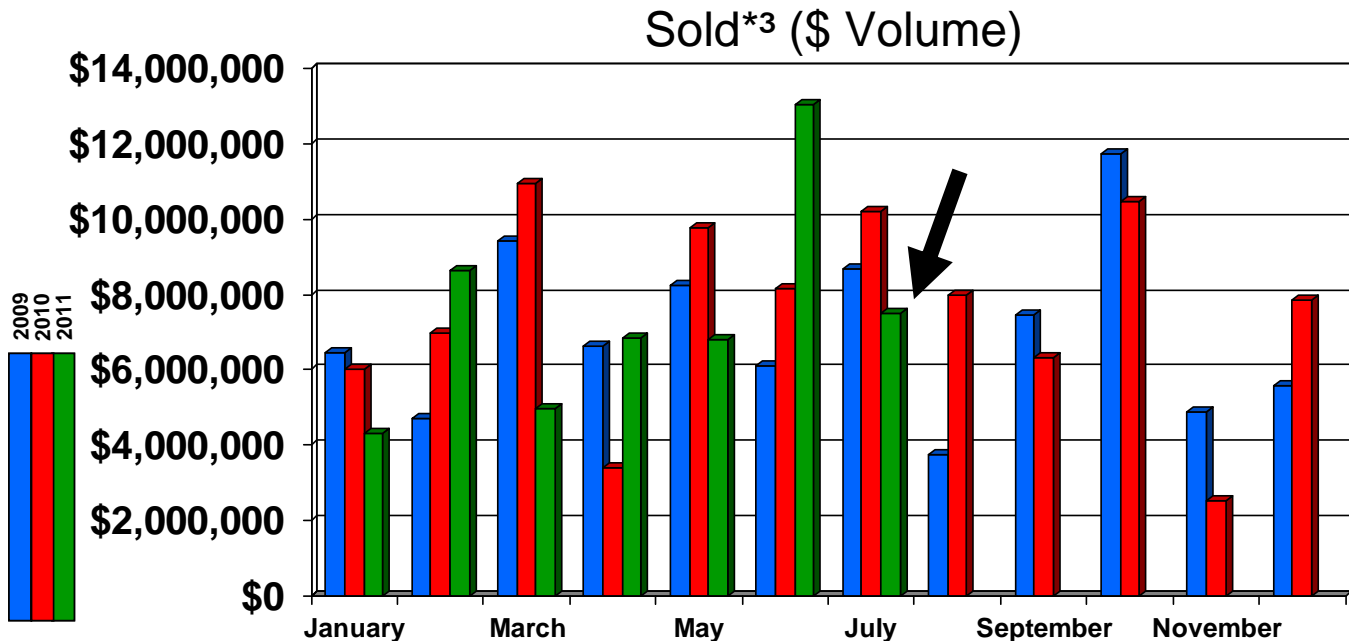


JULY: A DISSAPPOINTMENT



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

Lake Keowee Homes*1

Fourteen Lake Keowee Homes sold in July generating about \$7,500,000 in sales volume. Five were waterfront homes. Nine were interior homes in subdivisions that have Lake Keowee as a boundary. This was substantially less than the \$13,000,000 sales generated just last month in June and it also represented a 26% decline over the sales volume experienced in July of the prior year, 2010.

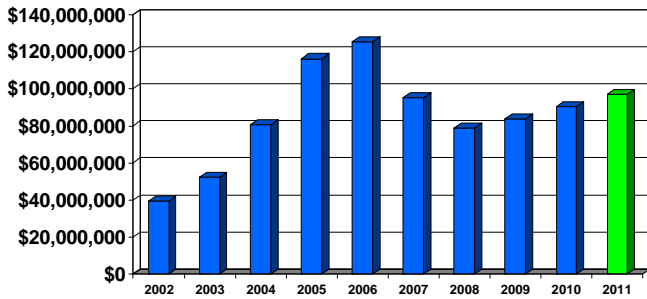
The trend that we have named "nibbling on the edges" continued and there were notable sales along those market "edges". Two waterfront homes that were asking above \$1,000,000 were sold, but the discounts were substantial on both. One, originally offered at \$3,300,000, sold after being on-market about 900 days for \$1,500,000. Another, originally offered at \$2,195,000, sold for \$1,660,000 after about 270 days. These home sales were at discounts of 55% and 24% respectively. The remaining three waterfront homes (which ranged in price from \$425,00 to \$600,000) sold at an average price of about \$535,000. The vast mid-range of waterfront homes between \$600,000 and \$1,500,000 was essentially untouched. The average of the nine interior homes that sold in a Lake Keowee subdivision was about \$306,000.

So the Lake Keowee marketplace, which was encouraging in June, couldn't duck the national real estate trend line in July. Smart buyers are continuing to purchase premier properties. But it is a rough road for sellers.



