

Rapid City Real Estate Update

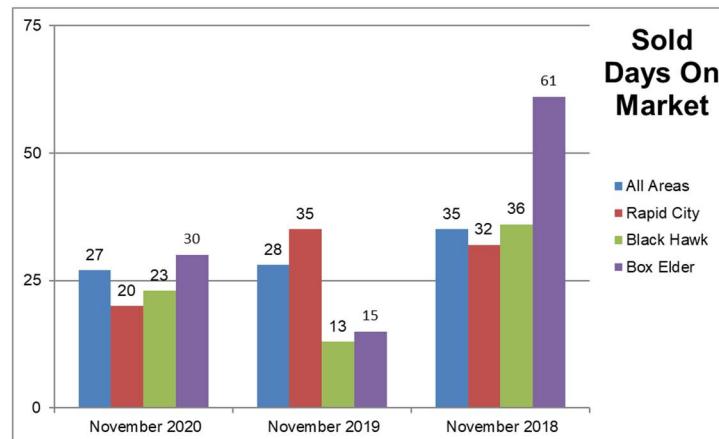
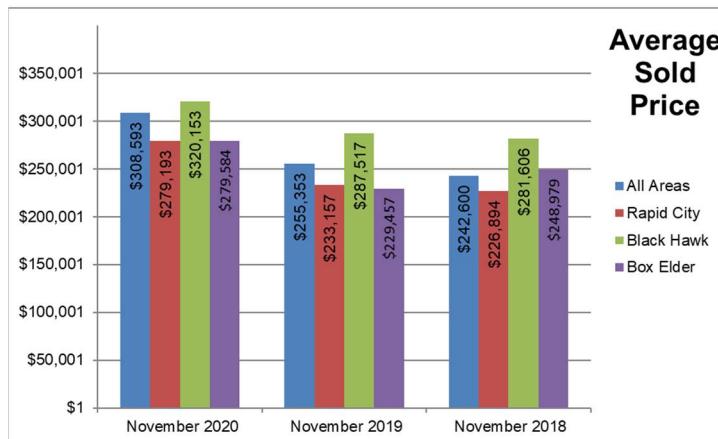
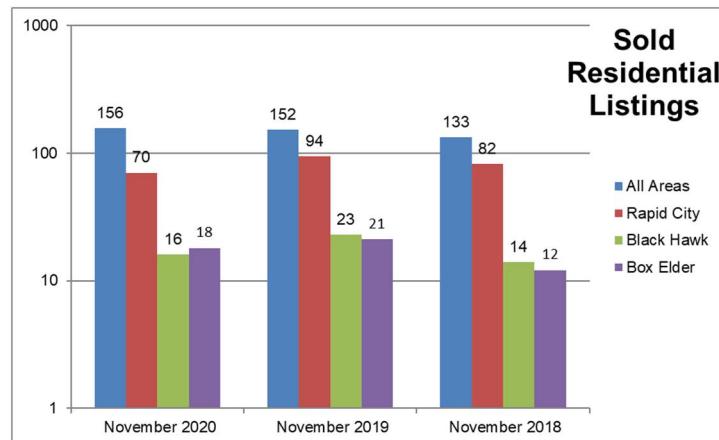
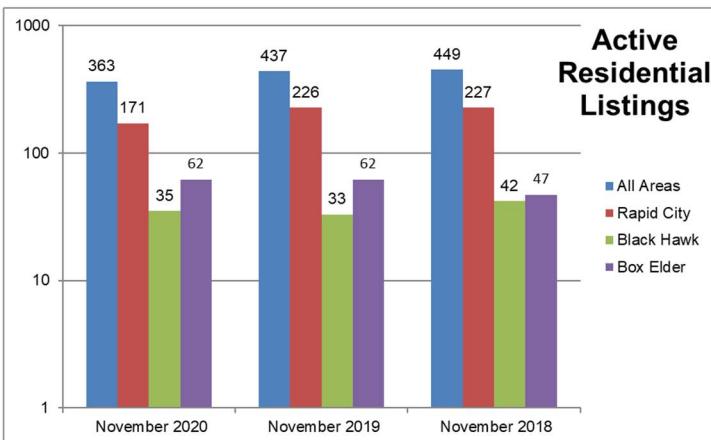
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Rapid City & Area Market Conditions For November 2020



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Qualifying Income You Might Not Know About

Lenders want to make sure borrowers can comfortably repay their loans. Doing so allows the lender to make even more home loans. Affordability is primarily determined by comparing monthly income with monthly debt. Income is relatively easy to document simply by reviewing recent paycheck stubs, W2 forms and/or tax returns. But for those who are seeking additional income support in order to buy and finance a home may not be aware there are other sources lenders can use.

