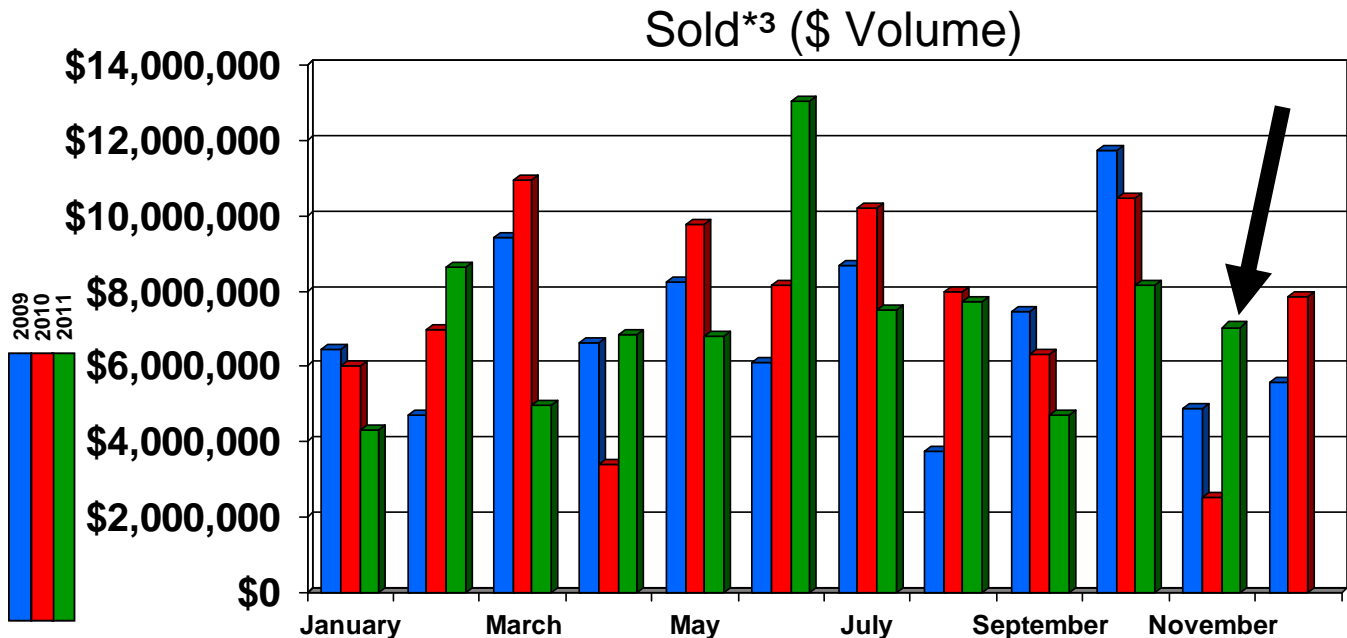


2011 HAS FALLEN BEHIND



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

Lake Keowee Homes*¹

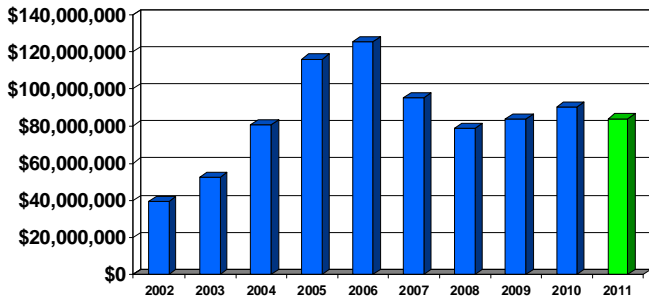
Sales of eleven Lake Keowee homes in November were reported by the Western Upstate Multiple Listing Service for a total of \$7,044,000. This represented a marked improvement of about 180% over sales of only about \$2,500,000 experience in November of 2010. The November 2011 sales were down about 14% from those experienced in the prior month of October; a trend that is typical for this time of year. The upward bounce over the prior year was driven in part by the sale of three "Mega Home", homes that sell for over \$1,000,000. Although it is unusual for three "Mega Homes" to sell in a given month, the same thing happened in October. The November sales were in Waterford (\$1,660,000), The Cliffs at Keowee Vineyards (\$1,500,000) and Craggmore (\$1,450,000). The remaining eight sales were all priced below \$510,000. That left a pretty wide gap in the market between \$510,000 and \$1,450,000 in which no homes were sold. It could be that the theme we called "nibbling on the edges" earlier this year returned to the market with very high end and fairly low end homes selling while the mid-market homes languished. If so, it's a sign of opportunistic purchasing.

