7									Totals: \$2,519,500	\$3,359,500	\$840,000		
				Average: 3.57	2.57	0.14	2.14	2,783		\$359,929	\$479,929	\$120,000	25%	290
KEOWEE KEY		35 Port Tack Drive	Salem	4	2	1	1	2320	12/1/2010	\$229,900	\$249,900	\$20,000	8%	272
KEOWEE KEY		18 Tradewinds Way	Salem	4	4	0	2	3367	12/7/2010	\$350,000	\$479,000	\$129,000	27%	573
HARBOR PLUS ON KEOWEE		125 Briar Court	Seneca	3	2	0	2	1200	12/8/2010	\$105,000	\$369,000	\$264,000	72%	806
KEOWEE KEY	Waterfront	13 Ebb Tide Court	Salem	3	3	1	2	4500	12/9/2010	\$600,000	\$679,900	\$79,900	12%	108
CLIFFS AT KEOWEE FALLS SOUTH		415 Deerpark Court	Salem	4	4	0	2	3900	12/14/2010	\$625,000	\$1,195,000	\$570,000	48%	596
NORMANDY SHORES		100 Westchester Circle	Seneca	5	3	0	2	2509	12/15/2010	\$242,000	\$280,000	\$38,000	14%	145
KEOWEE KEY		6 Divot Landing	Salem	3	2	0	2	1800	12/17/2010	\$160,000	\$219,900	\$59,900	27%	198
KEOWEE KEY		4 Lead Line Way	Salem	4	3	0	2	2619	12/17/2010	\$175,000	\$442,900	\$267,900	60%	973
KEOWEE KEY		6 Channel Lane	Salem	3	2	1	2	2600	12/17/2010	\$223,000	\$272,500	\$49,500	18%	341
KEOWEE KEY		214 Shipmaster Dr	Salem	3	3	1	3	5700	12/17/2010	\$399,000	\$499,000	\$100,000	20%	349
KEOWEE KEY		2 Mainsail Drive	Salem	3	2	0	2	1607	12/20/2010	\$100,000	\$139,900	\$39,900	29%	39
EASTSHORES		204 Wynmere Way	Seneca	4	3	2	3	3270	12/20/2010	\$271,500	\$334,900	\$63,400	19%	174
THE RESERVE AT LAKE KEOWEE		1011 St Andrews Ct	Sunset	3	4	0	2	3169	12/20/2010	\$650,000	\$695,000	\$45,000	6%	94
CAPTAINS COVE	Waterfront	13024 Betty St	Seneca	3	3	1	2	4035	12/20/2010	\$700,000	\$799,000	\$99,000	12%	33
	Waterfront	3008 Lake Keowee Lane	Seneca	2	1	1	0	1344	12/23/2010	\$310,000	\$1,200,000	\$890,000	74%	1051
KEOWEE BAY		505 Keowee Bay Circle	Salem	5	3	0	1	1700	12/28/2010	\$185,000	\$255,000	\$70,000	27%	167
THE RESERVE AT LAKE KEOWEE	Waterfront	130 River Ridge Road	Sunset	5	4	2	2	6000	12/28/2010	\$1,240,000	\$1,895,000	\$655,000	35%	627
KEOWEE KEY		7 Marina Village Way	Salem	3	3	0	2	2300	12/29/2010	\$292,500	\$339,000	\$46,500	14%	245
KEOWEE HARBOURS		124 Beacon Ridge Circle	Salem	4	3	0	2	3100	12/30/2010	\$220,000	\$314,900	\$94,900	30%	805
TURTLEHEAD	Waterfront	111 Deer Laurel Way	Salem	4	3	2	0	3113	12/30/2010	\$780,000	\$849,000	\$69,000	8%	316
Count:	20									Totals: \$7,857,900	\$11,508,800	\$3,650,900		
				Average: 3.60	2.85	0.60	1.80	3,008		\$392,895	\$575,440	\$182,545	32%	396
KEOWEE KEY	Waterfront	67 Mainsail Drive	Salem	3	3	0	0	1762	1/6/2011	\$320,000	\$460,000	\$140,000	30%	343
KEOWEE KEY	Waterfront	52 Mainsail	Salem	5	4	0	0	2600	1/7/2011	\$403,000	\$597,000	\$194,000	32%	718
KEOWEE KEY	Waterfront	4 Wave Court	Salem	3	2	1	2	3000	1/14/2011	\$560,000	\$685,000	\$125,000	18%	281
KEOWEE KEY	Waterfront	7 Shiplight Court	Salem	4	3	0	2	3800	1/14/2011	\$530,000	\$799,000	\$269,000	34%	634
KEOWEE KEY		4 Smooth Sailor	Salem	3	2	0	2	2400	1/20/2011	\$225,000	\$329,000	\$104,000	32%	659
	Waterfront	18181 Eagle Point	Seneca	3	3	1	2	2600	1/21/2011	\$501,000	\$585,000	\$84,000	14%	73
THE RESERVE AT LAKE KEOWEE	Waterfront	429 Augusta Way	Sunset	5	5	2	3	5785	1/21/2011	\$1,475,000	\$2,750,000	\$1,275,000	46%	333
KEOWEE KEY		11 Lash Up Lane	Salem	3	3	0	2	2112	1/31/2011	\$311,000	\$349,000	\$38,000	11%	117
Count:	8									Totals: \$4,325,000	\$6,554,000	\$2,229,000		
				Average: 3.63	3.13	0.50	1.63	3,007		\$540,625	\$819,250	\$278,625	34%	395
Three Month Count:	35									Three Month Total: \$14,702,400	\$21,422,300	\$6,719,900		
				Three Month Average: 3.60	2.86	0.49	1.83	2,963		\$420,069	\$612,066	\$191,997	31%	374

Bank Owned Property
Short Sale

Range: Lake Keowee Subdivision Homes

Closed: Based on information from the Western Upstate Multiple Listing Service for the period November 1, 2010 thru January 31, 2011

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"New Year Dawns Over Lake Keowee" ©Copyright 2011 Bill Koepnick. Used with permission

Footnotes:

Lake Keowee Homes^{*1} means waterfront and interior homes in subdivisions that share a boundary with Lake Keowee.

Inventory^{*2} means current volume (in units or dollars) of Lake Keowee Homes offered for sale.

Sold^{*3} means aggregate value (in units or dollars) of Lake Keowee Homes contracts reported as closed during the period indicated.

Source: Western Upstate Multiple Listing Service for the periods indicated. Some transactions are not reported by the MLS. Examples include but are not limited to: sales by unrepresented sellers, sales by large developers not actively participating in the MLS (*Cliffs Communities Real Estate, Inc., The Reserve at Lake Keowee*®, etc.), sales resulting from foreclosure auctions and tax sales. "On Market" time may be longer and "Original Price" may have been higher. These statistics are only reported for the most recent listing. There may have been one or more earlier listings of a given property. The data is deemed reliable but is not guaranteed. This *Integrity Market Report* does not provide investment advice.