Support Income

Either in the form of spousal support or child support, this type of income can be used to help qualify under certain guidelines. First, there needs to be a history of timely payment. This is accomplished by providing copies of bank statements showing the monthly deposits being made and when. It is also assumed spousal support will continue into the future barring the ex-spouse receiving the income has not married. Child support payments typically continue until the child turns 18. These conditions of who pays what and when as well as when and if the payments will cease are spelled out in the signed divorce decree.

Investment Income

Dividends and interest from investments may also be used to supplement qualifying income. The income must be shown to be consistent over the previous two years and the borrower's name must appear on the statement. Any other names on the statement will cause the lender to divide up the income among all who appear on the investment account. Income is averaged over the previous 24 months in order to arrive at a qualifying amount.

Disability Income

When someone is injured while on the job, they may be eligible to file for disability payments. This can be verified by reviewing a copy of the disability policy

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What Might The Spring Housing Market Bring?



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This year has been nonstop uncertainty. The coronavirus pandemic led to shutdowns and changes in everyone's way of life. That's continuing as we head into winter. Cities have been hard-hit not only in terms of public health but also economically.

There has been a move away from urban areas as many people are packing up to find homes with more space, less proximity to others, and perhaps more peace of mind.

Despite all of those factors, the housing market is one thing that's had a consistently rosy picture this year. So, what do experts think next year will bring? Will that positivity hold steady, or are we in for a bust?

Rising Prices

If inventory remains low into early 2021, it's possible that home prices could continue to go up. The median asking price for properties in September 2020, according to Realtor.com, was \$350,000. That was up more than 11% compared to last year. Again, if there continues to be a lot of buyer competition and a significant shortage of properties, and little new inventory coming onto the market, this trend could maintain.

The inventory has declined 39% year-over-year. There was a quick burst of new listings in August, but then it went down again shortly after.

Suburbs Reign Supreme

While places like New York City have managed to consistently keep their COVID case numbers low since they suffered a massive outbreak in spring, it might not be enough to bring people back to it and other densely populated urban areas.

Some feel that 2021 could see more of an exodus from urban areas to suburbs.

Some of the most popular places in 2020 have included Colorado Springs, CO; Reynoldsburg, OH; and Rochester, NY. Certainly not the places you think of when you think of a bustling real estate market.

Builder Confidence

Despite all of the headwinds and the seeming barrage of negative information, it does seem that there is optimism among many. Consumer confidence was high in September, and builder sentiment similarly seems to be at an all-time high.

Could There Be Downsides?

While there are some indicators of positivity, there are also possible negatives that could come into play. One is the fact that the unemployment rate is still high. If there are more localized rolling lockdowns throughout the winter, that could go even higher. Some predict that foreclosures will rise in 2021.

Also, we might not have seen the worst of the unemployment yet. We don't really know. Some companies tried to avoid layoffs and they were using federal funding like SBA loans and PPP loans to keep their businesses afloat. Now, in the absence of a new stimulus deal to this point, we don't know if those businesses will have to succumb to financial pressure and start laying off employees.

Many are hopeful that following the election, whichever side wins will prioritize more government help and support going into 2021.

Some states have had moratoriums on rent as well, and that could lead to landlords being delinquent. This could be especially true in places like New York and possibly California.

When things are uncertain, or there's a high-anxiety environment, there's a tendency among consumers and would-be homebuyers to want to hoard their cash. Personal savings rates have gone up recently, surprisingly, but that means there may be less spending going on, particularly on bigger items like houses.

Finally, while there are some unnerving indicators, we do know with almost certainty that record-low mortgage rates will hold. The fed has signaled their intention to keep rates low for the foreseeable future.

Courtesy of Realty Times

6 Tips To Help You Sell A Home During The Holidays

Typically, the winter holiday season is not an optimal time to sell a home.

The weather isn't conducive to showings, it's the middle of the school year, and most people think about holiday planning and travel.

Of course, there are some possible benefits. For example, if you sell your home in the winter, there's less competition because most people sell in the spring and summer. People also have time off work around the winter holidays, meaning more time to see homes. Buyers may be motivated too.

If you have to sell your home during the holidays, there are things you can do to make it an easier process.

Stage It Accordingly

One unique benefit of selling a home during the holidays is that you can actually use it to your advantage when it comes to staging. You can warm up a space during the holidays and that might make it easier for potential buyers to picture themselves there.

Add tasteful but simple holiday decorations. Don't go overboard and block the home's features.

Focus on the cozy features like the fireplace, and of course, it's a great time to use the classic real estate trick of baking cookies when someone comes for a showing. Make sure your home is warm temperature-wise too.

