

Frequently Asked Questions

By Fred Toettcher, Tellico Village Marketing Team Member

Editor's Note: Understanding Tellico Village real estate market performance and the investment required to maximize this performance is extremely important to all property owners. The following is the first in a series of three articles that will answer questions most frequently asked of the Tellico Village marketing team.

Question #1: What is the current status of the Tellico Village real estate market?

Both 2017 and 2018 were record-breaking years for virtually all Tellico Village real estate performance metrics. This pace has continued through the first six months of 2019 with total Tellico Village MLS (Multiple Listing Service) sales up 10% vs 2018. POA lot sales are up 44%. New single family building permits are up 8%. Residential property values increased 2% (to \$153.00 per square foot). Average residential time-on-market declined about 20% (from 3.0 to 2.4 months).

Question #2: Given the strength of the national economy, wouldn't the Tellico Village real estate market be strong even without the POA marketing program?

While the economy continues to be strong, the national housing market was soft through the first six months of 2019 with single family existing home sales down 4% and housing starts down 5% versus 2018. This soft market is different from the market in Tellico Village.

Tellico Village's real estate trends have been stronger than the national housing market since the POA marketing program was launched in 2013. As a result of the 2007 "Great Recession", Tellico Village had suffered far greater damage than the national market culminating with 2011 existing home sales down 61% versus 2005 compared with a national decline of 39%. Once implemented, the POA marketing program helped reverse this negative performance. By 2017, Tellico Village existing home sales were up 100% versus 2012, over five times the national increase of just 19%.

Since the economy was common to both the national and Tellico Village real estate markets, these differences were due to other factors. The Village's extraordinarily weak 2005 – 2011 performance was abetted by a total absence of marketing investment. Introduction of the POA marketing program helped reverse this trend, and the Village's record-breaking 2017 - 2019 (to date) existing home sales have been driven by program-created leads that directly resulted in over half of the total homes sold during this period.

Stated simply, the Tellico Village real estate market would not be nearly as strong today without the benefit of the POA marketing program.

Question #3: Why should Villagers care about the Tellico Village real estate market?

With existing home sales doubling since 2012, average time-on-market has been reduced from 7.0 months to 2.4 months, and residential property values have increased a total of 26%. The impact of recent increases in Tellico Village property values is staggering. During the last 30 months, property

values have increased 15.3%, from \$132.74 per sq. ft. to \$153.00. Since January 2017, property owners have sold a total of 740 homes and actually “cashed-in” equity increases totaling \$30,102,967 or an average of \$40,680 per home sold.

For many Villagers, their home is their most important asset. At some point, most Villagers will want or need to sell their home to finance the next phase of their lives. All Villagers now have the added security of knowing that if they own an average priced home in Tellico Village (\$414,016), their home is worth an average of \$54,823 more than it was just 30 months ago.

Tellico Village property owners should be able to sell their homes on a timely basis and at a fair price. This was the original premise of the POA marketing program and remains its primary objective today. And every Tellico Village property owner has a major stake in the degree to which this program has been, and continues to be, successful.