

REALTY **ONE** GROUP RESULTS

BANNER ELK · AVERY COUNTY · OCTOBER 17-18, 2026

Woolly Worm *Weekend*

*A town of about 1,200 hosts 20,000 people
on its best color weekend of the year.
That weekend tells you what a house here can earn.*

TERESA OVERCASH

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A caterpillar race is a market *indicator*.

Every third weekend of October, Banner Elk does something no spreadsheet can show you: it runs at absolute capacity, in full color, in public, for two days.

If you are thinking about buying here — a second home, a rental, or a place to retire — that weekend is the most useful forty-eight hours of the year. You get to watch the roads, the restaurants, the parking, and the crowd. You get to see what peak demand actually feels like on the ground, not in an occupancy chart.

And you get to see the color. The festival lands on Banner Elk's traditional peak foliage weekend, which is precisely why it draws what it draws.

Come for the worm races. Stay to watch how the town handles twenty thousand people. One of those tells you something about the winter forecast. The other tells you something about your investment.

This briefing covers what the festival is, what the October window does to rental revenue, why your elevation decides your color, the second season that makes Banner Elk unusual, and the rental ordinance that is being rewritten right now.

THE WEEKEND

49th

ANNUAL FESTIVAL
SINCE 1978

20,000+

VISITORS
ACROSS TWO DAYS

Oct 17–18

SATURDAY
AND SUNDAY

3,739 ft

BANNER ELK VILLAGE
PEAK COLOR ELEVATION

Forty-nine years of racing *caterpillars*.

Mountain lore holds that the thirteen segments of a woolly bear caterpillar correspond to the thirteen weeks of winter — black bands for cold and snow, brown for mild. Since every worm carries a different pattern, the festival began in 1978 to settle which one gets to make the official forecast.

DETAIL	2026
Dates	Saturday, October 17 and Sunday, October 18
Hours	9 a.m. — 5 p.m. Saturday · 9 a.m. — 4 p.m. Sunday
Location	The Greene at Historic Banner Elk School, 185 Azalea Circle, downtown
Hosts	Avery County Chamber of Commerce and the Banner Elk Kiwanis Club
Admission	\$10 adults · \$5 ages 6–12 · under 5 free
Prizes	\$1,000 to Saturday’s winning worm, plus forecasting honors; \$500 Sunday
Vendors	Roughly 175–200 craft and food vendors
Where proceeds go	Back into Avery County schools, children’s programs, and local tourism

What the crowd does to a town this size

Banner Elk’s permanent population is a little over a thousand. For two days it hosts more than twenty thousand. Highway 184 becomes the story, downtown parking disappears, and every restaurant runs a wait.

If you are shopping for property here, do not treat that as an inconvenience to avoid. **Treat it as the stress test.** How the town handles this weekend is the closest thing you will get to a preview of a busy ski Saturday in February — and whether you can live with it.

A practical note if you’re touring that weekend

Book lodging early — this is the tightest weekend of the year — and give yourself extra time between showings. Drive the route from any property you’re considering into the village on Saturday afternoon. That drive, on that day, is the honest version.

The best two weeks a house here *earns*.

Peak foliage and mass tourism land on the same weekend, and rental performance responds accordingly. The pattern below is what the October window typically looks like against a Banner Elk property's own annual baseline.

WINDOW	NIGHTLY RATE VERSUS BASELINE	OCCUPANCY
Annual baseline	The property's own average	Roughly 40% across the year
Non-peak October nights	+20% to 30%	Elevated
Festival weekend	+40% to 60%	70% – 85%
Festival weekend, foliage-positioned	+40% to 130%	Effectively full
The peak-color window	About ten days that can carry a meaningfully outsized share of the year's revenue	

Read these as a pattern, not a promise

Published market averages for "Banner Elk" generally cover a wide surrounding area, not the town itself, and averages blend brand-new listings with seasoned ones. **The only numbers that should drive a purchase decision are the actual ones from the actual property.**

Ask for twelve months of gross revenue, nightly rates, and occupancy — and specifically ask for **October 8 through 22** broken out. That two-week slice tells you more about a Banner Elk rental than the annual average ever will.