You can get a better feel of the market if you view it over slightly longer time periods. Sales aggregated over the three months of September, October and November 2011 were down about 3% from the comparable period in 2010. And that tells the story! Baring some surprises in December, we expect 2011 to come in about 6% lower in total sales than 2010. After two years of market growth we're seeing a set back.



Annual Market Trending

Annual Market
(Total Market by Year)

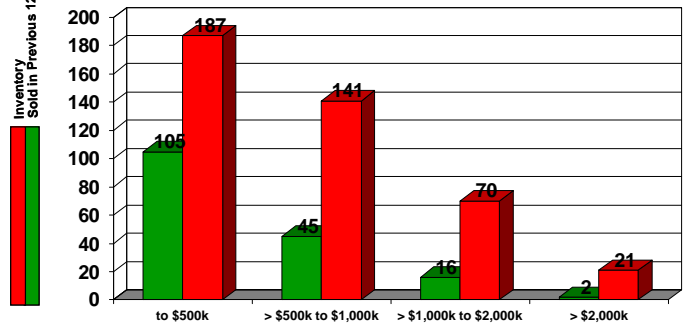


Lake Keowee Homes*1

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 three quarters of sales already experienced in 2011, which typically account for 80% of annual sales, we now expect 2011 (estimated in green) sales to be \$84,000,000, down 7% from 2010. .

Inventory by Price Segment

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



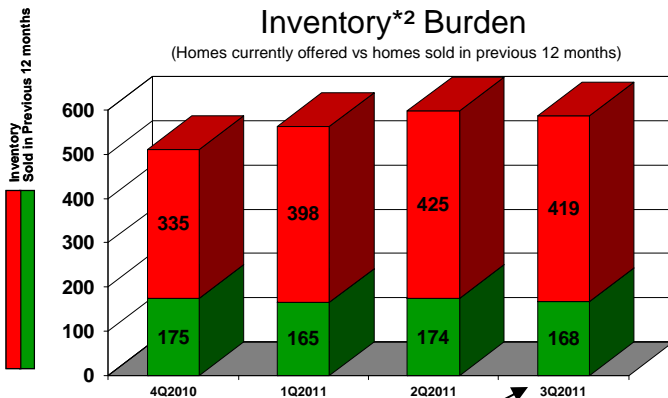
Lake Keowee Homes*1

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 October 19, 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 two sales reported in that range in over the past twelve months.

Inventory*2 Dynamics

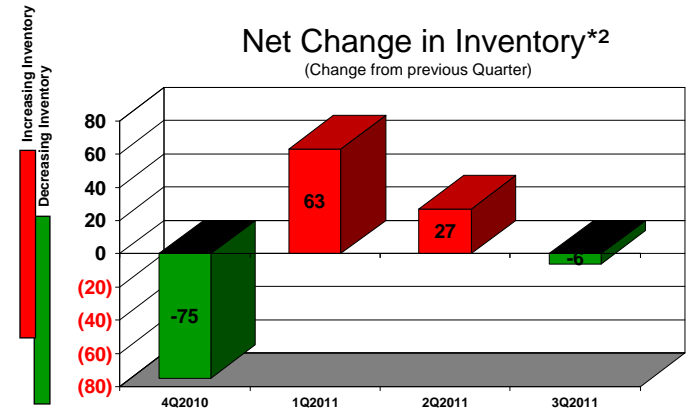
Inventory*2 Burden

(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 September 30, 2011 (the "3Q2011" stack on the left hand chart above) 168 homes valued at \$85,600,000 sold. As of October 19, 2011 there was a total of 419 such home being offered asking an aggregate of \$322,000,000. 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 \$507,000. The average asking price for a home in the inventory is currently about \$768,000. The average selling price is trending lower while the average asking price is increasing.



