

How's the Market Doing? October 2018

We have some encouraging surprises in the market that showed up in October, particularly in the land market.

Watauga Real Estate Single Family Residence Market Stats for October 2018	
86 ↓	Homes sold this month
Average Sales Price: \$392K ↑	Medium Sales Price: \$292K ↓
Average List-to-Sale Ratio: 92% ↑	Average Days on the Market for Sold Homes: 162 ↑
Homes Currently on the Market: 702 ↓	
Homes Currently Under Contract: 132 ↑	
New Home Listings This Month: 108 ↑	
** Odds of Selling: 39% ↑	
Average Number of Homes Selling Per Month: 78 ↑	
Months Ahead of Inventory Currently Available: 10 ↓	
<p>**The Odds of Selling tells what are the odds of selling a home in current market conditions. We have more homes on the market than buyers, so not all homes will sell. As an example, if the Odds of Selling are 50%, and if current market conditions continue, about half of the homes on the market are likely to sell.</p> <p>→ = no change</p>	
High Country Real Estate Land Market Stats for October 2018*	
*These stats are for Ashe, Avery, and Watauga counties	
2445 ↓	Land Parcels Are Currently on the Market
48 ↑	Land Parcels Under Contract This Month
112 ↓	New Land Listings Came on the Market this Month

49	↑	Land Parcels Sold:
11	↑	Sold under \$20K
9	→	Sold \$20 to \$50K
9	↓	Sold \$50 to \$100K – 3 of these acreage
18	↑	Sold Over \$100K
	9	In High End Subdivisions
	9	As Acreage Tracts

We continue *yet again* to have a low inventory of homes and a large inventory of land. For the single family residence market, we have the lowest inventory I've seen since 2011. Although the number sold and the number under contract are down slightly, the smaller inventory means the Odds of Selling and the months ahead of inventory have decreased. It's a good time to sell, if that's been on your mind. For buyers it remains likely a bit harder to find the home they want, as most of our homes are older, if a buyer is focused on move-in ready. Last month I predicted: "Interestingly, despite the lower inventory and continuing good sales, our average and median sales prices are almost the same for 2017 and 2018 to date. With supply and demand, we'd expect to see the prices increasing." In fact, **finally for the first time this year**, we see an increase in the average sales price in 2018 over 2017. I've included below the 2017 T2S [Time to Sell] and 2018 T2S [year to date] graphs so you can see for yourself. What's striking is that in 2018 less of the over \$1mil homes sold, particularly the well over \$1mil homes. For the average sales price to have finally increased, that means we're seeing more buyers in the middle income bracket feeling financially confident to purchase homes. That's a big change.

The number of land sales increased in Oct 2018 by 33%. We continue to see a strong preference for lots over 1 acre in size. 6 sold at a size of .64 acres or less; 43 sold at a size of .81 and larger. The most striking characteristic for the Oct sales is the increase from 4 in Sept to 18 in Oct of the *over \$100K sales* – 9 as acreage tracts, and 9 in high end subdivisions, including one sale of 5.7 acres in Blue Ridge Mountain Club at \$1.2 mil. If this is not a one off, and continues, maybe, possibly, finally we'll begin to see the land market come out of recession. Homes starting coming out of recession in 2016. Condos/townhomes starting coming out in 2017. Maybe, possibly, finally land will start coming out in 2018.

It's helpful to compare to the market one year ago for the month of October:

Compared to October 2017, we see less new listings, more sold listings, median sales price up slightly, average sales price about the same. We have FAR fewer homes on the market: 857 in 2017 and 701 in 2018. With supply and demand principles, prices

should be rising.

Land: We have about the same number of parcels on the market in the three county area. Slightly more were listed in Oct 2017 than Oct 2017. Almost twice as many sold in Oct 2018 than Oct 2017. The sales under \$100K are closely similar. Almost the same number sold over \$100K but many more of these were land tracts in 2018.