What actually drives the premium

- **Walkability to the village.** Properties within a few miles of the festival grounds carry a real premium that weekend, because guests want to park once.
- **What you can see from the deck.** A property positioned on a view corridor during peak color prices differently than one in the trees.
- **Whether the color is actually happening there.** Which is entirely a question of elevation — the next page.

Color moves *downhill*.

Fall color does not arrive across the High Country at once. It starts at the summits in early October and works down the mountain over roughly three weeks. Where your property sits decides whether the festival weekend catches you at peak — or a week after it.

LOCATION	ELEVATION	PEAK COLOR	FESTIVAL WEEKEND
Grandfather Mountain	5,946 ft	Early October	Past peak
Beech Mountain	5,506 ft	Early to mid October	Tail end
Sugar Mountain summit	5,300 ft	Second week	Just past
Banner Elk village	3,739 ft	Mid to late October	Dead center
Blue Ridge Parkway corridor	3,000 — 4,500 ft	Mid to late October	Peak

Typical timing. Color is weather-dependent and shifts a week or more in either direction from year to year.

Why this matters more than it sounds

Two properties four miles apart, fifteen hundred feet apart vertically, can have completely different October stories. The one on the mountain earns its peak-color premium in the first week of the month. The one in the village earns it on festival weekend, when demand is at its absolute highest.

That is a revenue-timing difference, not a revenue-quality difference. High elevation isn't worse — it peaks earlier, and it holds the ski season advantage instead. But if someone is selling you a high-elevation property on the strength of Woolly Worm weekend revenue, ask to see that specific weekend's numbers.

Elevation decides your color window, your ski access, your heating bill, and your driveway. In these mountains it is the single most consequential number on the listing.

Banner Elk gets a *second* peak.

This is the structural advantage that separates Banner Elk from most mountain towns, and it is the reason a property here can pencil when a comparable place elsewhere can't.

The village sits within a few miles of **both Sugar Mountain and Beech Mountain** — two full ski areas, in opposite directions, from one town. That produces a genuine second high-demand season running roughly December through March, on top of the fall foliage season.

SEASON	WHAT DRIVES IT	WHAT IT MEANS FOR A RENTAL
Fall — October	Peak color plus the festival	Highest nightly rates of the year, compressed into a short window
Winter — Dec through March	Sugar and Beech ski operations	Longer season, steadier occupancy, weekend-driven
Summer	Heat escape from the Piedmont and the Southeast	Moderate, family-length stays
Spring — the shoulder	Mud season and reopening	The quiet stretch; plan maintenance here

The trap inside the good news

Here is what October hides. A buyer tours on festival weekend, sees a town at full capacity in perfect weather, and never once thinks about a February morning on the same driveway.

Winter operations are the entire back half of the revenue story, and they are invisible in October. Before you buy on ski-season projections, confirm three things:

- **Plow priority.** Is the access road state-maintained, town-maintained, or private? Who plows it, how quickly, and who pays?
- **Driveway grade and exposure.** A steep north-facing driveway is a canceled booking and a refund, repeatedly, all winter.
- **Guest access reality.** Your renters will arrive in whatever they drive. If the property needs four-wheel drive to reach in January, that is a permanent constraint on your winter calendar.

Ask for the January and February numbers

Any seller can show you a beautiful October. The ski months are where you find out whether the property actually works — or whether it sat empty because nobody could get up the hill.

Banner Elk's rental rules are being *rewritten*.

Any revenue projection you build for a Banner Elk short-term rental rests on the town's STR ordinance. That ordinance is in front of Town Council right now, and it is not settled.

What's on the table

The town attorney has spent months drafting a rewrite to bring Banner Elk's rules in line with recent changes in state law. Following a public hearing, the town manager recommended that Council **table the amendment for further review** — largely over a provision requiring a Special Use Permit from the Board of Adjustment for properties accommodating more than ten overnight guests.

The draft as described would define a short-term rental as a stay of fewer than 28 consecutive days, require owners to file a Code Compliance Verification Form before renting, and set standards for occupancy, parking, noise, local contacts, and advertising.

What this means for you, concretely

If you are underwriting a Banner Elk purchase on rental income, **the rules you model against may not be the rules you operate under**. Check the current status of the ordinance before closing, not after — and build a little margin into the projection.

