

Rapid City Real Estate Update

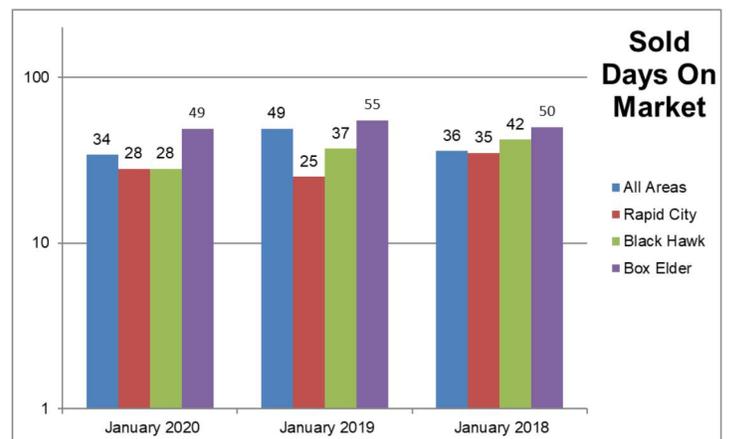
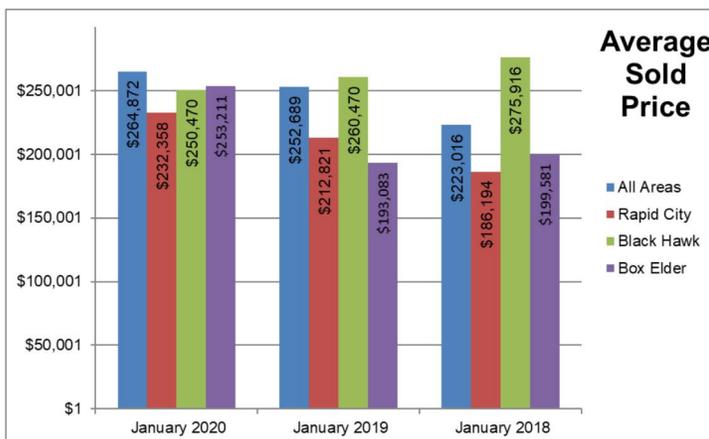
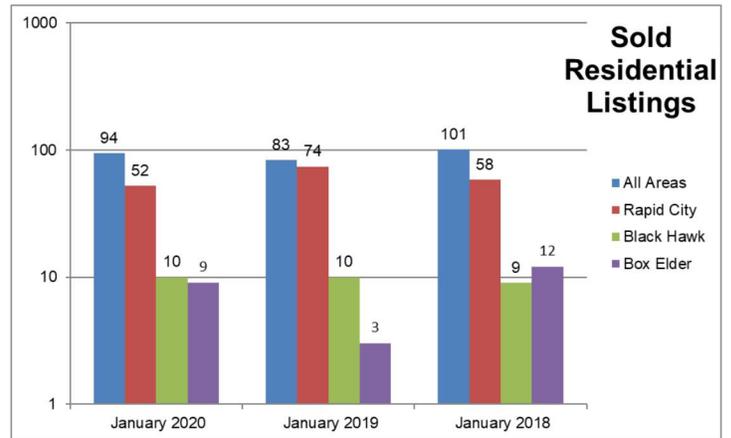
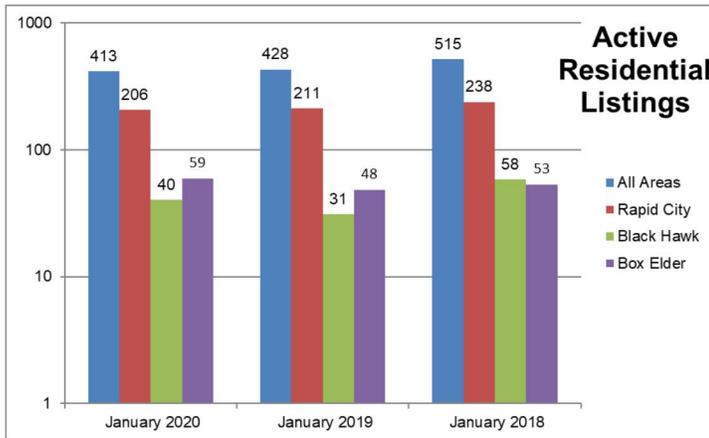


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Rapid City & Area Market Conditions For January 2020



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3 Renovations That Will Help Get Your Home Sold

When it's time to sell your house, you want to do it as quickly as possible and for the most money, right? Of course you do. Nobody wants their house to sit on the market and they certainly don't want to leave money on the table.

