

# Rapid City Real Estate Update

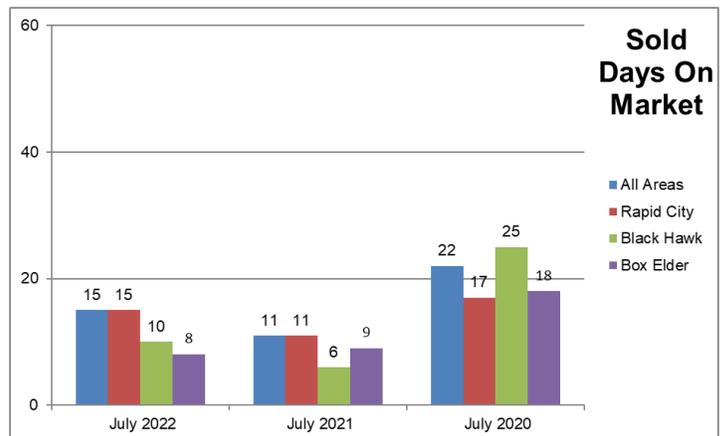
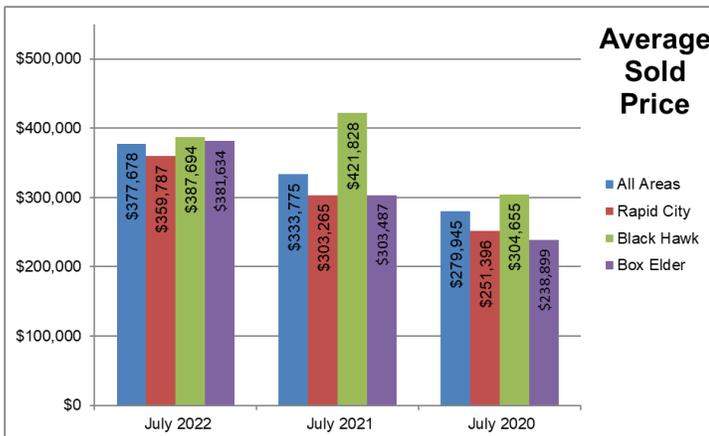
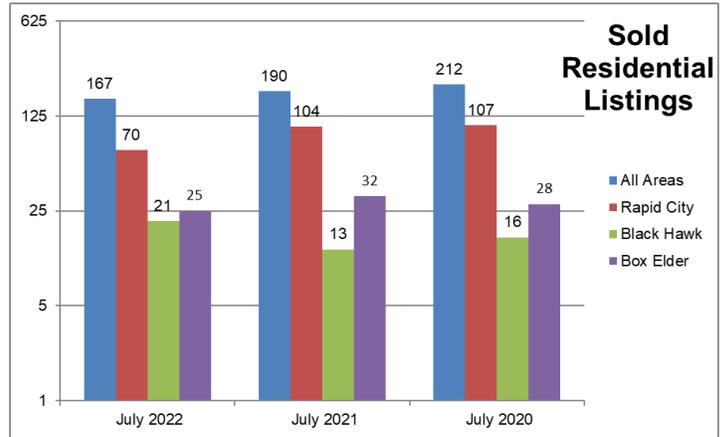
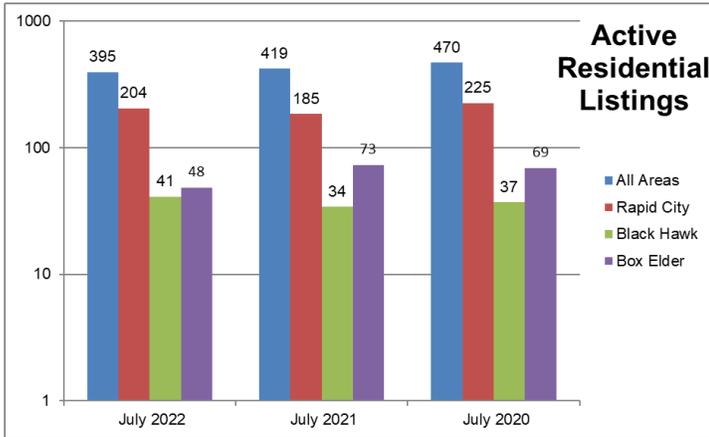


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## In This Issue

- P.1 Rapid City & Area Market Conditions    P.2 7 Tips to Market Your Rental
- P.2 8 Hidden Costs of Home Ownership    P.3 Credit Inquiries Defined
- P.3 July Real Estate Round-Up    P.4 Black Hills Events

## Rapid City & Area Market Conditions For July 2022



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## 7 Tips To Market Your Rental

Having a real estate property that you will rent out is exciting. You're an investor and building a future based on a tangible asset. Sometimes, being a landlord is tougher than it might initially seem, though.

For example, your property has to be rented out to earn a return on your investment. That means you have to market it to find high-quality tenants.

Marketing may not be your area of expertise, but there are certain things you can do to spread the word about your property and make it compelling for potential renters.

The following are seven tips to keep in mind as you build a marketing strategy for your rental property.

