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2006 Year End Newsletter – 2 Year Comparison

Greetings Lake Keowee Newsletter readers! It is a new year and there is a great deal of excitement, an air of anticipation and great expectation about 2007! Our last newsletter was before Thanksgiving and now it is time for the 2006 year-end results for Lake Keowee.

With January, 2007 well under way, the weather is clear and balmy! Will this be the first winter that we might not have at least one day of snow covered roads, which provides a wonderful opportunity (and excuse) to stay in front of the fireplace for the entire day? Our weather is competing nicely with Florida, but that seems to be the norm. Add our advantage of the glorious mountains to our sparkling lake and it appears we have a formidable edge. Couple all of that with fabulous properties available just for you. What are you waiting for? Just imagine this dream setting - crystal clear views of the Blue Ridge Mountains, days so bright with sunshine that your eyes crinkle causing your face to light up! Blue-gray mountains, wind whipping the waves, and sail boats racing for a trophy. a prescription for perfection!

Some interesting facts... The Cliffs Communities golf membership is \$125,000 as of January 1, 2007. There are numerous opportunities for resales within The Cliffs' Lake Keowee communities so you will definitely want to check these against the "new release" properties that will see water front lot prices break the \$3 million mark. This is the area directly north of Keowee Key, which is the original golf and waterfront resort community on Lake Keowee. With several waterfront homes available in a range from \$475,000 to \$1,695,000, the newly renovated Keowee Key golf course reopened to cheers on January 1, 2007 and the state-of-the art fitness center's completion in April, 2007 makes it a "sensational" value. This community has a single amenity fee of less than \$2700 per year. The tennis community at Keowee Key is extremely active and competitive. They will have their 2nd annual Keowee Key tennis tournament this spring and Michele and I look forward to our continued sponsorship. The Reserve continues to be a favorite and they will increase their golf membership in April, 2007 to \$55,000 from \$45,000. No waterfront releases are currently scheduled this year in The Reserve, but there are marvelous resales available including lot F51 with over 675' of shoreline.

2006 Results compared to 2005: HOME SALES:

2006 LAKE KEOWEE HOMES VS. 2005

Type	Count	Ave.Sold Price	Ave. Price	List% Variance	Ave Days On Market
Total SOLD Lake Keowee Interior homes at the end of 2006:	212	228,018	235,907	96.66%	136
Total SOLD Lake Keowee Interior homes at the end of 2005:	167	241,211	248,003	97.26%	
Total Interior Homes Difference between 2006 & 2005	45	-13,193	-12,096	-0.61%	
Total SOLD Lake Keowee WF homes at the end of 2006:	121	832,334	870,488	95.62%	150
Total SOLD Lake Keowee WF homes at the end of 2005:	145	597,877	623,587	95.88%	
Total Waterfront Homes Difference between 2006 & 2005	-24	234,457	246,900	-0.26%	
Total SOLD Lake Keowee -ALL homes at the end of 2006:	333	447,605	466,490	95.95%	22
Total SOLD Lake Keowee -ALL homes at the end of 2005:	312	406,969	422,553	96.31%	
Total LAKE KEOWEE Homes Difference between 2006 & 2005	21	40,636	43,937	-0.36%	

2006 Results compared to 2005: LOT SALES:

2006 LAKE KEOWEE LOTS VS. 2005					
Type	Count	Ave.Sold Price	Ave. Price	List% Variance	Ave Days On Market
Total SOLD Lake Keowee Interior Lots at the end of 2006:	302	106,935	107,782	99.21%	357
Total SOLD Lake Keowee Interior Lots at the end of 2005:	267	73,147	73,451	99.59%	
Total Interior Lots Difference between 2006 & 2005	35	33,788	34,331	-0.37%	
Total SOLD Lake Keowee WF Lots at the end of 2006:	234	482,886	493,012	97.95%	157
Total SOLD Lake Keowee WF Lots at the end of 2005:	380	280,486	278,890	100.57%	
Total Waterfront Lots Difference between 2006 & 2005	-146	202,400	214,121	-2.63%	
Total SOLD Lake Keowee -ALL Lots at the end of 2006:	536	271,063	275,961	98.23%	269
Total SOLD Lake Keowee -ALL Lots at the end of 2005:	647	194,923	194,111	100.42%	
Total Lake Keowee Lots Difference between 2006 & 2005	-111	76,140	81,850	-2.19%	

For the entire year of 2006 per our multiple listing service for homes classified as "Lake Keowee Interior" and "Lake Keowee Waterfront", including waterfront homes, condos, and town homes, a total of 333 homes sold compared to 312 in 2005. The average price of \$447,605 vs. \$406,969 indicates a 10% increase. Of those, 121 were waterfront compared to 145 units sold in 2005, a 19.83% drop in sales with an increase in average sale price of approximately 39.2%. 212 interior homes sold during 2006 vs. 167 interior homes sold during 2005, almost a 26.7% unit increase; the average sales price dipped by almost 6% to \$228,018 from \$241,211.