You might not want to think about making renovations to your house because you're spending money on a place you're no longer going to live, which means you won't even be able to enjoy the renovations! But here's why you should re-think that: Smart renovations can actually help get your home sold quickly and for a higher sales price. Here are three to concentrate on.

Quartz countertops

Quartz became the preferred choice in countertops several years ago and Elle Decor may have dealt granite the final death knell by putting it on their design trends that are "out" list for 2020. "Granite countertops are a thing of the past, Lonni Paul of Lonni Paul Design told them. "Quartz is a great alternative to granite or marble because of its durability and ease of maintenance. The new styles of quartz often mimic marble so well that for some it's hard to distinguish one from the other."

Putting a couple thousand dollars into your countertops to get rid of granite or, even worse, laminate, can be a great investment that gets your home noticed. You may not recoup 100% of your dollars, but it may be well worth it to get your home sold without dropping your price.

"If the countertops look dated, are stained or are in poor general condition, they can be a deterrent to selling your home," said Countertop Guides. "Anytime a potential buyer walking through your home sees an expensive item that needs to be fixed or replaced, they make a mental note of it. If those negative marks add up too high, your home won't be considered a good choice for them. If your countertops are ugly or in bad shape, you might not get all your money back in resale value, but they may make your home more acceptable to more buyers, and that is worth a lot."

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An Effective Home Listing Can Get Your Place Sold

Where are you going to move to next? Will you find another house you love? Will the moving process go smoothly? They're just a few of the dozens of questions you probably have if you're getting ready to sell your home and look for another. But first things first: You have to find that buyer! The right real estate listing could make the difference between your home selling quickly, or not at all.

You may not have thought much about your real estate listing, but it's a critical piece of the home-selling pie. Getting it wrong may not necessarily cost you a sale if your home is well-priced, located in a hot area, and you have great listing photos. But it could help you attract the right buyers if done well.

If you're working with a good, experienced real estate agent, they are probably already following these tips (and, if not, it might be time for another agent!). Which brings us to our first tip:

Listen to your real estate agent

There are numerous applications for this, but the most important one—and one that has the biggest potential to attract or repel potential buyers—is your listing price. It's common practice for sellers to disagree on the price of their home. No one wants to sell for less than they think their home is worth or what they think they can get.

Trusting in your agent's pricing strategy is important. Don't be surprised if the recommended price comes back with a "9" in it. There is a psychology to this.

"When cruising the aisles at the grocery store, ever notice how many prices end in 99s? That's no accident. This strategy is called charm pricing and relies on the truism that \$5.99 sounds less expensive than \$6.00, even though the difference is only one penny," said Homelight. "But does this theory translate to real estate? An analysis of four million home sales showed that yes...you'd actually be wise to round your list price down to the nearest \$9,000. So if you were to determine your fair market value was \$450,000, you'd want to go for \$449,000."

The other reason is more practical. If your buyer has to stay under \$450,000 for their home purchase, your place will show up in their search.

Watch your words

"Cozy" means "small." Assume your buyer—or your buyer's agent—has looked at the square

footage. You don't need to remind them your house is the size of a shoebox. "Charming" could

mean lots of things—in need of updates, probably not done to the buyer's taste, or, the kiss of death, "interesting." A term like "great potential" will likely make the buyer think a deal can be had because the home is in need of a serious makeover.

Carefully choose which features to mention

Some could be more valuable than others. "Mentioning certain home features like professional appliances, wine cellar, steam shower and waterfall countertop can boost sales prices from 24% to 34%," said SFGate.