Lake Keowee Homes*1 - Sold*3 September, 2011 through November, 2011

Community	Type	Address	City	Beds	Bath	Half arage	SqFt	Closed	Sold	Initial	Discount	% DOM				
BACKWATER LANDING	Waterfront	#69 Melton Road	West Union	2	2	0	0	1000	9/2/2011	\$178,000	\$210,000	\$32,000 15%	112			
BEACON SHORES	Waterfront	509 Beacon Shores Drive	Seneca	3	3	1	2	3500	9/3/2011	\$375,000	\$574,900	\$199,900 35%	472			
NORMANDY SHORES	Waterfront	109 Cardinal Drive	Seneca	4	3	0	2	3800	9/8/2011	\$285,810	\$300,000	\$14,190 5%	41			
PINE RIDGE POIN	Waterfront	125 Pine Ridge Pointe	Seneca	4	4	1	2	3697	9/9/2011	\$767,500	\$899,000	\$131,500 15%	256			
	Waterfront	9072 Crystal Lane	Seneca	3	2	1	2	2156	9/16/2011	\$225,000	\$299,000	\$74,000 25%	192			
CLIFFS @ VINYRD	Waterfront	857 Clubhouse Drive	Sunset	3	3	2	0	3505	9/16/2011	\$865,000	\$1,495,000	\$630,000 42%	843			
	Waterfront	506 Inlet Drive	Seneca	4	3	0	0	2600	9/19/2011	\$285,000	\$399,000	\$114,000 29%	552			
THE WOODS ATKEOWEE		211 Long Bay Drive	West Union	3	3	0	3	2733	9/21/2011	\$386,500	\$434,900	\$48,400 11%	180			
KEOWEE KEY		12 Boatswain Way	Salem	3	2	0	1	1868	9/22/2011	\$112,500	\$119,000	\$6,500 5%	71			
CEDAR CREEK		110 Holly Hill Rd.	Sunset	3	2	1	2	2207	9/23/2011	\$208,500	\$235,000	\$26,500 11%	193			
KEOWEE KEY		15 Quartermaster Drive	Salem	3	2	1	2	2538	9/29/2011	\$355,000	\$429,000	\$74,000 17%	211			
KEOWEE KEY	Waterfront	4 Horizon Pointe Lane	Salem	3	2	1	2	4000	9/29/2011	\$670,000	\$724,900	\$54,900 8%	69			
Count:		12						Totals:	\$4,713,810	\$6,119,700	\$1,405,890					
Results for September		Monthly Averages:					3.17	2.58	0.67	1.50	2,800	\$392,818	\$509,975	\$117,158	23%	266
KEOWEE HAVEN	Waterfront	9021 Maughan Trail	Seneca	5	4	1	4	3750	10/7/2011	\$785,000	\$879,000	\$94,000 11%	67			
BACKWATER LANDING		#56 Melton Road	West Union	2	2	0	0	1200	10/7/2011	\$115,000	\$149,000	\$34,000 23%	343			
ELROD SOUND	Waterfront	234 Petty Road	Seneca	3	2	0	2	2254	10/7/2011	\$475,000	\$579,900	\$104,900 18%	184			
BACKWATER LANDING		1230 Melton Road Unit #21	West Union	2	2	0	0	1000	10/11/2011	\$65,500	\$92,000	\$26,500 29%	321			
THE RESERVE AT LAKE KEOWEE		103 Laurel Pond Way	Sunset	3	3	1	0	3850	10/12/2011	\$648,500	\$499,900	(\$148,600) -30%	120			
KEOWEE KEY		1 Inlet Way	Salem	3	2	1	2	2900	10/14/2011	\$345,000	\$389,500	\$44,500 11%	278			
WATERFORD POINTE - OCONEE	Waterfront	160 Westlake Drive	Seneca	5	4	0	2	2750	10/14/2011	\$675,000	\$925,000	\$250,000 27%	808			
SOUTH OAK POINT	Waterfront	312 Willow Oak Court	Seneca	6	4	1	3	5200	10/19/2011	\$840,000	\$1,250,000	\$410,000 33%	959			
WATERSTONE	Waterfront	326 Forest Stone Drive	West Union	3	3	1	1	5400	10/19/2011	\$485,000	\$499,000	\$14,000 3%	422			
KEOWEE INLET	Waterfront	514 Inlet Drive	Seneca	3	3	0	0	2216	10/20/2011	\$300,000	\$324,900	\$24,900 8%	195			