Clean-Up the Curb Appeal

While the winter makes it tougher to sell your home because people can't see the landscaping, that doesn't mean you should neglect the curb appeal altogether.

Shovel the walkways, illuminate pathways, and make sure that there's a mat at the door so people coming to see your house can wipe their feet.

Price It Accordingly

Your listing agent can work with you to develop the right pricing strategy based on their assessment of the data. Many variables go into pricing, but you may need to go a little lower than you'd like if you are selling around the holidays.

If you're selling during the holidays, it's not the time to haggle. During this time of year, it's often better to price it right from the start instead of making price reductions later.

Work with a Reliable Agent

The last thing you want is to work with an agent who goes MIA during the holidays. Be very clear with your agent about your expectations for communication and how much they'll work during the holidays. When you're choosing an agent, you might ask them if they've ever sold a house during the holiday season before.

Be Flexible About Showings

During the holiday season, everyone is busy and may have more plans than usual, but if you're selling your home, you need to be flexible and accessible when it comes to showings. It's a challenging time so if someone wants to see your home, you need to do everything you can to facilitate that.

Focus on Outdoor Features

If you live somewhere with harsh winters, selling your home around the holidays can give you the chance to show off some of the exterior features that make it well-equipped for winter weather. For example, maybe potential buyers go outside to take a look at your home's new roof. You could also show off convenient winter features like updated heating and attached garages.

If you can manage your expectations before you put a home on the marketing during the holidays, it's going to help you stay more relaxed and also hopefully help you sell your house faster.

Courtesy of Realty Times

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benefit statement. This income may also be used as long as the lender makes the determination the income will likely continue well into the future, for a minimum of three years. It can sometimes be the case that the disability is shorter term in nature, or the lender needs more information about the nature of the disability filing. However, it's important to note that individual doctors may be reluctant to provide such personal details.

Social Security Income

This is fairly straightforward but social security income can also be used. In order for the lender to use social security income, all that is needed is a copy of the social security awards letter. A request for this letter is made directly to the Social Security Administration either by the borrower or the lender.

Bonus Income

Like other forms of income, bonus income can be counted as long as there is a regular history of having received it. Bonus income should be both consistent and at regular intervals. Bonus income is averaged and should be paid monthly or sometimes quarterly. An annual bonus most often won't be used. It's thought that a holiday bonus in December may not be readily available in say July. Verification of the terms of the bonus can be obtained directly from the employer.

Part Time/Seasonal Income

With a two year history of receiving part time income as well as seasonal work such as during the holidays or during the summer, this income can also be counted when adding up qualifying income. The part time income should also be relatively consistent. Seasonal income may be counted, depending upon the lender's internal guidelines, again with evidence of receiving it for the most recent two years and paid out in a consistent manner.

Courtesy of Realty Times

November Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "Mortgage rates remain at record lows and while that has fueled a refinance boom, it's been driven mainly by higher income borrowers. With about 20 million borrowers eligible to refinance, lower-and middle-income borrowers are leaving money on the table by not taking advantage of low rates. On the homebuying side, demand continues to surge, and it has created a seller's market where inventory is at a record low and home prices are rising, beginning to offset the benefits of the low rates."

- 30-year fixed-rate mortgage (FRM) averaged 2.72 percent with an average 0.7 points for the week ending November 25, 2020, down from last month when it averaged 2.81 percent. A year ago, at this time, the 30-year FRM averaged 3.68 percent.
- 15-year FRM this week averaged 2.28 percent with an average 0.6 points, down from last month when it averaged 2.32 percent. A year ago, at this time, the 15-year FRM averaged 3.15 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.16 percent this week with an average 0.3 points, up from last month when it averaged 2.88 percent. A year ago, at this time, the 5-year ARM averaged 3.43 percent.

Courtesy of Realty Times



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Holiday Cleaning Guide For Living Areas

Holiday gatherings typically center around main living areas, such as the dining room and living room. Determine which rooms guests are likely to congregate in and focus your holiday cleaning efforts there. Make sure these spaces look their best with a quick once-over before the doorbell rings.

Dining Room and Living Room Holiday Cleaning Checklist

- Vacuum or sweep and mop floors
- Spot-clean any stains on carpet or furniture
- Wipe down surfaces with a microfiber duster or damp cloth

- Put away any items that don't belong in the room. If you're short on time, load the items into a basket and stash it somewhere until you have time to put them away.
- Fluff pillows and sofa cushions and neatly fold throw blankets

Kitchen Holiday Cleaning Checklist

- Declutter and wipe down countertops
- Vacuum or sweep floors
- Clear any dirty dishes from the sink and clean the basin
- Wipe down kitchen appliances
- Replace kitchen hand towels
- Make room in the refrigerator for leftovers

Courtesy of BHG.com