Annual Market Trending

Annual Market
(Total Market by Year)

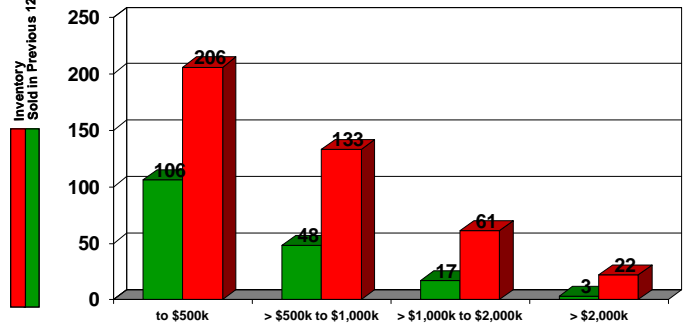


Lake Keowee Homes*1

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 two quarters, which typically account for 46% of annual sales, we now expect 2011 (estimated in green) sales to be \$97,000,000, about 7% better than 2010.

Inventory by Price Segment

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



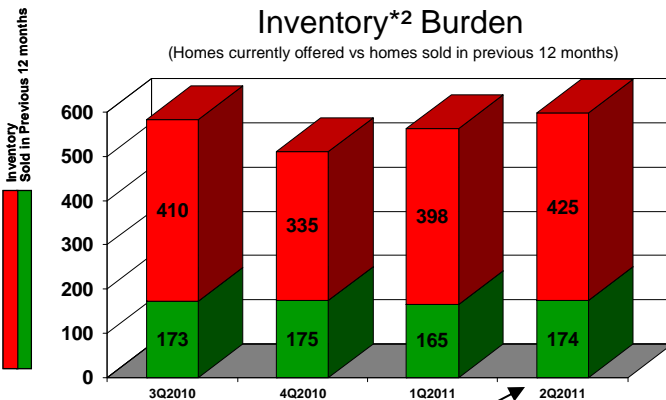
Lake Keowee Homes*1

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 July 20, 2011. Inventory is in better balance below \$500,000. At \$2,000,000 and above there's about \$58,000,000 of homes currently offered. There were three sales reported in that range in over the past twelve months.

Inventory*2 Dynamics

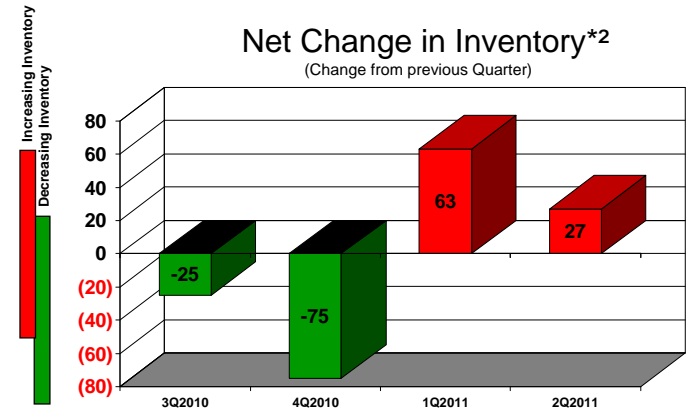
Inventory*2 Burden

(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 June 30, 2011 (the "2Q2011" stack on the left hand chart above) 174 homes valued at \$91,000,000 sold. As of July 20, 2011 there was a total of 425 such home being offered asking an aggregate of \$313,000,000. The inventory is annually cyclic. Homes are brought on-market in the first and second quarters only to be withdrawn unsold in the third and fourth. The average selling price of a home sold in *The Market* over the past 12 months was \$523,000. The average asking price for a home in the inventory is currently about \$736,000.



