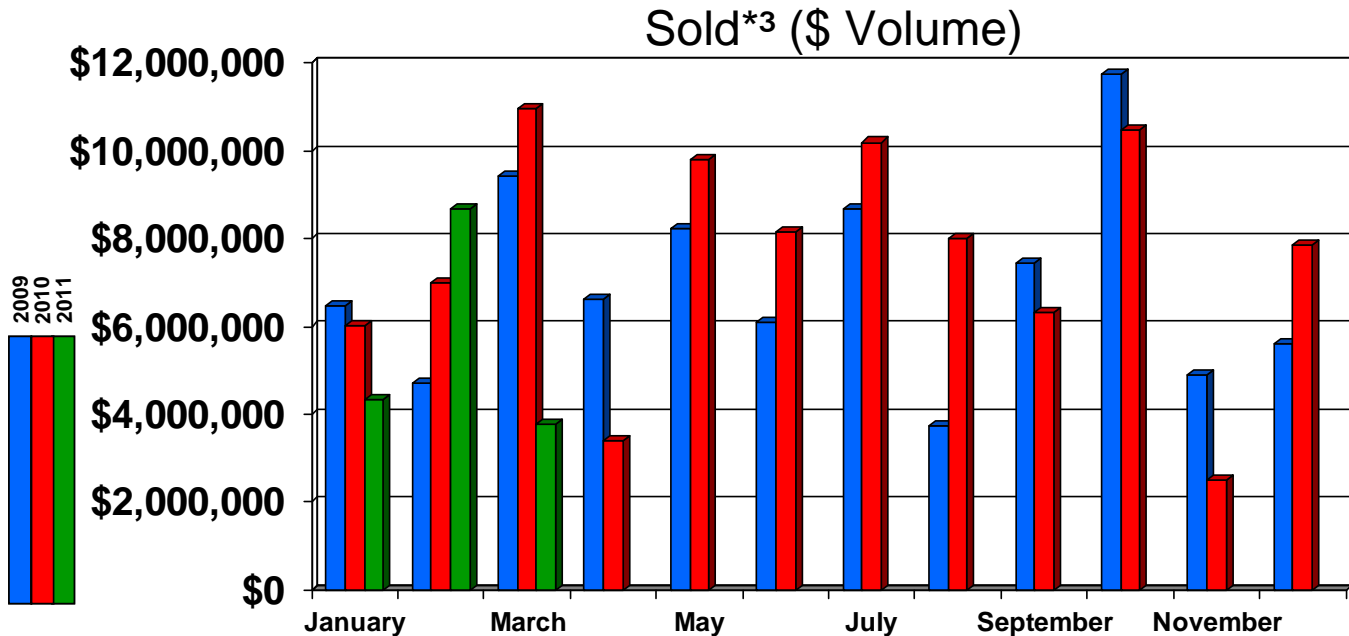


A SNOW JOB?



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

Lake Keowee Homes*¹

January was slow, but the up-tick in Lake Keowee Home sales driven by the sales of three “mega homes” (i.e. homes selling about \$1,000,000) experienced in February caused us to report “*Lake Keowee market picked up some much-needed steam during the short month of February*” last month. Steam, as you well know, is a gas and our market ran out of gas in March. But there is a story behind the story.

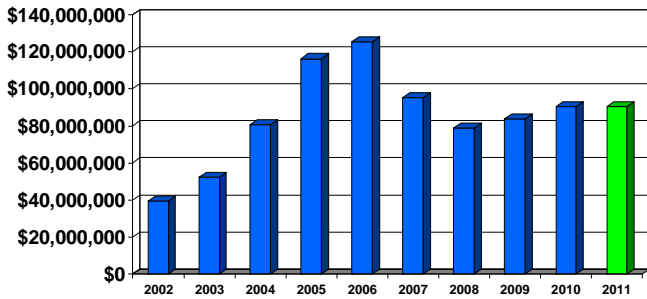
The above chart includes both waterfront homes on Lake Keowee and interior homes in Lake Keowee waterfront subdivisions (“*The Market*”). In March, twelve such homes sold for a total of about \$3,800,000. (Two homes were bank-owned. One was a sold as a short sale.) The March results were down about 65% from those from March of a year ago. Overall, for the first quarter months of January, February and March sales were about \$16,800,000 down about 30% from the comparable period of 2010. Admittedly, *The Market* has been bouncing around for some months. But, why the big drop in March? Was it what James Carville said about the 1992 presidential campaign, “It’s the economy, stupid”. Well, no. At least not in the macro sense. It was the micro economy as controlled by the weather. All those prospective buyers were holed-up elsewhere waiting for their snow to melt last January when they should have been down here on the lake inspecting properties and signing contracts. And if they had been here, they would have found it difficult to get around. So either the January snows did a job on *The Market* or I’m doing a snow-job on you. We’ll see.

