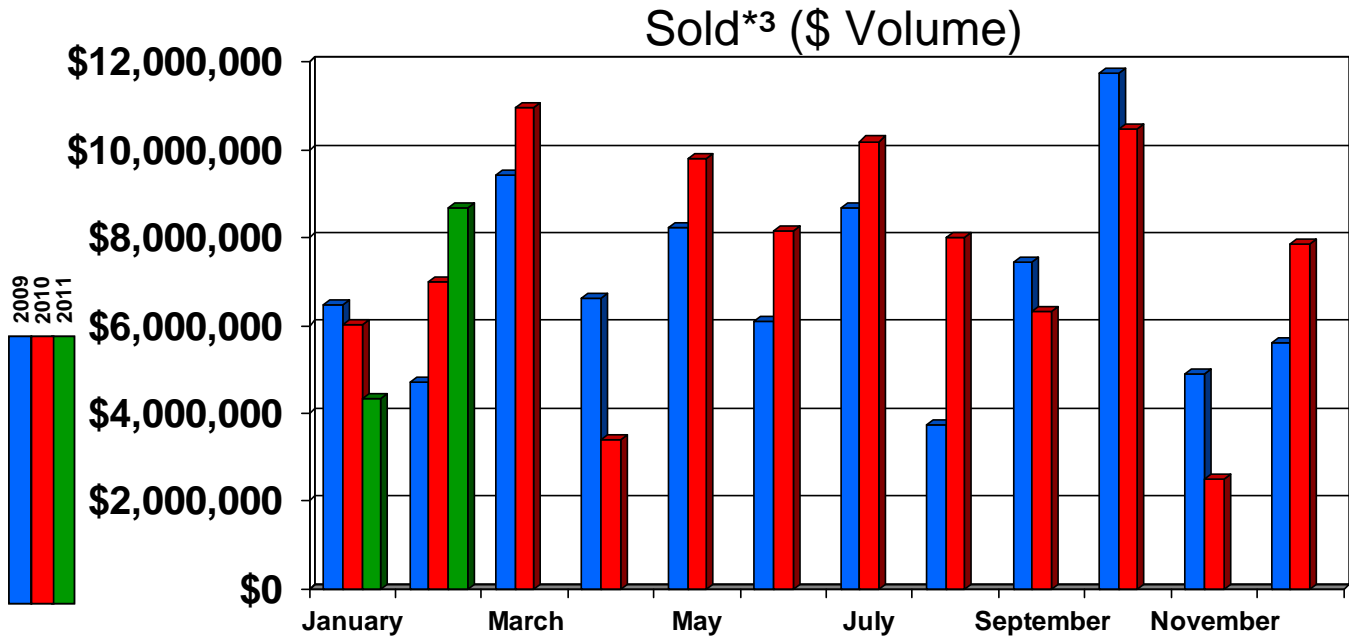


2011 PICKS UP STEAM



Based on information from the Western Upstate Multiple Listing Service for the Period January 1, 2009 through February 28, 2011

Lake Keowee Homes*¹

After a slow start in January, the 2011 Lake Keowee market picked up some much-needed steam during the short month of February. Here's an amazing fact: Three "mega homes" (i.e., selling above \$1,000,000) sold in February and each was asking above \$2,000,000. Granted one of these homes was in *The Cliffs at Keowee Vineyards* and we expect "mega home" sales in *The Cliffs* and *The Reserve at Lake Keowee*. But the other two sales were on the south basin of the lake in *Beacon Shores* and *Waterford*. Of the \$8,657,000 sold in February, the three "mega homes" accounted for \$5,125,000 or about 60% of the sales volume. On average, their selling price was discounted about 26% from their initial asking price. Clearly there is some BIG money out there and it's taking advantage of the Buyer's Market we're experiencing.

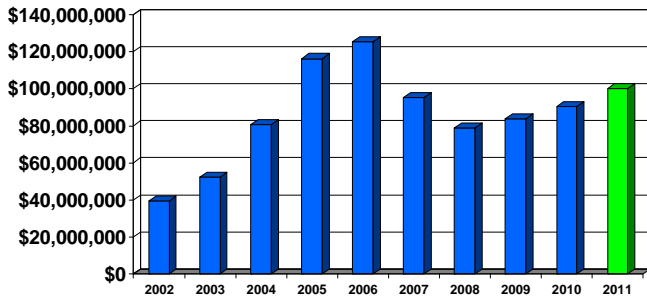
The chart includes both waterfront homes on Lake Keowee and interior homes in Lake Keowee waterfront subdivisions ("*The Market*"). Sales of these homes for the months of December, January and February were about \$20,840,000 up about 12% from the comparable period of a year earlier. (February sales were up about 23% over those of a year ago. We'd have to go back to 2006 to find a better performing February.) During the three month period, selling price discounts from the Initial asking price of a home remained high at about 30% and the average Days On Market ("DOM") remained constant at about 373 days.



