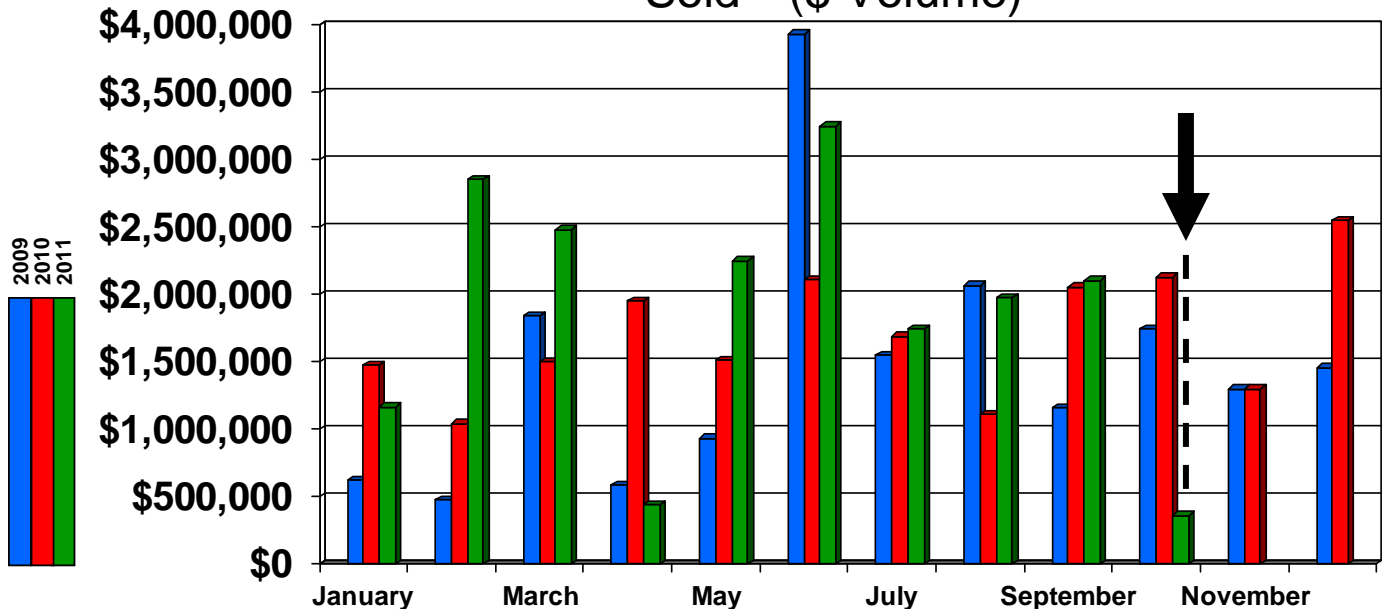


AUCTIONS TAKE THEIR TOLL

Sold*3 (\$ Volume)



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

Lake Keowee Lots*1

Every now and then we have a month that needs to be thrown out of the database. October was such a month. According to the records of the Western Upstate Multiple Listing Service three Lake Keowee waterfront lots were sold for a grand total of \$363,200 in October; an average of about \$120,000. This is well below the performance of the relatively up-beat year 2011 had been for lots to this point.

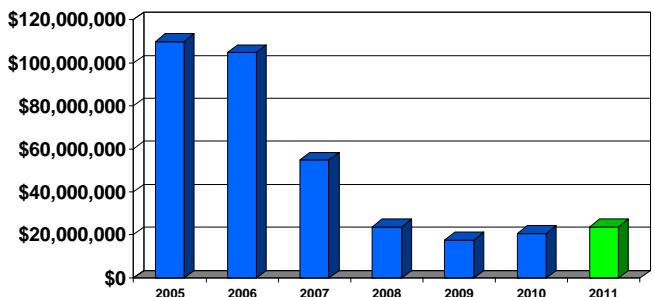
So what happened? Well, auctions happened. Oconee County liquidated its tax delinquent properties on October 3, 2011 with about 500 parcels offered. Many of these were lots on or around Lake Keowee. (Up until a few weeks prior to the auction, hundreds of lots in The Cliffs at Keowee Falls had been scheduled to be sold. These lots received a last minute reprieve when their past-due taxes were paid.)