April is always a little off because folks are busy trying to figure out how to pay their taxes. But, once that’s behind this year, May should be a good month.



Annual Market Trending

Annual Market
(Total Market by Year)

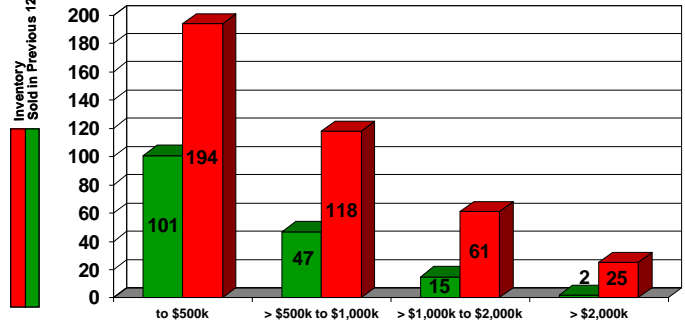


Lake Keowee Homes*1

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. Based on the first quarter which typically accounts for 18% of annual sales, we now expect 2011 (estimated in green) sales to be \$100,000,000, about the same as 2010. Our outlook at the end of January was for about \$110,000,000 in 2011 sales.

Inventory by Price Segment

Sales vs Inventory*2 (Units)
(Market Segmented by Price Range)



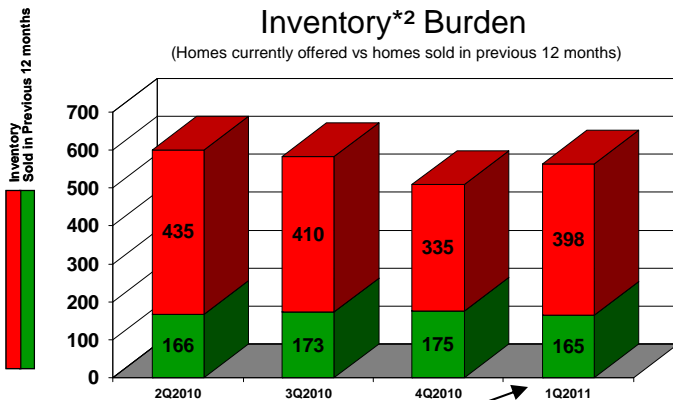
Lake Keowee Homes*1

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 April 8, 2011. Inventory is in better balance below \$500,000. At \$2,000,000 and above there's about \$64,000,000 of homes currently offered. There were two sales reported in that range in over the past twelve months.

Inventory*2 Dynamics

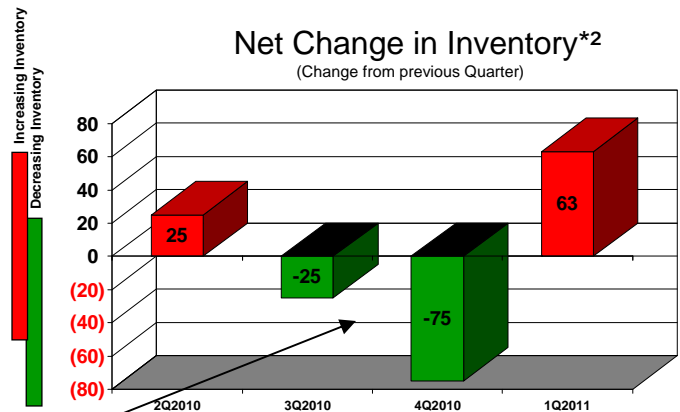
Inventory*2 Burden

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



Net Change in Inventory*2

(Change from previous Quarter)



Lake Keowee Homes*1

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 March 31, 2011 (the "1Q2011" stack on the left hand chart above) 165 homes valued at \$90,500,000 sold. As of April 8, 2011 there was a total of 398 such home being offered asking an aggregate of \$262,000,000. The chart is annually cyclic. Homes are brought on-market in the first and second quarters only to be withdrawn unsold in the third and fourth. Although the average selling price of a home sold in *The Market* over the past 12 months was \$550,000, those 63 homes entering the market during 1Q2011 are asking \$660,000 on average. We suspect that they will be discounted about 17% on average before they are sold.



