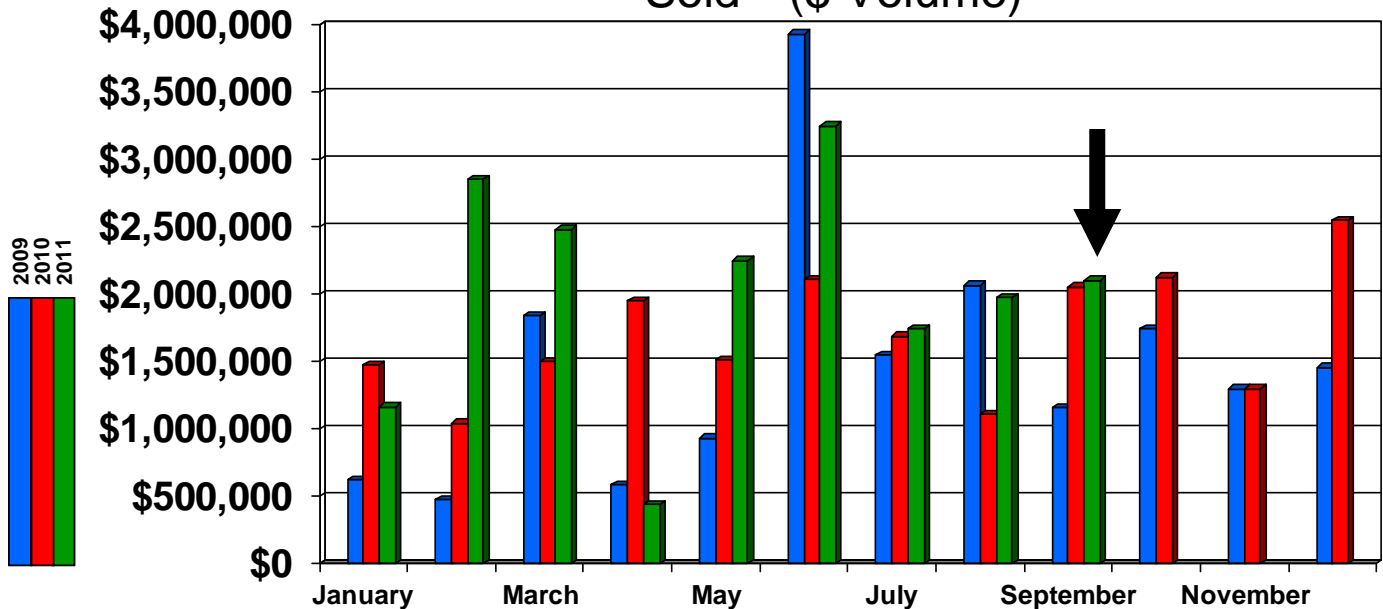


THE BEAT GOES ON

Sold*3 (\$ Volume)



Based on information from the Western Upstate Multiple Listing Service for the Period January 1, 2009 through September 30, 2011

Lake Keowee Lots*1

Sales of Lake Keowee waterfront lots continued at a steady pace in September with the sale of ten lots for a total of about \$2,100,000. This was about 6% higher than sales in the prior month of August, 2011 and about 3% above the sales experience in September from a year ago. Sales in the entire third quarter of 2011, which amounted to about \$5,800,000, were up about 20% from that experienced in the third quarter of 2010.

Although September's average waterfront lot selling price of \$210,000 was a little low when compared to the average for the entire third quarter of about \$233,000, it appears that a region of pricing stability has been reached. Not that every seller will be happy at this pricing point. But we're experiencing a significant number of bank-owned properties being sold at bargain prices and expect this to continue for the foreseeable future.

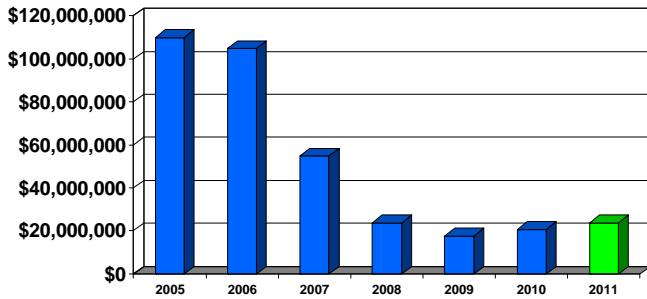
The short summary: Sales are low, but steady. Prices are low, but steady.



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Annual Market Trending

Annual Market
(Total Market by Year)

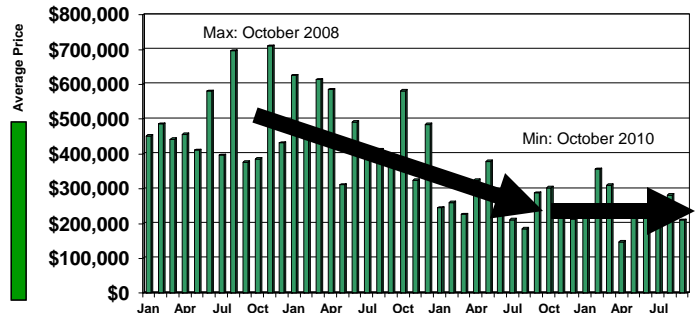


Lake Keowee Lots*1

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 \$23,700,000, about 16% greater than 2010. Lots are performing better than homes.

