REALTY **ONE** GROUP RESULTS

WATAUGA · AVERY · ASHE · ALLEGHANY · 2026

Mountain *Investment*

Are luxury mountain homes a good investment? Yes — with heavy qualification, and only if you read the rental math honestly.

TERESA OVERCASH

BROKER-IN-CHARGE · CLHMS · NCREC LICENSED INSTRUCTOR

336-262-3111 · HOMESINTRIADNC.COM · BOONE · BANNER ELK · WEST JEFFERSON

THE HONEST ANSWER

Yes — but not the way most people *mean* it.

Luxury mountain property in the North Carolina High Country has been a good long-hold asset and a poor short-hold one. The distinction is the whole answer, and everything in this guide either supports it or qualifies it.

Who you're competing with

Roughly **45% of High Country transactions are cash** — close to double the national share. That number concentrates hardest above $750,000.

What that does to the market matters in both directions. It means this is not a distressed- inventory market: sellers don't have to take low offers, because a cash buyer is usually somewhere in the pipeline. It also means a financed buyer needs airtight pre-approval and often an appraisal gap clause simply to stay in the conversation.

> *The cash-buyer floor protects mountain values on the way down and slows them on the way up. When forty-five of every hundred buyers can close in ten days without a lender in the room, the seller has options a Triad seller does not.*
>
> TERESA OVERCASH

Where it works and where it doesn't

Long-term appreciation looks strong. Independent analysis puts Watauga County appreciation near 7.4% annually over the past decade, and the $1M-plus segment grew on volume, unit count, and new listings simultaneously in the first half of 2026.

Short-term flipping does not work here. Regional days on market rose from 64 to 75 year over year. Above $1 million, resale liquidity thins considerably unless the property sits on a named ridge, inside a top-tier gated community, or offers ski access.

THE REGION AT A GLANCE

~45%	+24.9%	104	75
CASH BUYERS VS ~25% NATIONALLY	LUXURY VOLUME H1 2026	CLOSINGS ABOVE $1M IN SIX MONTHS	MEDIAN DAYS UP FROM 64

FOUR COUNTIES

Four *different* bets.

People say “the High Country” as though it’s one market. It’s four counties with genuinely different economics, and matching the county to your goal matters more than any other decision you’ll make here.

COUNTY	ANCHOR TOWNS	JULY 2026 MEDIAN	CLOSINGS	WHAT IT’S ACTUALLY FOR
Watauga	Boone, Blowing Rock	$657,500	96	Long-hold appreciation and luxury depth
Avery	Banner Elk, Beech, Sugar	$484,000	47	Ski economy and rental cash flow
Ashe	West Jefferson, Jefferson	$375,000	51	Acreage, arts, lower entry price
Alleghany	Sparta	$340,000	15	Privacy and the lowest entry point

Read those monthly medians carefully

Fifteen closings in Alleghany. Forty-seven in Avery. At those volumes **the monthly median swings on which houses happened to close**, not on what the market did. Avery’s July median came in well below June’s — that is a mix effect in a small sample, not evidence of a 21% market decline.

Use monthly figures for texture. Use half-year and annual figures for decisions.

Land tells you something the houses don’t

Land inventory supply runs about 19.5 months in Watauga, 23.5 in Ashe, and 57.2 in Alleghany. **That is your patience gauge.** In Alleghany, nobody is competing with you for a parcel — take the time. In Watauga, land moves.

The anchor and the *engine.*

Watauga — the long-hold market

Watauga leads every metric that matters for investment: volume, luxury depth, and appreciation. July 2026 posted 96 closings at a $657,500 median, with 520 active residential listings and new listings down 11.3%.

Boone runs roughly $250 to $301 per square foot depending on elevation and proximity to campus. Blowing Rock sits higher, with sustained out-of-state demand above $750,000.

What to do here: buy for the hold. The combination of decade-long appreciation and heavy cash participation gives you upside with some downside protection. **What not to do:** pay a premium for a house that isn't on a named ridge or inside a Parkway view corridor. Location premiums stack faster in Watauga than in any Triad market — and they don't transfer to an ordinary lot.

Avery — where the cash-flow math lives

Avery is resort country: ski-in and ski-out condos, seasonal rentals, second homes bought for use as much as appreciation. H1 2026 ran 173 unit sales at a $490,000 median, with volume up 48.5% year over year — the strongest volume growth of the four counties.