### 1. Know Your Audience

Before you do anything else to market your property, you need to know your audience. Property owners should try and understand their targeted renters because this will help you build all your marketing and advertising around this audience.

When you know your audience, you'll save money on marketing, you'll be able to make adjustments more efficiently if the rental market changes, and you'll fill your rental faster. You'll also be able to ensure you're not wasting your time or anyone else's.

So how do you get to know your rental audience? Think about the people most likely to need a property like yours and their priorities. Some marketers will create audience personas, meaning you develop your ideal renter. You dive into who they are and what makes them tick, so whenever you do anything related to marketing, it's like you have a real person you're speaking to.

### 2. Create a Social Media Plan

You can share free information about your rental and pay for advertisements on social media, which we'll discuss below. Regardless, you can't necessarily do every social media platform well.

It's better to refer back to number one—know your audience, and then think about the sites they're most likely to be active on.

(continued on page 3)



## 8 Hidden Costs of Home Ownership

If you're a first-time homebuyer, you're probably already overwhelmed. You might think that a monthly payment along with your down payment is the bulk of the financial responsibilities you're taking on.

The mortgage is just the tip of the iceberg, however. There are plenty of other costs of homeownership you need to factor in before you buy something. You need to fully understand all of these costs so that you're not buying something ultimately more than you can afford.

### 1. Closing Costs

Closing is the final step in getting a mortgage, and it's something many homebuyers underestimate as far as how much it will cost. When you close, your loan is approved, the inspection is done, and you're about to get the keys to your new home.

When you complete your purchase, you have a closing meeting to sign all the paperwork, and you also have to pay for several costs.

These costs include mortgage interest payments, taxes and insurance escrow payments, legal fees, lender application fees, recording fees, and title insurance. Closing costs can average between 3-4%, but the costs vary from state to state.

### 2. Property Taxes

When you own a home, you pay property taxes. The bank doesn't determine these. Instead, the city or town where you live does.

The property tax payment you owe is assessed based on the value of your home. It can be anywhere from \$500 to \$1,000 a month. The average effective rate nationwide is around 1.1% of the assessed value of your home.

### 3. HOA or Condo Fees

These fees don't apply to every homeowner, but if you purchase a house in a homeowners' association or condo association, you'll have to pay a fee monthly or quarterly. The fee covers services for the neighborhood, like garbage collection. The fees of an HOA can rise, or they might charge an assessment for a large project, so there's some unpredictability in these costs to be aware of.

### 4. Insurance

Homeowners insurance is something mortgage companies and banks require before they'll issue

your loan. The premiums are probably already included in your monthly mortgage payment. Usually, the premiums are paid from your escrow account, which is true of property taxes in many cases.

Premiums can rise annually, and most typical homeowners policies don't cover what are described as acts of God. That means you'll probably need to get additional coverage for natural disasters.

### 5. Utilities

The cost of your utilities can be as much as your property taxes. Electricity alone can be \$100 a month or more, especially when energy costs are high.

### 6. Appliances

Most homes will come with appliances, but if you're purchasing new construction, they won't. There are also some sellers of used homes that take their appliances with them.

You'll probably need to buy a washer and dryer at a minimum. Most contracts stipulate that the seller will leave the dishwasher, refrigerator, stove, and potentially the microwave, but this isn't a given.

### 7. Lawn Care

If you manage your lawn care, you have to set aside time, and you're probably also going to have to buy lawn equipment. Inevitably there will be lawn maintenance tasks you can't do on your own as well. For example, you may have hanging tree limbs or dead trees that need to be removed.

Paying someone for regular lawn care becomes a monthly expense rather than a once-in-a-while expense.

### 8. Maintenance

Finally, along with everything above, when you own a home, you're responsible for all the maintenance, which is quite a shift from being a renter.

There are so many systems in a home that can need maintenance, repairs, and even replacing.

You'll be maintaining the electrical system, the HVAC system, the roof, and the plumbing. If you're buying an older house, expect the maintenance costs to potentially be significantly more than they would for new construction.

*Courtesy of Realty Times*



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## Credit Inquiries Defined

It might seem obvious at first about what a credit inquiry is. Someone checks

up on a credit report. When someone does indeed look up someone's credit, the request is listed on the report as an inquiry. Easy enough, right? But there are different types of credit inquiries. Credit inquiries can be listed as 'hard' or 'soft'.

What's the difference?

A hard inquiry is when a consumer makes a new request for some type of loan. When someone applies for an automobile loan, that inquiry is then noted on the report. A soft credit inquiry is when a potential creditor looks into your credit report to see if you might be eligible for a new credit card or auto loan.

How do inquiries affect someone's credit score? It depends. If someone is looking around for the best auto loan, they will make multiple inquiries. When applying for the same type of loan over a limited period of time, there are no negative impacts. On the other hand, when making a request for a new credit card and then another credit card and then an automobile loan, you can expect credit scores to begin to fall. If the requests occur over a relatively short period of time, there will be no impact. If multiple credit requests are spread out over say six months, there can be an impact.