ELROD SOUND	Waterfront	206 Petty Rd	Seneca	3	2	1	2	2427	10/26/2011	\$187,000	\$249,900	\$62,900 25%	119			
KEOWEE KEY	Waterfront	20 First Mate	Salem	4	3	1	2	1591	10/26/2011	\$350,000	\$499,000	\$199,000 36%	439			
KEOWEE KEY		509 Long Reach	Salem	3	2	1	2	2250	10/26/2011	\$330,000	\$369,900	\$39,900 11%	393			
KEOWEE KEY		14 Anchorage Lane	Salem	4	3	0	2	3300	10/26/2011	\$185,000	\$359,000	\$174,000 48%	615			
CRESTVIEW SUBD.	Waterfront	110 Crest Pointe Drive	Seneca	4	3	0	3	4709	10/27/2011	\$905,000	\$1,395,000	\$490,000 35%	870			
BERWICK		205 Berwick Court	Seneca	3	3	0	2	2400	10/28/2011	\$226,000	\$249,900	\$23,900 10%	239			
THE RESERVE AT LAKE KEOWEE	Waterfront	224 Palmer Way	Sunset	4	3	1	2	4900	10/31/2011	\$1,225,000	\$1,225,000	\$0 0%	148			
Count:		17						Totals:	\$8,142,000	\$9,985,900	\$1,843,900					
Results for October		Monthly Averages:					3.53	2.82	0.53	1.71	3,065	\$478,941	\$587,406	\$108,465	18%	384
HARBOR PLUS ON KEOWEE	Waterfront	201 New Timber Trail	Seneca	3	3	0	2	2025	11/3/2011	\$460,000	\$475,000	\$15,000 3%	173			
WATERFORD SUB	Waterfront	801 Clearlake Pt	Seneca	4	4	1	3	5400	11/3/2011	\$1,660,000	\$1,700,000	\$40,000 2%	41			
BACKWATER LANDING		1230 Melton Rd	West Union	2	2	0	0	1200	11/4/2011	\$115,000	\$120,000	\$5,000 4%	501			
COTTAGES AT BELLS COVE	Waterfront	605 Restful Lane	Seneca	2	2	0	1	1874	11/10/2011	\$375,000	\$399,000	\$24,000 6%	125			
CLIFFS @ VINYRD	Waterfront	201 Paw Paw Way	Sunset	4	3	1	2	4400	11/14/2011	\$1,500,000	\$1,695,000	\$195,000 12%	55			
WHITE OAK CLIFF	Waterfront	306 Hillandale Road	Seneca	3	3	0	2	1646	11/15/2011	\$387,000	\$549,000	\$162,000 30%	586			
KEOWEE KEY		45 Port Tack Drive	Salem	3	2	0	2	1826	11/18/2011	\$185,000	\$185,000	\$0 0%	55			
KEOWEE KEY		29 Calm Sea	Salem	4	3	0	2	3800	11/21/2011	\$325,000	\$379,000	\$54,000 14%	404			
KEOWEE KEY	Waterfront	35 Spy Glass Lane	Salem	5	4	0	2	3850	11/29/2011	\$509,000	\$698,500	\$189,500 27%	757			
CRAGGMORE	Waterfront	307 Galax Ridge	Salem	5	4	1	4	6558	11/30/2011	\$1,450,000	\$2,250,000	\$800,000 36%	546			
WHITE OAK CLIFF		207 Mockingbird St	Seneca	3	2	0	1	2096	11/30/2011	\$78,000	\$155,000	\$77,000 50%	512			
Count:		11						Totals:	\$7,044,000	\$8,605,500	\$1,561,500					
Results for November		Monthly Averages:					3.45	2.91	0.27	1.91	3,152	\$640,364	\$782,318	\$141,955	18%	341
Three Month Count:		40						Three Month Total:		\$19,899,810	\$24,711,100	\$4,811,290				
Results for Three Months		Three Month Averages:					3.40	2.78	0.50	1.70	3,009	\$497,495	\$617,778	\$120,282	19%	337

Bank Owned Property Range: Lake Keowee Subdivision Homes

Short Sale Closed: Based on information from the Western Upstate Multiple Listing Service for the period September 1, 2011 thru November 30, 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.