Average Price of Lot Sold

(January, 2008 through September, 2011)



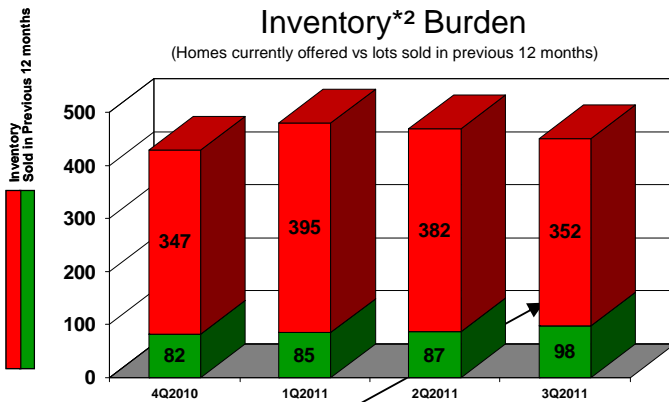
Lake Keowee Lots*1

The average price of a lot sold peaked in October, 2008. Since then this market measure had dropped rapidly but now seems to have leveled 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

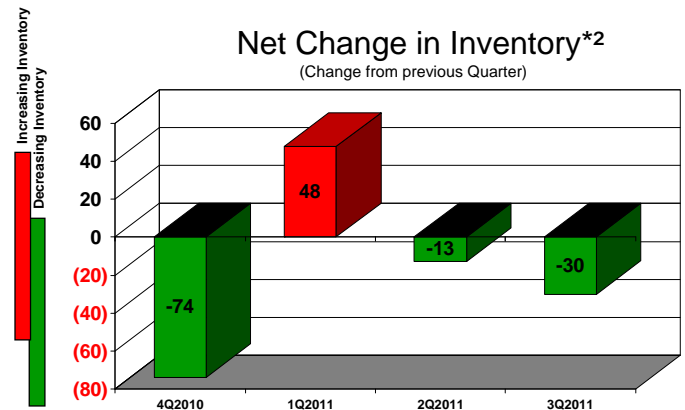
(Homes currently offered vs lots sold in previous 12 months)



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 September 30, 2011 (the "3Q2011" stack on the left hand chart above) 98 lots valued at \$24,200,000 sold. As of October 19, 2011 there was a total of 352 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 a little over 6 years sales. By lot count, the inventory is a little over three and a half years. By all measures, the Lake Keowee lot market appears to be steady. The patient is weak, but probably recovering.



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Lake Keowee Lots*¹ - Sold*³ July, 2011 through September, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	%	DOM
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	Waterfront	1.59 Ac +/- Hwy 183	Seneca	8/4/2011	\$425,000	\$499,000	\$74,000	15%	98
POINTE HARBOR	Waterfront	Lot 36 & 36A	Seneca	8/8/2011	\$72,500	\$199,000	\$126,500	64%	854
CLIFFS AT VINYARD	Waterfront	107 Wood Sage Court	Sunset	8/8/2011	\$325,000	\$449,000	\$124,000	28%	401
CLIFFS AT KEOWEE FALLS SOUTH	Waterfront	JC-28 Jasmine Point	Salem	8/11/2011	\$350,000	\$725,000	\$375,000	52%	460
WYNWARD POINTE	Waterfront	303 Woodgreene Ct.	Salem	8/15/2011	\$375,000	\$530,000	\$155,000	29%	410
OUTER BANKS	Waterfront	Lot 24	Six Mile	8/26/2011	\$215,000	\$250,000	\$35,000	14%	62
WATERFORD POINTE - OCONEE	Waterfront	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
LAUREL RIDGE	Waterfront	16 Laurel Ridge	Seneca	9/7/2011	\$299,000	\$376,500	\$77,500	21%	586
RIVERSTONE	Waterfront	Lot 84	Salem	9/8/2011	\$147,000	\$199,000	\$52,000	26%	378
MOONLIGHT BAY ON KEOWEE	Waterfront	Lot 56 Moonbeam Way	Seneca	9/9/2011	\$115,000	\$359,000	\$244,000	68%	742
KEOWEE PENINSUL	Waterfront	Lot 7	Seneca	9/12/2011	\$260,000	\$329,900	\$69,900	21%	129
WYNWARD POINTE	Waterfront	605 English Oak Lane	Salem	9/15/2011	\$150,000	\$220,000	\$70,000	32%	429
THE RESERVE AT LAKE KEOWEE	Waterfront	213 Governor Glen Drive	Sunset	9/23/2011	\$119,900	\$399,900	\$280,000	70%	735
KEOWEE BAY	Waterfront	Lot 3	Salem	9/23/2011	\$215,000	\$299,900	\$84,900	28%	356
WALKER POINT	Waterfront	196 Walker Point	Seneca	9/27/2011	\$140,000	\$269,000	\$129,000	48%	1156
THEWOODS@KEOWEE	Waterfront	Lot 46 Bayhill Drive	West Union	9/28/2011	\$260,000	\$399,000	\$139,000	35%	127
THE RESERVE AT LAKE KEOWEE	Waterfront	200 Saranac Drive	Sunset	9/30/2011	\$400,000	\$514,400	\$114,400	22%	338
Count:	10				Totals: \$2,105,900	\$3,366,600	\$1,260,700		
Results for September					Average: \$210,590	\$336,660	\$126,070	37%	498
Count:	25				Totals: \$5,824,900	\$8,892,600	\$3,067,700		
Results for Three Months					Average: \$232,996	\$355,704	\$122,708	34%	509

Bank Owned Property

Short Sale

Range: Lake Keowee Waterfront Lots

Closed: Based on information from the Western Upstate Multiple Listing Service for the period July 1, 2011 through September 30, 2011

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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.