Multiple hard inquiries can signal to a lender the applicant might be falling on some hard times and multiple credit accounts are needed just in order to pay the bills. This will alert a potential creditor that certain new financial instances are occurring, giving the potential lender pause.

Consumers can also check the status of their personal credit scores by logging onto the annualcreditreport.com app. This is a free service provided by the three main credit reporting bureaus. This is considered an inquiry but not a hard one and won't affect credit scores.

Lenders will also ask a few questions about an inquiry when one is listed but no account taken out. Because most creditors report information once every 30 days, it's possible an inquiry will show up but the fact that the new auto loan is \$600 won't show up until the reporting period. That's why lenders can ask for an explanation as to why an inquiry showed up on the report. This is for hard inquiries only. Again, softies won't matter.

Consumers shouldn't freak out if they make a new credit request and their scores will plummet. They won't. It's the repeated requests over a short period of time for different types of credit that will cause scores to fall. A car loan application and then a new credit card app won't be that big of a deal. Scores can be damaged however if multiple requests are made for various types of credit including department store cards, gas cards and others.

*Courtesy of Realty Times*

## July Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "The housing market remains sluggish as mortgage rates inch up for a second consecutive week. Consumer concerns about rising rates, inflation and a potential recession are manifesting in softening demand. As a result of these factors, we expect house price appreciation to moderate noticeably."

- 30-year fixed-rate mortgage (FRM) averaged 5.54 percent with an average 0.8 points for the week ending July 21, 2022, up from last month when it averaged 5.81 percent. A year ago, at this time, the 30-year FRM averaged 2.78 percent.
- 15-year FRM this week averaged 4.75 percent with an average 0.8 points, down from last month when it averaged 4.92 percent. A year ago, at this time, the 15-year FRM averaged 2.12 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 4.31 percent this week with an average 0.3 points, down from last month when it averaged 4.41 percent. A year ago, at this time, the 5-year ARM averaged 2.49 percent.

*Courtesy Of Realty Times*

(continued from page 2)

If your targeted renter is younger, you may focus your efforts on Instagram.

### 3. Optimize Your Listings for SEO

You'll create listings that you'll share on social media and rental marketplace sites. You want to use search engine optimization in these or SEO. That means you will be integrating the keywords your audience is most likely searching for.

You can use Google to do keyword research. Try to localize your keywords as much as possible based on the name of your city or town.

### 4. Hire a Photographer

While your description is important for SEO and so that people can learn more about the details of your property, what everyone is going to pay the most attention to are your images.

Professional photos will help you rent your property out faster and maybe get more money. It's a great way to set yourself apart from other rentals.

### 5. Use Paid Ads

Combine your unpaid marketing efforts with paid ads to reach the most people. You can take advantage of paid ads on social media platforms like Facebook and Instagram.

With social media ads, you're paying to put your messaging in front of people who wouldn't likely see it otherwise.

### 6. Create Valuable Content

If you can blog, create videos, or make infographics, it's a great part of your unpaid, organic marketing strategy. Creating valuable content isn't about the hard sell.

Instead, you're positioning yourself as a trusted authority as you build your social network. This can take longer to see results, but the benefit is that when someone is ready to rent, you might be top-of-mind for them.

### 7. Track Everything You Do

Finally, if you're building a rental empire, or at least that's your plan, you want to know what works and doesn't with your marketing. Make sure that you're tracking the results you get everywhere so that you can refine your strategy. When you have something that works, you can double down on it, perhaps as you acquire more properties.

*Courtesy of Realty Times*



6015 Mount Rushmore Road  
Rapid City, SD 57701  
605.343.2700 ph  
605.342.2247 fax  
www.coldwellbankerrapid.com



Courtesy of:  
**Ron Sasso**  
Broker Associate  
(605) 593-3759  
ron.sasso1@gmail.com

## Black Hills Events

Black Hills Farmers Market  
Every Saturday May - October  
Every Wednesday July - October  
Market Park on Omaha

Summer Nights  
August 18 & 25, September 1  
6:00 PM - 9:00 PM  
Downtown Rapid City

Central Stats Fair  
August 19 - 27  
Central States Fairgrounds, Rapid City

National Park Fee Free Days  
September 24 & November 11

Farmers Market at Prairie Berry Winery  
Tuesdays, August 23 & 30, September 6, 13, 20 & 27  
9:00 AM - 1:00 PM

Kool Deadwood Nights

Fall River Hot Air Balloon Festival  
August 26 - 28  
Hot Springs

Hill City Wine, Brew & BBQ  
August 27, 10:00 AM - 8:00 PM  
Downtown Hill City

Fall River Hot air Balloon Festival  
August 26 - 28  
Hot Springs

Hill City Wine, Brew & BBQ  
August 27, 10:00 AM - 8:00 PM  
Downtown Hill City

Art Walk  
September 2, 7:30 PM  
Downtown Rapid City

Kountry Junkin' Fall Market  
September 10, 10:00 AM - 3:00 PM  
Central States Fairgrounds

Deadwood Jam