Think about the area

It may turn out that your buyer is hyperlocal, but many experts advise that sellers focus on out-of-area prospects. Even a buyer from 10 minutes away many not be aware that there are 12 community parks, 20 miles of trails, and four museums in the area.

Be creative

Especially if you're in a market with a lot of listings in your price range, it's important for your listing to stand out. "Look at typical real estate ads and you will notice they tend to be similar and boring," said SFGate. "How would you react if you read an ad among 24 others that is in capital letters and says, 'ARE YOU KIDDING ME?? 12 Acres of Wooded Land for HOW MUCH?' If you were looking for raw land, would you click on it?"

Write an effective headline

Your house has to make a great first impression to attract buyers, and so does your listing. This isn't a time to be boring.

Check for errors

Every couple weeks or so we see a listing with a glaring error in the price of a home for sale (such as one that makes a \$300,000 home look like it's listed for \$3,000 or even \$3,000,000). And that's not the only easy mistake to make.

"For example, if your house is listed on Polar Lane when it is actually on Poplar, your place may never be found, even if it is turnkey and well priced," said the Los Angeles Times. "The same holds true if the school district is incorrect, the ZIP Code is wrong, the number of bedrooms is misstated or the map coordinates are inaccurate."

Courtesy of Realty Times



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New Changes For Mortgages In 2020

Well, that was fast. 2019, that is. Especially so during the holidays.

It seems that the days leading up to Thanksgiving and then January 2 are a blur. The mortgage industry is no different as new guidelines will be in place for the new year. Some of these guidelines are a big deal and some not so much. But changes are coming.

The first big change is the conforming loan limit. Conforming loans are those that conform to guidelines set by Fannie Mae and Freddie Mac. Around two-thirds of all residential mortgage loans issued in the United States are conforming. Lenders approve loans using these standards and after doing so sell those loans to third parties, primarily Fannie and Freddie but other mortgage company buy loans as well. One of the primary conforming guidelines is how big the loan can be. In 2019, the conforming loan limit for most parts of the country was \$484,350. But for 2020, the conforming loan limit will be \$510,400. In areas where property values are much higher compared to the rest of the country, conforming limits can be as high as \$756,600. Conforming loans will carry some of the most competitive mortgage rates compared to "non-agency" loans.

VA loans, those whose guidelines follow those set forth by the Department of Veteran's Affairs, will also see some changes. Perhaps the biggest change is how big a VA loan can be. Historically, the VA loan marched in step with the conforming loan limits established by Fannie and Freddie. For 2020, that would mean VA loans would have a loan limit of \$510,400. For 2020, that changes. VA loans will no longer have a limit and it will be up to the individual lender to set a loan limit for its borrowers. Lenders must still approve a VA loan application in the same way they're approved today by verifying income, employment, eligibility and other guidelines.

Another change to VA loans is the Funding Fee. For 2020, the funding fee will be 2.3% of the sales price of the home, this is up from 2.15% in 2019. The funding fee is an insurance policy that compensates the lender in the case of default. This is rare however as VA loans are some of the highest performing in the industry. Other fees can change depending upon the number of times a VA loan was used and whether or not there was a down payment involved in the transaction. What does not change is the occupancy. VA loans can only be used to finance a primary residence.

FHA loans will also see some changes. For most parts of the country, the new FHA loan limit will be \$331,760. FHA limits are set as a percentage of median home values for the area. This percentage is set at 115% of the median value. These areas, known as "metropolitan statistical areas," are identified by the Census Bureau. Because home values will vary from one area to another, the FHA limits will also change. A quick phone call to your loan officer can tell you what the FHA limit is in the area you want to buy.

USDA loans will see some changes in 2020. USDA loans are used to finance rural properties. Because these areas are identified by population which is turn is reported by the Census Bureau, USDA loan limits will change as the new Census is performed. These new limits will be announced after the Census is taken.

Note, these are changes issued by their respective agency. Individual lenders may also have their own changes, referred to as "overlays" in addition to the ones noted above. In general, however, lending guidelines and regulations have somewhat stabilized over the years and obtaining a loan approval is much easier than say 10 years ago. There are changes coming, and they're good ones.