Lake Keowee Homes*1 - Sold*3 May, 2011 through July, 2011

Community	Type	Address	City	Beds	Bath	Half arage	SqFt	Closed	Sold	Initial	Discount	% DOM	
CLIFFS AT KEOWEE FALLS SOUTH	Waterfront	146 Blue Water Trail	Salem	4	4	2	3	4174 5/4/2011	\$1,050,000	\$1,980,000	\$930,000	47% 341	
KEOWEE KEY		2 Golf Green Lane	Salem	3	2	1	2	2100 5/6/2011	\$235,000	\$285,900	\$50,900	18% 249	
CRYSTAL FALLS	Waterfront	320 Bridgeport Drive	West Union	3	2	1	2	1900 5/6/2011	\$280,000	\$309,000	\$29,000	9% 315	
KEOWEE KEY		16 Foremast	Salem	4	2	1	2	3642 5/16/2011	\$285,000	\$339,000	\$54,000	16% 206	
WATERSIDECROSSI	Waterfront	405 Baywood Court	Seneca	4	5	2	3	7000 5/17/2011	\$1,512,500	\$1,925,000	\$412,500	21% 438	
WATERSIDECROSSI	Waterfront	425 E Waterside Drive	Seneca	5	5	1	3	5400 5/20/2011	\$1,800,000	\$1,895,000	\$95,000	5% 31	
		245 Joe Hopkins Road	West Union	3	2	0	2	1594 5/25/2011	\$101,231	\$210,000	\$108,769	52% 386	
WATERSIDECROSSI		105 N Waterside Drive	Seneca	3	3	0	2	2932 5/26/2011	\$400,000	\$485,000	\$85,000	18% 561	
HARBOR PLUS ON KEOWEE		123 Briar Court	Seneca	3	2	0	1	1200 5/27/2011	\$91,000	\$104,000	\$13,000	13% 102	
SOUTHWIND BAY	Waterfront	114 Southwind Bay Dr.	Seneca	4	3	0	2	4850 5/31/2011	\$533,000	\$449,000	(\$84,000)	-19% 35	
THE RESERVE AT LAKE KEOWEE		111 Guest House Court	Sunset	3	3	1	0	1850 5/31/2011	\$494,900	\$494,900	\$0	0% 62	
Count:	11								Totals:	\$6,782,631	\$8,476,800	\$1,694,169	
Results for May		Monthly Averages:							\$616,603	\$770,618	\$154,015	20%	248
SPANISH COVE		900 Doubloon Street	West Union	3	2	0	2	1452 6/1/2011	\$175,000	\$189,900	\$14,900	8% 97	
WATERFORD POINTE - OCONEE		140 Westlake Drive	Seneca	4	2	1	2	3000 6/1/2011	\$420,000	\$596,000	\$176,000	30% 418	
KEOWEE KEY		2 Bowsprit Ln	Salem	3	2	1	2	2390 6/1/2011	\$185,000	\$258,000	\$73,000	28% 460	
KEOWEE KEY	Waterfront	3 Lanyard Circle	Salem	4	2	1	2	4200 6/7/2011	\$510,000	\$699,500	\$189,500	27% 828	
KEOWEE KEY		26 Iron Clad Drive	Salem	4	4	0	2	3620 6/8/2011	\$350,000	\$459,000	\$109,000	24% 131	
KEOWEE KEY		4 Mainsail Drive	Salem	2	3	0	2	2800 6/8/2011	\$145,900	\$159,000	\$13,100	8% 289	
THE RESERVE AT LAKE KEOWEE		105 N Lawn Drive	Sunset	5	5	1	2	5000 6/9/2011	\$975,000	\$1,350,000	\$375,000	28% 450	
KEOWEE KEY	Waterfront	616 N Flagship Drive	Salem	4	3	1	2	4102 6/11/2011	\$790,000	\$949,000	\$159,000	17% 273	
KEOWEE KEY		27 Iron Clad	Salem	3	2	1	2	2300 6/14/2011	\$215,000	\$249,000	\$34,000	14% 117	
KEOWEE KEY		55 Par Harbor Way	Salem	3	3	1	1	2600 6/15/2011	\$230,000	\$259,000	\$29,000	11% 210	
KEOWEE KEY	Waterfront	14 Sextant	Salem	5	3	0	2	3600 6/16/2011	\$525,000	\$649,900	\$124,900	19% 366	
BEACON SHORES	Waterfront	758 Navigators Pointe	Seneca	3	3	1	3	3500 6/17/2011	\$700,000	\$895,000	\$195,000	22% 234	
KEOWEE KEY		329 Long Reach	Salem	4	2	1	2	2400 6/20/2011	\$215,000	\$450,000	\$235,000	52% 1205	
KEOWEE KEY	Waterfront	4 High Water Court	Salem	4	3	0	2	900 6/23/2011	\$489,000	\$549,000	\$60,000	11% 54	
CANE CREEK COVE	Waterfront	139 Warrior Creek Drive	West Union	4	4	1	2	4100 6/23/2011	\$418,200	\$497,500	\$79,300	16% 92	
KEOWEE KEY		505 Long Reach	Salem	3	2	0	2	2200 6/23/2011	\$235,000	\$245,000	\$10,000	4% 92	
CLIFFS @ VINYRD	Waterfront	878 Clubhouse Drive	Sunset	3	3	2	0	3143 6/24/2011	\$750,000	\$1,195,000	\$445,000	37% 633	
