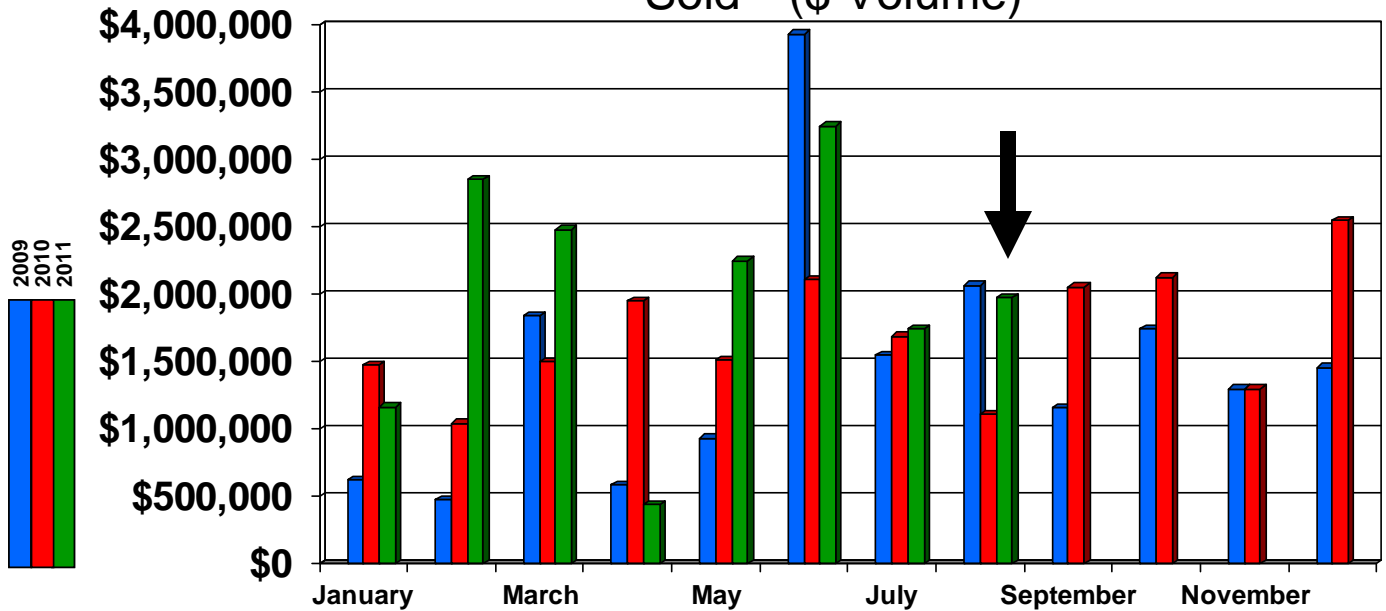


CONTINUED IMPROVEMENT

Sold*3 (\$ Volume)



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

Lake Keowee Lots*1

For several months it has been our opinion that the Lake Keowee waterfront lot market was improving. The results for August reinforce this view. Seven waterfront lots were sold for a total of about \$1,980,000. The August performance was better than the \$1,740,000 sales volume for July 2011 and up about 78% over the \$1,115,000 sales volume experienced in August of 2010. Overall, 2011 is trending better than 2010. Waterfront lot sales led the decline of the Lake Keowee market by about two years and they appear to be leading its recovery.

The average price of a lot sold in August 2011 was \$282,500. This figure has been trending upward somewhat since it bottomed out earlier this year; another positive sign.

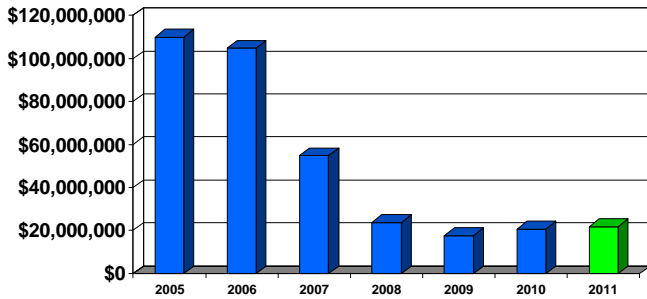
But don't rush to the bank, yet. With speculators and investors on the sidelines, the folks buying lots are those who are optimistic about the future and plan to build and retire to the Upstate.