The rules as they stand today

REQUIREMENT	CURRENT STANDARD
Town permit	Required annually — roughly \$300 initially, with a smaller annual renewal
Transferability	Permits are property-specific and do not transfer on sale. A new owner applies fresh — build processing time into your closing timeline
Occupancy	Two guests per bedroom plus two, capped at 10 overnight guests; bedroom count follows the county construction permit, not the number of beds
Responsible party	Must reside within 20 miles, be available 24 hours during rental periods, and respond to complaints within 45 minutes
Advertising	Listings must display the town-issued registration number
Also required	State sales tax registration and Avery County occupancy tax registration

Summarized in plain language and current as of August 2026. Verify every item directly with the Town of Banner Elk before relying on it — this is exactly the area in the middle of being amended.

Avery County, by the *numbers* — carefully.

Avery closes somewhere between twenty and fifty residential sales in a month. At that volume, the median price is a jumpy number — it moves on which houses happened to close, not on what the market did.

2026	AVERY CLOSINGS	AVERY MEDIAN	FOUR-COUNTY MEDIAN
January	22	\$440,000	\$502,500
April	30	\$560,000	\$512,500
June	32	\$616,750	\$520,000
July	47	\$484,000	\$470,000

June’s median looks like a spike and July’s looks like a collapse. Neither is real. **Thirty-two closings is a small enough sample that a handful of luxury sales moves the median by six figures.** Anyone quoting you a month-over-month percentage change in Avery County is reading noise as signal.

The four Banner Elk segments

SEGMENT	TYPICAL RANGE	WHO IT SUITS
Modest residential	Around \$300K	Full-time locals; entry-point buyers
Second and weekend homes	\$500K — \$700K	The core of the market; most rental candidates
Luxury and golf communities	\$900K — \$2M+	Elk River, Hound Ears; private roads and club membership
Ski condos	Varies with access	Ski-in / ski-out commands the premium; the rest is a different asset

The honest way to value one of these

Not off the county median. Off comparable sales at similar elevation, similar access, similar proximity to the village, and similar rental permission. In Avery County those four variables matter more than square footage.

The *checklist.*

If you are considering a Banner Elk property with rental income in the model, these are the items that decide whether the numbers hold.

1 Confirm the parcel is actually inside town limits

Town of Banner Elk rules apply inside the corporate limits. Just outside, you are under county jurisdiction with different requirements. Verify the parcel, not the mailing address.

2 Check the ordinance status the week you go under contract

The STR rewrite is live in front of Council. Ask the town where it stands, and read the most recent meeting minutes yourself.

3 Do not assume the seller's permit comes with the house

It doesn't. Permits are property-specific and non-transferable — you apply as a new owner. Build the processing window into your closing timeline.

4 Pull twelve months of actuals, with October 8–22 broken out

Gross revenue, nightly rates, occupancy, cleaning, management fees, and taxes. The peak-color fortnight is the number that matters most.

5 Get the January and February numbers too

Ski-season performance is where a Banner Elk property proves itself. October flatters everything.

6 Walk the access in your head as a February guest

Road maintenance responsibility, driveway grade, exposure, and whether a guest in a rental sedan can reach the front door in January.

7 Read the HOA documents for rental restrictions

Town permission means nothing if the covenants prohibit short-term rentals. In the golf and gated communities especially, check this first.

REALTY **ONE** GROUP RESULTS

Come up for the *worm races.*

We'll be here. If you're thinking about Banner Elk, October 17 and 18 is the single best weekend to see this town honestly — at full capacity, in full color. Tell us what you're looking for and we'll line up showings around the festival, then send you back in February to see the other half of the story.

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Current as of August 2026. Festival details are subject to change by the organizers — confirm at woollyworm.com. Short-term rental requirements are summarized in plain language and are actively being amended by the Town of Banner Elk; verify current rules directly with the town before relying on them. Rental performance ranges describe typical seasonal patterns and are not projections, guarantees, or an offer of investment advice; published market averages generally cover a broader area than the town itself. Market figures reflect High Country Association of Realtors monthly data. Not legal, tax, or investment advice. Information deemed reliable but not guaranteed.