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

Community	Type	Address	City	Beds	Bath	Half	Garage	SqFt	Closed	Sold	Initial	Discount	% DOM	
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	Waterfront	4 Smooth Sailor	Salem	3	2	0	2	2400	1/20/2011	\$225,000	\$329,000	\$104,000	32% 659	
THE RESERVE AT LAKE KEOWEE	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	Waterfront	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	Waterfront	913 Lakecrest Drive	Seneca	4	3	2	3	3250	2/2/2011	\$340,000	\$349,900	\$9,900	3% 102	
KEOWEE KEY	Waterfront	11051 Fairview Church Road	Seneca	4	3	1	2	3600	2/3/2011	\$445,000	\$789,000	\$344,000	44% 1067	
KEOWEE KEY	Waterfront	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	Waterfront	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	Waterfront	#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							
MOUNTAIN VIEW POINT	Waterfront	304 Falling Leaf Court	Seneca	3	2	1	2	2800	3/2/2011	\$499,500	\$499,000	(\$500)	0% 74	
SOUTH OAK POINT	Waterfront	120 South Oak Pointe Drive	Seneca	6	4	1	3	2597	3/3/2011	\$820,000	\$1,175,000	\$355,000	30% 336	
WATERFORD RIDGE	Waterfront	614 Winterpine Court	Seneca	4	3	1	2	3800	3/4/2011	\$421,000	\$749,000	\$328,000	44% 739	
LAKESIDE ESTATE	Waterfront	105 Meadowcrest Dr.	Seneca	4	3	0	2	3826	3/9/2011	\$400,000	\$625,000	\$225,000	36% 462	
WATERSIDECROSSI	Waterfront	111 N Waterside Drive	Seneca	4	3	1	2	3229	3/14/2011	\$405,000	\$499,500	\$94,500	19% 235	
KEOWEE KEY	Waterfront	1 Breakers Court	Salem	4	3	0	2	3000	3/15/2011	\$200,000	\$259,900	\$59,900	23% 183	
BACKWATER LANDING	Waterfront	#96 Melton Road	West Union	2	2	0	0	1100	3/15/2011	\$160,000	\$195,000	\$35,000	18% 347	
KEOWEE BAY	Waterfront	503 Keowee Bay Circle	Salem	3	2	0	0	1800	3/15/2011	\$175,000	\$285,000	\$110,000	39% 770	
KEOWEE KEY	Waterfront	18 Golf Green Lane	Salem	3	2	1	2	2350	3/18/2011	\$242,500	\$329,000	\$86,500	26% 1068	
HARBOR PLUS ON KEOWEE	Waterfront	131 Briar Ct	Seneca	3	2	0	1	1177	3/23/2011	\$110,000	\$149,000	\$39,000	26% 33	
KEOWEE KEY	Waterfront	6 Golf Green Lane	Salem	3	2	1	2	2100	3/24/2011	\$160,000	\$249,000	\$89,000	36% 374	
WATERS EDGE	Waterfront	300 Ridgeside Court	West Union	3	3	0	2	2300	3/25/2011	\$169,671	\$188,000	\$18,329	10% 144	
Count:		12		Monthly Averages: 3.50 2.58 0.50 1.67 2,507					Totals: \$3,762,671 \$5,202,400 \$1,439,729					
Results for March		Monthly Averages: 3.50 2.58 0.50 1.67 2,507					Totals: \$313,556 \$433,533 \$119,977 28% 397							
Three Month Count:		31		Three Month Total: \$16,744,671 \$23,449,800 \$6,705,129					Results for Three Months Three Month Averages: 3.68 3.06 0.58 1.81 3,127 \$540,151 \$756,445 \$216,294 29% 368					

Bank Owned Property Range: Lake Keowee Subdivision Homes
Short Sale Closed: Based on information from the Western Upstate Multiple Listing Service for the period January 1, 2011 thru March 31, 2011

We Understand how to deal in this market. It takes three things to sell a home. We call them the three Ps of real estate: **Preparation, Positioning and Promotion.** Give us a call and we'll tell you more. There's no obligation on your part.





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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 Home 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.