Courtesy of Realty Times

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The master shower

A cave-like shower or one with chipped or dingy tile or a corroded

door isn't going to attract buyers. In fact, the idea that buyers will have to remodel this critical element could be such a turnoff that they might just turn around and leave.

Cabinets can be repainted and lighting easily swapped out, but the shower is a bigger undertaking, and one that can cost big dollars, depending on what you're looking to do. Knowing you likely won't make all your money back could also give you pause, but, your shiny new shower could get your home sold.

"Quite simply, bathroom remodels won't necessarily recoup at resale everything you spent to update it, but they are one of the higher return projects you can do," said HomeLight. "Anecdotally, a brand new bathroom also helps inspire offers on your house, and small, inexpensive updates to this space could help you fetch 2-3% more for your house."

Paint

Bright red walls, dirty white walls, deep purple walls. What do they have in common? They could all cost you a sale.

"Painting your home before putting it up for sale can be critical to selling it faster and for a better price, says Dan DiClerico, a smart home expert for HomeAdvisor, a home improvement platform, in New York City," according to USA Today. "While it varies a lot, we estimate that fresh paint adds 1% to 3% to a home's final sale price," he says. "On a \$300,000 home, that means you could be getting \$3,000 to as much as \$9,000 more."

You don't have to paint every inch of the place, inside and out. Experts recommend focusing on "high-traffic and first-impression areas such as the kitchen, the bathrooms and the foyer."

As for color—talk to your real estate agent to get recommendations. While most experts suggest neutral colors to appeal to the largest possible buyer pool, there may be specific areas that could benefit from something richer, darker, or more dramatic.

Courtesy of Realty Times

January Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "This week's mortgage rates were the second lowest in three years, supporting homebuyer demand and leading to higher refinancing activity. Borrowers who take advantage of these low rates can improve their cash flow by lowering their monthly mortgage payments, giving them more money to spend or save."

- 30-year fixed-rate mortgage (FRM) averaged 3.51 percent with an average 0.7 points for the week ending January 30, 2020, down from last month when it averaged 3.74 percent. A year ago, at this time, the 30-year FRM averaged 4.46 percent.
- 15-year FRM this week averaged 3.00 percent with an average 0.7 points, down from last month when it also averaged 3.19 percent. A year ago, at this time, the 15-year FRM averaged 3.89 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.24 percent this week with an average 0.3 points, down from last month when it averaged 3.45 percent. A year ago, at this time, the 5-year ARM averaged 3.96 percent.

Courtesy of Realty Times

Black Hills Events

Mardi Gras

February 21 & 22
Deadwood

Nemo 500 Outhouse Races & Chili Cook-Off

February 29 - 1:00 PM
Nemo Guest Ranch, Nemo

Rapid City Rush Games

March 1, 6, 7, 13, 14, & 15
Ice Arena, Rushmore Plaza Civic Center

St Patrick's Day Weekend

March 13 & 14
Deadwood

4Gmx Indoor Winter Motocross

March 14 - 6:30 PM
James Kjerstad Event Center
Central States Fairgrounds

SDHSAA State A Basketball Tournament

March 19, 20 & 21
Rushmore Plaza Civic Center

25th Annual YFS Kids Fair

April 3, 4 & 5
Rushmore Plaza Civic Center

Creative Quilt, Art & Craft Market

April 17 & 18
Best Western Ramkota Hotel, Rapid City

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com



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Preparing Yourself To Buy A New Home

Getting ready to buy a new home can be stressful and put unneeded strain on every aspect of your life. Without preparation, you might find yourself searching desperately for a home and contacting multiple agents to help you out. You might also start worrying about whether you'll ever be able to find a new home. Those stresses and strains can ruin family relationships as you all try to cope with

what going on. Luckily, there is a better way to go through the process. With the proper preparation, buying a house can be just as smooth as you dreamed it would be.

1. Plan Out What You're Looking for in a Home
2. Set a Budget
3. Contact a Real-Estate Agent Well Before Your Deadline

Courtesy of Realty Times