The county's **average** sale price of $696,878 sits far above its median, which tells you high-end Banner Elk and ski-community sales are pulling the average up. Banner Elk carries the region's highest price per square foot near $343; Beech Mountain runs closer to $295 and is the value play of the major mountain communities.

Avery is the only county where rental income changes the answer

It is also the only one where **regulation can kill your thesis outright.** Pages 7 and 8 are written for Avery buyers specifically — read them before you make an offer here.

Land, quiet, and a lower *entry point.*

Ashe — acreage and arts

Ashe is where you get more land, less traffic, and a lower price. July 2026 closed 51 sales at a $375,000 median. The more useful figure is the half-year: an H1 median of $435,000, **up 18.9% year over year — the strongest price gain of any High Country county.**

West Jefferson anchors it, with a downtown arts district and access to New River State Park. Land supply runs about 23.5 months, so there is no rush on a parcel.

Buy here if your thesis is a mountain retreat with room — not a ski lift out the back door. The H1 gains suggest the market is discovering Ashe, and that window won't stay open indefinitely.

Alleghany — the quiet play

The smallest of the four by volume and price: 15 closings in July at a $340,000 median, 96 active residential listings, and 57.2 months of land supply. Sparta's typical home value has been running far below Boone or Banner Elk.

Be clear about what this is. **It is not a rental cash-flow market** — there's no ski economy pulling weekend renters. **It is not a rapid-appreciation market** — volume is too thin to generate one. What it offers is privacy, affordability, and the lowest entry point to owning North Carolina mountain real estate.

> *Match the county to your goal, not the reverse. The most expensive mistake in this region is buying an Avery thesis on an Alleghany property, or an Ashe budget on a Watauga expectation.*
>
> TERESA OVERCASH

THE LUXURY SEGMENT

What 104 closings actually *tell* you.

Zoom out to the segment that drives the investment question — homes at $1 million and above. It posted the strongest gains of any segment in the first half of 2026.

$1M+ SEGMENT, H1 2026	VALUE	VERSUS H1 2025
Sales volume	$188.8 million	+24.9%
Number of sales	104	+26.8%
New listings	300	+27.1%

Read those three lines together

Volume rose 24.9% while unit sales rose 26.8%. That means the **average luxury sale price was roughly flat** — buyers absorbed more inventory at similar prices rather than bidding prices up. New listings rose 27.1%, so sellers came to market too.

That is the signature of a segment expanding, not overheating. Supply and demand moved together. Nobody was forced.

> *The number I trust most is 104. That is behavior, not sentiment — 104 individual buyers who walked their money into million-dollar mountain property in six months. Set that against the headlines about mountain real estate cooling. The buyers voted with their checkbooks.*
>
> TERESA OVERCASH

The risk that comes with it

Resale liquidity. Above $1 million the qualified buyer pool is genuinely small, and days on market for the segment ran around 75 in the first half of the year. Plan for a longer sales cycle when you exit.

And the oldest rule in luxury still applies: **don't be the highest sale in your immediate neighborhood.** On a mountain, where a single ridge can hold ten wildly different properties, that rule bites harder than it does on a subdivision street.

READ THE WHOLE RANGE

What rentals *actually* earn.

This is where mountain investment theses go wrong, and it is worth slowing down. The published data for Banner Elk short-term rentals doesn't agree with itself — not by a little, by a factor of more than two.

SOURCE	AVERAGE ANNUAL REVENUE	OCCUPANCY	DAILY RATE
AirDNA	$26,800	42%	$342
AirROI	$36,226	32.3%	$423
Chalet — managed average	$45,400	Not stated	$302
Chalet — four-bedroom	$62,591	Not stated	$422

Why they disagree

Different samples, different definitions, different geographies. Broad averages include part-year listings, poorly run properties, and studios. Managed-property figures include only homes under professional management, which is a self-selected group. And a "Banner Elk" listing count in the thousands is describing a **wide surrounding market area, not a town of about twelve hundred people.**

THE DISCIPLINE

Do not underwrite on the highest number in that table. **Underwrite on the lowest one that matches your property type**, then treat everything above it as upside you have to earn through management. If the deal only works at $62,591, it is not a deal — it is a hope.