With all that excess inventory overhanging the market, “normal” sales staggered. We’re taking a Mulligan on October.



Annual Market Trending

Annual Market
(Total Market by Year)

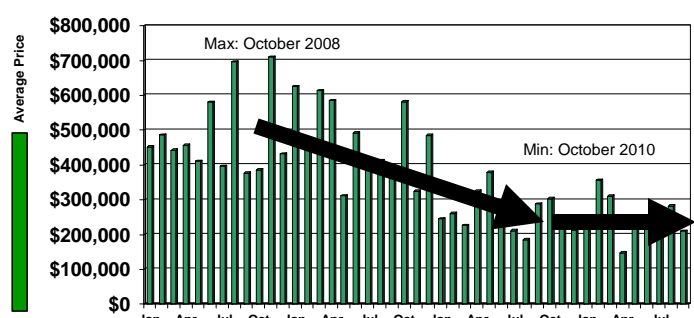


Lake Keowee Lots*1

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)



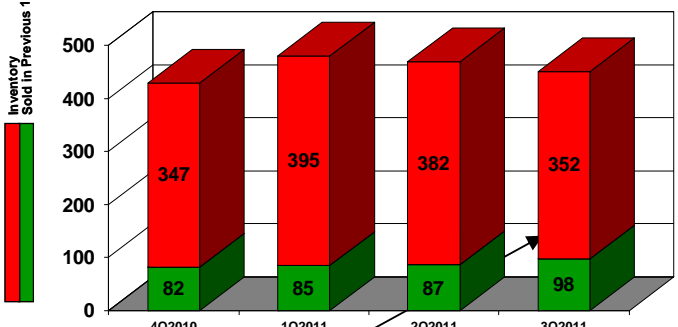
Lake Keowee Lots*1

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

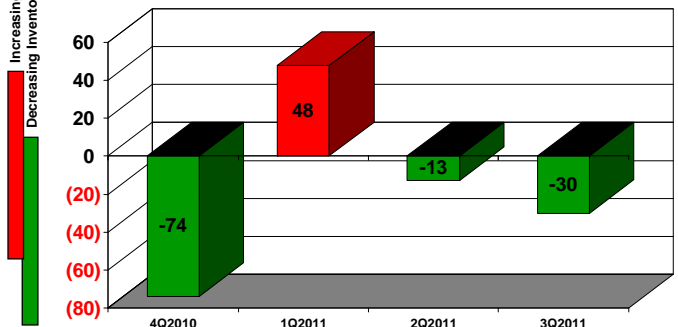
(Homes currently offered vs lots sold in previous 12 months)



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 August, 2011 through October, 2011

Community	Type	Address	City	Closed	Sold	Initial	Discount	% DOM
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
OTHER	Waterfront	Lot 3 Mandalay Way	Seneca	10/26/2011	\$65,000	\$129,999	\$64,999	50% 321
THE RESERVE AT LAKE KEOWEE	Waterfront	Lot D-2	Sunset	10/27/2011	\$120,000	\$130,000	\$10,000	8% 92
OUTER BANKS	Waterfront	Lot 8	Six Mile	10/28/2011	\$177,200	\$199,000	\$21,800	11% 280
Count:	3				Totals: \$362,200	\$458,999	\$96,799	
Results for October					Average: \$120,733	\$153,000	\$32,266	21% 231
Count:	20				Totals: \$4,445,600	\$6,802,599	\$2,356,999	
Results for Three Months					Average: \$222,280	\$340,130	\$117,850	35% 428

Bank Owned Property
Short Sale

Range: Lake Keowee Waterfront Lots
Closed: Based on information from the Western Upstate Multiple Listing Service for the period August 1, 2011 through October 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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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.