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Annual Market Trending

Annual Market
(Total Market by Year)

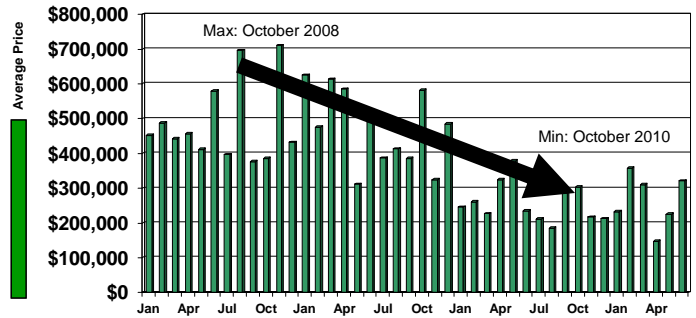


Lake Keowee Lots*1

This chart shows trends in *The Market* since 2005. Sales volume peaked in 2005 at just about \$110,000,000. It's clear that the market "bottomed out" in 2009. We now expect 2011 (estimated in green) sales to be about \$22,000,000, about 7% greater than 2010.

Average Price of Lot Sold

(January, 2008 through March, 2011)



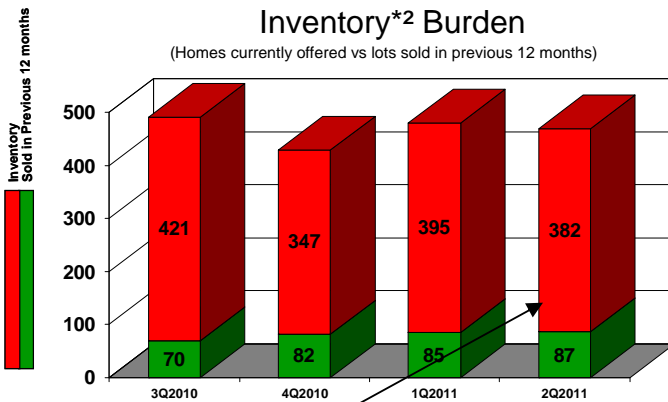
Lake Keowee Lots*1

The average price of a lot sold peaked in October, 2008. Since then this market measure had dropped rapidly but now seems to be leveling off. Because sales volume has diminished, the sale (or lack of sale) of very high-end lots greatly influenced these averages.

Inventory*2 Dynamics

Inventory*2 Burden

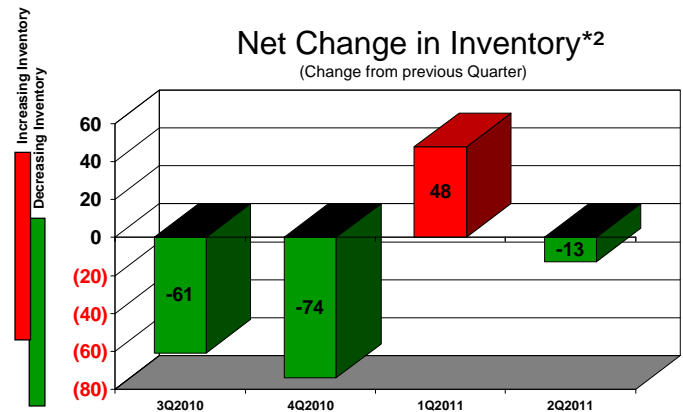
(Homes currently offered vs lots sold in previous 12 months)



Lake Keowee Lots*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 lots being offered (red). In the twelve months that ended on June 30, 2011 (the "2Q2011" stack on the left hand chart above) 87 lots valued at \$23,000,000 sold. As of July 20, 2011 there was a total of 382 such lots being offered asking an aggregate of \$154,000,000. The inventory is generally cyclic. It typically builds in the first and second quarter of each year as new properties are brought to market. When most of these properties remain unsold, they are withdrawn over the third and fourth quarters; only to return in the following year. This year, however, inventory dropped unexpectedly in the second quarter. By dollar volume, the current unsold inventory represents about seven years sales. By lot count, the inventory is a little over four years. Although we expect that the volume of lot sales will increase, the depth of inventory will keep pressure on pricing.