Annual Market Trending

Annual Market

(Total Market by Year)



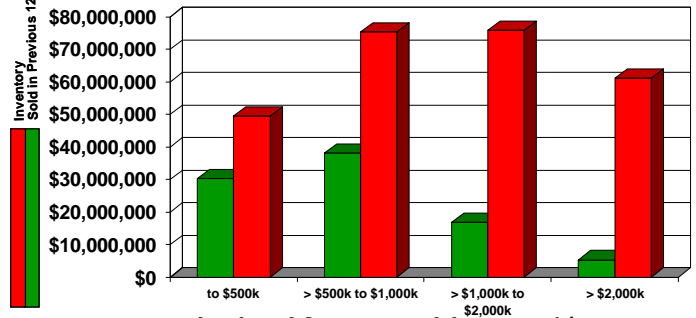
Lake Keowee Homes*1

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)



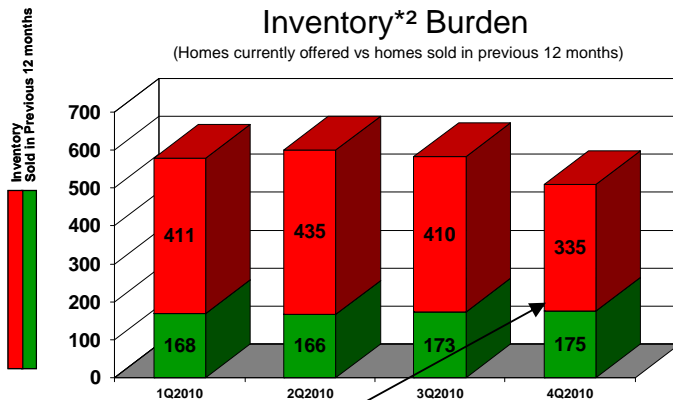
Lake Keowee Homes*1

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

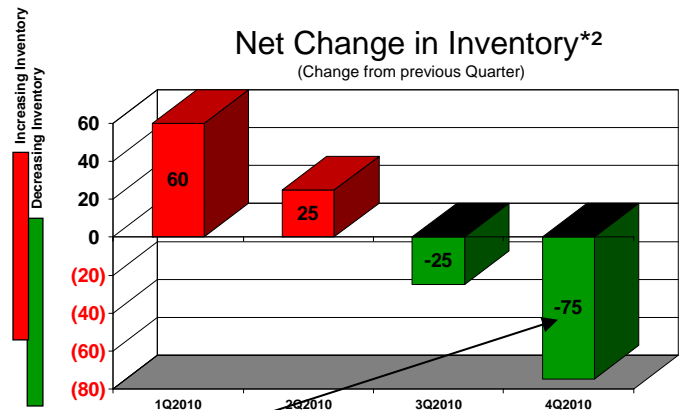
(Homes currently offered vs homes sold in previous 12 months)



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 December, 2010 through February, 2011

Community	Type	Address	City	Beds	Bath	Half arage	SqFt	Closed	Sold	Initial	Discount	% DOM	
KEOWEE KEY		35 Port Tack Drive	Salem	4	2	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 Deerchase 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	Monthly Averages: 3.60 2.85 0.60 1.80 3.008					Totals:	\$7,857,900	\$11,508,800	\$3,650,900		
Results for December		Monthly Averages: 3.60 2.85 0.60 1.80 3.008					Totals:	\$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	Monthly Averages: 3.63 3.13 0.50 1.63 3.007					Totals:	\$4,325,000	\$6,554,000	\$2,229,000		
Results for January		Monthly Averages: 3.63 3.13 0.50 1.63 3.007					Totals:	\$540,625	\$819,250	\$278,625	34%	395	
BEACON SHORES	Waterfront	760 Navigators Pointe	Seneca	4	5	1	3 5700	2/1/2011	\$1,350,000	\$2,150,000	\$800,000	37%	236
KEOWEE SUBDIVISION		913 Lakecrest Drive	Seneca	4	3	2	3 3250	2/2/2011	\$340,000	\$349,900	\$9,900	3%	102
	Waterfront	11051 Fairview Church Road	Seneca	4	3	1	2 3600	2/3/2011	\$445,000	\$789,000	\$344,000	44%	1067
KEOWEE KEY		102 Starboard Tack	Salem	4	3	0	2 2700	2/7/2011	\$307,000	\$330,000	\$23,000	7%	47
CLIFFS @ VINYRD	Waterfront	116 Sun Drop Court	Sunset	4	4	1	3 4941	2/10/2011	\$1,575,000	\$2,195,000	\$620,000	28%	358
WATERFORD SUB		600 Edgeview Court	Seneca	4	3	1	3 3623	2/14/2011	\$385,000	\$525,000	\$140,000	27%	357
KEOWEE BAY	Waterfront	1015 Longshore Drive	Salem	4	4	1	2 3612	2/18/2011	\$630,000	\$875,000	\$245,000	28%	423
BACKWATER LANDING		#36 Melton Road	West Union	2	2	0	0 1100	2/21/2011	\$90,000	\$155,000	\$65,000	42%	289
KEOWEE KEY	Waterfront	52 Foremast Drive	Salem	3	2	1	2 3959	2/23/2011	\$735,000	\$799,000	\$64,000	8%	113
KNOX POINTE	Waterfront	339 Knox Campground Road	Seneca	6	5	0	0 5000	2/25/2011	\$600,000	\$936,500	\$336,500	36%	266
WATERFORD SUB	Waterfront	731 Clearlake Pointe	Seneca	4	5	0	3 5300	2/28/2011	\$2,200,000	\$2,589,000	\$389,000	15%	237
Count:		11	Monthly Averages: 3.91 3.55 0.73 2.09 3.890					Totals:	\$8,657,000	\$11,693,400	\$3,036,400		
Results for February		Monthly Averages: 3.91 3.55 0.73 2.09 3.890					Totals:	\$787,000	\$1,063,036	\$276,036	26%	318	
Three Month Count:		39	Three Month Total:					\$20,839,900	\$29,756,200	\$8,916,300			
Results for Three Months		Three Month Averages: 3.69 3.10 0.62 1.85 3.256					Totals:	\$534,356	\$762,979	\$228,623	30%	373	

Bank Owned Property
Short Sale

Range: Lake Keowee Subdivision Homes
Closed: Based on information from the Western Upstate Multiple Listing Service for the period December 1, 2010 thru February 28, 2011

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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.