For the entire year of 2006 per our multiple listing service for lots classified as "Lake Keowee Interior" and "Lake Keowee Waterfront", a total of 536 lots sold compared to 647 in 2005, a drop of 111 lots. The average price of \$271,063 vs. \$194,923 indicates a 39% increase. Of those, 234 were waterfront compared to 380 units sold in 2005, a 62% drop in sales with an increase in average sale price of approximately a 72% price increase (in 1999, lots had increased 60% over 1998). 302 interior lots sold during 2006 vs. 267 sold during 2005, almost a 13% unit increase; the average sales price increased 46.2% to \$106,935. from \$73,147.

In 2005, a general rule of thumb was a \$10,000 increase per month for waterfront lots. If you calculate the *increase in the average* sold price for a waterfront lot during 2006 of \$202,400 that equals \$16,867 per month. Granted, we are looking across a variety of communities from simple, unrestricted neighborhoods to The Cliffs & The Reserve, where lot prices on the average are much higher.

We also have summarized sales from November 22 through December 31 below & compared it with same period last year. And, just like last year, people continue to ask us, "*Is the bubble going to burst?*" Certainly, the number of homes and lots decreased from the prior year. It seems to reflect financial markets. Look at the chart of a fantastic stock for a one year period - it will have straight up moves, downturns, flattening with sideways movement, and then it resumes its uptrend. We have a very broad market of buyers including:

- (1) Baby Boomers have been and continue to retire
- (2) Baby Boomers' kids are buying
- (3) Tax deferred exchanges known as "1031 Exchanges" or "Starker Exchanges" (this is the sale of one property for another "like-kind" property without payment of taxes as long as certain, but extremely important, rules are followed).

- (4) Interest rates are low compared to rates in the 1980's & 1990's.
- (5) The ability to purchase real estate in self-directed retirement funds is growing in popularity.
- (6) The limited supply of lake property.
- (7) The coastal areas are suffering from high insurance rates and tax increases because they need the reserve funds for potential storm damage.

SUMMARIZED SALES FROM NOV. 22 - DEC.31, 2006:

HOMES CLOSED: Condos, Town homes, Patio and Single Family

10 Interior homes sold totaling	\$2,566,250 averaging	\$ 256,625 (15 prior year)
<u>5</u> waterfront homes sold totaling	<u>\$6,574,000</u> averaging	<u>\$1,314,800</u> (17 prior year)
15 Total SOLD 11/22-12/31/06:	\$9,140,250 averaging	\$ 609,350 (32 prior year, but that time period started on Nov. 17, 5 additional days and the average sales price for the six weeks in 2005 was \$473,946)

HOMES UNDER CONTRACT @ 12/31/06:

14 Interior homes under contract	\$ 4,299,150 average list price	\$307,082 (13 prior year)
<u>12</u> Waterfront homes under contract	<u>\$ 9,651,750</u> average list price	<u>\$804,312</u> (11 prior year)
26 Total Under Contract homes	\$13,950,900 average list price	\$536,573 (24 prior year)

HOMES AVAILABLE @ Jan. 13, 2007:

100 Interior homes available	\$48,917,912 average list price	\$ 489,179
<u>101</u> Waterfront homes available	<u>\$94,579,350</u> average list price	<u>\$ 936,429</u>
201 Total homes available:	\$143,497,262 average list price	\$ 713,917

LOTS CLOSED 11/22 - 12/31/06:

21 Interior lots closed	\$ 2,050,012 average sold price	\$ 97,620 (29 prior year)
<u>12</u> WF lots closed	<u>\$ 4,900,500</u> average sold price	<u>\$408,375</u> (30 prior year)
33 Total lots closed	\$ 6,950,512 average sold price	\$210,622 (59 prior year)

LOTS UNDER CONTRACT 11/17-12/31/06:

18 Interior Lots	\$ 1,550,400 average list price	\$ 86,133 (19 prior year)
<u>10</u> WF lots	<u>\$ 4,987,900</u> average list price	<u>\$ 498,790</u> (16 prior year)
28 Total lots under contract	\$ 6,538,300 average list price	\$ 233,511 (35 prior year)

LOTS AVAILABLE @ Jan 13, 2007:

301 Interior lots	\$ 42,070,235 average list price	\$ 169,768
<u>229</u> WF lots	<u>\$ 129,834,350</u> average list price	<u>\$ 566,962</u>
530 Total lots available	\$171,904,585 average list price	\$ 324,348

At year end 2005, there were a total of 285 lots available for sale. We pulled our data through this past weekend (Jan. 14) and have 530 lots currently listed.

The have Excel spreadsheets available for those who like to analyze the data. For the period 11-22-06 through 12-31-06, the data indicates that the variance between the list price at contract date and the sold price is approximately 94.39% for all categories for homes. The variance on all lots taken together is 98.23%, including the closing of some lots from the October Crescent auction at Harbor Oaks.

Please visit our featured listings page. You can sign up for automatic notification of all new listings by selecting "Lake Keowee Interior" and "Lake Keowee Waterfront" for homes or lots. We hope you will think of us for your real estate needs. We were fortunate to sell more waterfront homes on Lake Keowee this year than any other agents according to our multiple listing service. We try very hard to meet the needs of our buyers and sellers. We sell Lake Keowee, Lake Hartwell and the surrounding areas. It's all good!

Sincerely,

Patti & Michele

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