CLIFFS AT KEOWEE	Waterfront	106 Young Deer Trail	Sunset	5	4	0	2	4250 6/24/2011	\$636,000	\$759,000	\$123,000	16% 631	
WYNWARD POINTE	Waterfront	112 Wynward Pointe Drive	Salem	4	4	1	3	4200 6/27/2011	\$640,000	\$774,900	\$134,900	17% 440	
KEOWEE KEY		14 Admiral Lane	Salem	4	2	1	2	3000 6/27/2011	\$346,000	\$414,900	\$68,900	17% 369	
KEOWEE KEY		5 Tide Turn	Salem	3	3	0	2	2700 6/27/2011	\$191,000	\$299,900	\$108,900	36% 875	
KEOWEE KEY	Waterfront	111 Shipmaster Drive	Salem	4	3	1	4	3550 6/28/2011	\$560,000	\$699,000	\$139,000	20% 343	
CANE CREEK COVE	Waterfront	175 Warrior Creek Dr.	West Union	3	4	0	2	3200 6/29/2011	\$420,000	\$459,000	\$39,000	8% 138	
CLIFFS AT KEOWEE	Waterfront	125 Kingfisher Way	Sunset	4	4	1	3	7698 6/29/2011	\$2,300,000	\$2,950,000	\$650,000	22% 441	
PORT SANTORINI		309 Delphi Dr	Seneca	4	3	0	2	3800 6/30/2011	\$226,000	\$244,000	\$18,000	7% 113	
KEOWEE KEY	Waterfront	29 Spyglass Lane	Salem	3	3	0	2	2000 6/30/2011	\$412,500	\$549,000	\$136,500	25% 518	
Count:	26								Totals:	\$13,059,600	\$16,799,500	\$3,739,900	
Results for June		Monthly Averages:							\$502,292	\$646,135	\$143,842	22%	378
KEOWEE KEY		321 Long Reach	Salem	4	2	1	2	2300 7/7/2011	\$275,000	\$389,000	\$114,000	29% 728	
CRAGGMOORE	Waterfront	305 Galax Ridge	Salem	6	6	1	3	9000 7/13/2011	\$1,500,000	\$3,300,000	\$1,800,000	55% 898	
KEOWEE KEY		15 Golf Green Lane	Salem	2	3	0	2	2030 7/15/2011	\$173,000	\$269,000	\$96,000	36% 590	
CLIFFS AT KEOWEE	Waterfront	438 Old Shallowford Bridge Road	Sunset	4	4	2	2	5900 7/18/2011	\$1,660,000	\$2,195,000	\$535,000	24% 269	
WATERFORD POINTE - OCONEE		601 Coleridge Court	Seneca	3	2	2	2	2395 7/18/2011	\$375,000	\$429,000	\$54,000	13% 392	
HIDDEN FALLS		721 Hidden Falls Drive	West Union	4	3	0	2	3000 7/19/2011	\$280,000	\$344,900	\$64,900	19% 500	
WATERFORD SUB		304 Oakleaf Court	Seneca	3	2	1	2	3185 7/20/2011	\$434,500	\$599,000	\$164,500	27% 539	
SOUTH OAK POINT		117 South Oak Pointe Drive	Seneca	4	3	1	2	3750 7/22/2011	\$400,000	\$479,000	\$79,000	16% 476	
WATERS EDGE		175 W. WATERS EDGE LANE	West Union	5	3	0	0	3400 7/26/2011	\$250,000	\$299,000	\$49,000	16% 103	
KEOWEE KEY		207 Night Cap Lane, Keowee Key	Salem	3	3	1	2	2470 7/28/2011	\$289,000	\$289,000	\$0	0% 28	
NORTHLAKE ESTAT	Waterfront	300 Pine Cliff Dr.	Seneca	3	2	1	2	2469 7/29/2011	\$575,000	\$659,000	\$84,000	13% 77	
ELEVEN OAKS		312 Devon Way	Seneca	3	2	1	3	2900 7/29/2011	\$277,000	\$340,000	\$63,000	19% 444	
	Waterfront	1376 Pine Grove Church Road	Sunset	5	3	1	0	3300 7/29/2011	\$425,000	\$590,000	\$165,000	28% 102	
KEOWEE KEY	Waterfront	8 Lighthouse Court	Salem	4	2	1	2	4825 7/29/2011	\$600,000	\$989,000	\$389,000	39% 802	
Count:	14								Totals:	\$7,513,500	\$11,170,900	\$3,657,400	
Results for July		Monthly Averages:							\$536,679	\$797,921	\$261,243	33%	425
Three Month Count:	51								Three Month Total:	\$27,355,731	\$36,447,200	\$9,091,469	
Results for Three Months		Three Month Averages:							\$536,387	\$714,651	\$178,264	25%	363

Bank Owned Property
Short Sale

Range: Lake Keowee Subdivision Homes
Closed: Based on information from the Western Upstate Multiple Listing Service for the period May 1, 2011 thru July 31, 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 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.