And run the expenses honestly

Management runs about 20% of gross. Cleaning, utilities, and maintenance run roughly another 12%. On a $45,000 gross that leaves about $30,000 before property taxes, insurance, HOA dues, furnishing replacement, and any mortgage. Those remaining items are not small on a mountain property — insurance and HOA in particular.

That is a working investment, not a passive one. Every dollar of it depends on management execution, and seasonality is severe: peak months run barely above 40% occupancy, and shoulder months fall to the high twenties.

The most common mistake we see: a buyer treats the seller's peak-season pro forma as annual income. July is not the year. Ask for twelve months of actuals from the specific property — and if the seller won't provide them, that is your answer.

Regulation can kill the whole *thesis.*

If your investment case depends on short-term rental income, the rules matter more than the revenue estimate — because a property that cannot legally be rented earns nothing at any occupancy rate.

Banner Elk's rules are being rewritten right now

The Town of Banner Elk requires an annual short-term rental permit, and the town attorney has been drafting a full ordinance rewrite. Following a public hearing, the town manager recommended Council **table the amendment for further review** — largely over a provision requiring a Special Use Permit for properties accommodating more than ten overnight guests.

Anyone underwriting a Banner Elk purchase on rental income right now may be modeling against rules that change before they close. Check the ordinance status the week you go under contract, and read the most recent Council minutes yourself.

Four things to verify before you write

- **Current occupancy limits.** Guest caps are tied to bedroom count and permit records, and they directly determine your revenue ceiling. Confirm the current standard with the town rather than relying on any published summary — including this one.
- **Permits do not transfer.** They are property-specific. You apply as a new owner, so build the processing window into your closing timeline.
- **Occupancy and sales tax registration.** Short-term stays carry state sales tax and county occupancy tax obligations. Register before your first booking, not after.
- **The HOA covenants — read them line by line.** Town permission means nothing if the community prohibits rentals under thirty days. Several ski-community HOAs do exactly that.

> *I have watched buyers pay full asking for a Banner Elk cabin and find out after closing that their community bans short-term rentals under thirty days. The entire investment thesis died at the settlement table. We read the covenants together before you close. Every time.*
>
> TERESA OVERCASH

BEFORE YOU BUY

Five *tests.*

I

Price per square foot against the town, not the region

Boone runs roughly $250 to $301. Banner Elk near $343. Beech Mountain near $295. A property meaningfully above its own town's range needs a specific reason — a ridge, a view corridor, ski access — that will still be there when you sell.

2

Days on market for genuine comparables

If similar homes consistently sit past ninety days, you are buying into a thin resale market. That is survivable on a long hold and painful on a short one.

3

Rental revenue at the conservative end

Model at the low end of the published range for your property type — not the seller's pro forma, not the managed-property average. Then confirm against twelve months of actuals from that specific address.

4

Regulation and covenants, in writing

Town permit status, current occupancy limits, pending ordinance changes, and HOA rental restrictions. This is the test that most often ends a deal — better inside due diligence than after closing.

5

The mountain items the spreadsheet forgets

Road maintenance responsibility, driveway grade and winter access, well and septic condition, insurance quote for the specific address, and Helene-era flood and drainage history on the parcel. Any one of these can turn a good yield into a bad year.

The question underneath all five

Are you buying an investment with a lifestyle attached, or a lifestyle purchase with a spreadsheet attached? **Both are entirely valid.** A property you use ten weeks a year and rent occasionally is not an investment, and calling it one is how people end up disappointed in something they actually love.

REALTY **ONE** GROUP RESULTS

We'll read the covenants *together.*

Before you write on a High Country property, we'll match the county to your actual goal, model the rental revenue at the conservative end, pull the ordinance and HOA restrictions, and tell you honestly whether the numbers work. Sometimes the answer is that it's a lifestyle purchase — and that's a fine answer, as long as you know it going in.

CALL OR TEXT

336-262-3111

EMAIL

teresatedder@gmail.com

ONLINE

homesintriadnc.com

TERESA OVERCASH · BROKER-IN-CHARGE · CLHMS · NCREC LICENSED INSTRUCTOR
REALTY ONE GROUP RESULTS · OFFICES IN BOONE, BANNER ELK & WEST JEFFERSON