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Lake Keowee Lots*¹ - Sold*³ June, 2011 through August, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	%	DOM
THE RESERVE AT LAKE KEOWEE	Waterfront	835 Top Ridge Drive	Sunset	6/1/2011	\$625,000	\$699,950	\$74,950	11%	45
OTHER	Waterfront	Lot 8 Meares Road	Seneca	6/3/2011	\$138,500	\$150,000	\$11,500	8%	141
WATERSIDECROSSI	Waterfront	Lot 78	Seneca	6/10/2011	\$280,000	\$299,900	\$19,900	7%	66
SOUTHWIND BAY	Waterfront	Lot 36	Seneca	6/13/2011	\$185,000	\$249,900	\$64,900	26%	300
OTHER	Waterfront	Lot 10 Meares Road	Seneca	6/3/2011	\$140,250	\$150,000	\$9,750	7%	141
CLEAR WATER	Waterfront	Lot 28	Seneca	6/24/2011	\$90,000	\$159,900	\$69,900	44%	381
CRESTVIEW SUBD.	Waterfront	Lot 22 Crest Pointe Drive	Seneca	6/27/2011	\$600,000	\$699,000	\$99,000	14%	60
WATERSIDECROSSI	Waterfront	183 Sunset Court	Seneca	6/29/2011	\$485,000	\$495,000	\$10,000	2%	8
THE RESERVE AT LAKE KEOWEE	Waterfront	306 Cool Water Way	Sunset	6/29/2011	\$209,900	\$249,000	\$39,100	16%	97
OTHER	Waterfront	Lot 3 Meares Road	Seneca	6/30/2011	\$107,250	\$150,000	\$42,750	29%	168
OTHER	Waterfront	Lot 7 Meares Road	Seneca	6/30/2011	\$104,500	\$150,000	\$45,500	30%	168
OTHER	Waterfront	Lot 6 Meares Road	Seneca	6/30/2011	\$99,000	\$150,000	\$51,000	34%	168
OTHER	Waterfront	Lot 4 Meares Road	Seneca	6/30/2011	\$92,400	\$150,000	\$57,600	38%	168
RIVERSTONE	Waterfront	Lot 20	Salem	6/30/2011	\$90,000	\$224,900	\$134,900	60%	856
Count:	14				Totals: \$3,246,800	\$3,977,550	\$730,750		
Results for June					Average: \$231,914	\$284,111	\$52,196	18%	198
CLIFFS AT KEOWEE	Waterfront	Lot 63	Sunset	7/2/2011	\$312,000	\$395,000	\$83,000	21%	1060
LAKESIDE POINTE	Waterfront	Lot 5	Seneca	7/5/2011	\$280,000	\$420,000	\$140,000	33%	1058
WATERFORD POINTE - OCONEE	Waterfront	Lot 227	Seneca	7/15/2011	\$230,000	\$239,000	\$9,000	4%	101
POINTE HARBOR	Waterfront	Lot 47	Seneca	7/15/2011	\$135,000	\$299,000	\$164,000	55%	746
OTHER	Waterfront	Lot 5 Meares Road	Seneca	7/25/2011	\$94,600	\$149,000	\$54,400	37%	101
THE RESERVE AT LAKE KEOWEE	Waterfront	160 South Falls Road	Sunset	7/26/2011	\$399,900	\$698,000	\$298,100	43%	1286
THE COVE	Waterfront	Lot 14	Salem	7/29/2011	\$210,000	\$220,000	\$10,000	5%	182
CLEAR WATER	Waterfront	Lot 21	Seneca	7/29/2011	\$80,000	\$129,000	\$49,000	38%	314
Count:	8				Totals: \$1,741,500	\$2,549,000	\$807,500		
Results for July					Average: \$217,688	\$318,625	\$100,938	32%	606
NO SUBDIVISION	Yes	1.59 Ac +/- Hwy 183	Seneca	8/4/2011	\$425,000	\$499,000	\$74,000	15%	98
POINTE HARBOR	Yes	Lot 36 & 36A	Seneca	8/8/2011	\$72,500	\$199,000	\$126,500	64%	854
CLIFFS AT VINYARD	Yes	107 Wood Sage Court	Sunset	8/8/2011	\$325,000	\$449,000	\$124,000	28%	401
CLIFFS AT KEOWEE FALLS SOUTH	Yes	JC-28 Jasmine Point	Salem	8/11/2011	\$350,000	\$725,000	\$375,000	52%	460
WYNWARD POINTE	Yes	303 Woodgreene Ct.	Salem	8/15/2011	\$375,000	\$530,000	\$155,000	29%	410
OUTER BANKS	Yes	Lot 24	Six Mile	8/26/2011	\$215,000	\$250,000	\$35,000	14%	62
WATERFORD POINTE - OCONEE	Yes	Lot 35 North Acorn	Seneca	8/31/2011	\$215,000	\$325,000	\$110,000	34%	601
Count:	7				Totals: \$1,977,500	\$2,977,000	\$999,500		
Results for August					Average: \$282,500	\$425,286	\$142,786	34%	412
Count:	29				Totals: \$6,965,800	\$9,503,550	\$2,537,750		
Results for Three Months					Average: \$240,200	\$327,709	\$87,509	27%	362

Bank Owned Property
Short Sale

Range: Lake Keowee Waterfront Lots

Closed: Based on information from the Western Upstate Multiple Listing Service for the period June 1, 2011 through August 31, 2011

We Understand how to deal in this market. It takes three things to sell a lot. 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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3

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Footnotes:

Lake Keowee Lots^{*1} means waterfront lots.

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

Sold^{*3} means aggregate value (in units or dollars) of Lake Keowee Lot 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.

