

Rapid City Real Estate Update



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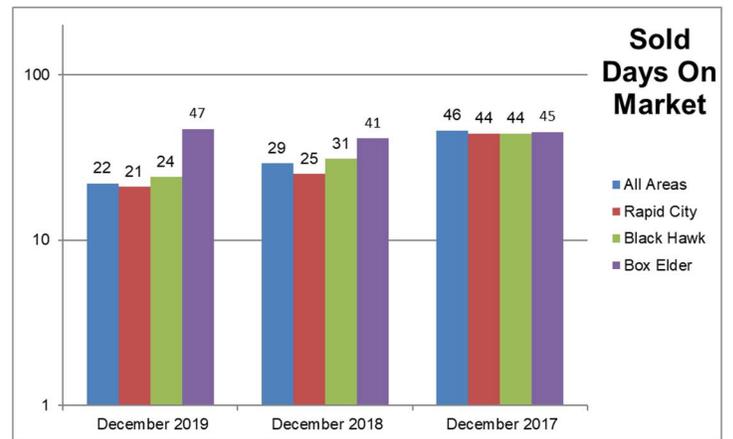
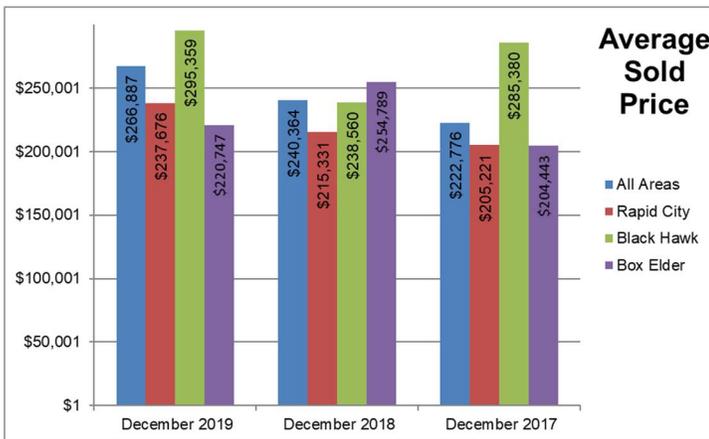
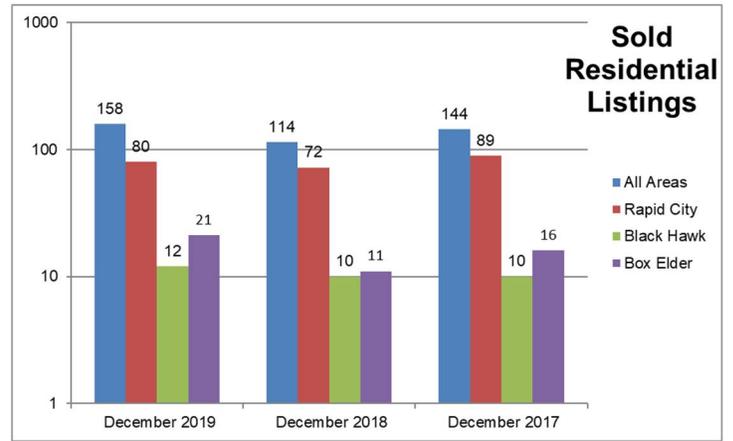
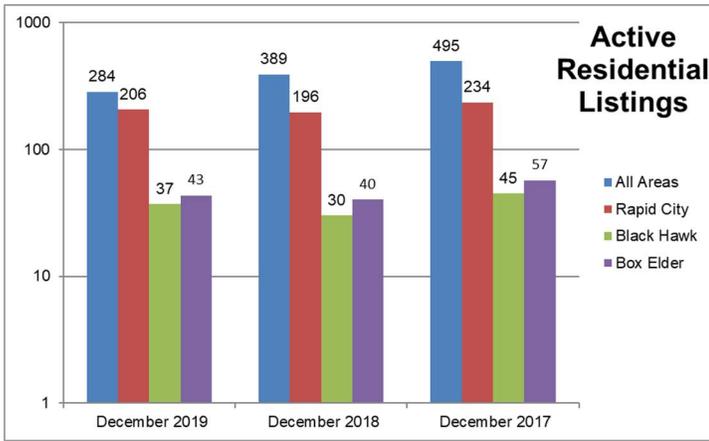
BLACK HILLS LEGACY

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Rapid City & Area Market Conditions For December 2019



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Real Estate Market Predictions For 2020

If it's the end of the year, it must be time for the soothsayers to come out. When it comes to predictions for the real estate market, well, there are a lot of them. We've taken the temperature of the experts to get a feel for what we can expect in 2020.

Grain of salt warning: There was widespread agreement in 2018 about rising mortgage rates in 2019, that, initially proved true. But, ultimately rates went down—and stayed there. Experts can make educated guesses based on a wide range of economic factors, but with an impeachment hearing in the Senate pending and what is likely going to be a bonkers presidential election, anything could happen. That being said, there are some predictions we feel pretty good about—and some you'll definitely want to pay attention to if you're planning to buy or sell a home in the new year.

Mortgage rates will stay low.

In fact, some experts think they'll drop even further. "According to Odeta Kushi, deputy chief economist at title insurance and settlement services provider First American, there's 'emerging consensus that rates will remain low next year—likely somewhere between 3.7% and 3.9%," said Forbes. "Forecasts from Freddie Mac and the Mortgage Bankers Association back this up, both predicting 2020 rates within this range. Fannie Mae actually predicts rates will clock in even lower, vacillating between 3.5% and 3.6% throughout the year."

Added MarketWatch: "The vast majority of housing economists project that mortgage rates will remain below 4% in 2020."

Single-family home starts will rise.

According to Fannie Mae's Economic and Strategic Research Group, new home starts will jump from a 1% increase in 2019 to 10% in 2020, and top 1 million new homes the following year. This represents a boost from earlier forecasts.

"Strong reads on the economy have researchers at mortgage giant Fannie Mae revising their 2020 housing forecast much higher," said CNBC. Fannie Mae's Economic and Strategic Research Group predicts builders will expand production more than previously expected, due to a strong labor market and robust consumer spending. Low mortgage rates will also help."

Millennials will continue to buy homes. High prices and limited inventory continue to be a barrier to homeownership for many, but

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New Year's Resolutions For Home



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Making a New Year's resolution is nothing new. Most of us have done it at one time or another. Making good on that resolution is another thing.

"The statistics on how many people actually follow through and accomplish their New Year's resolutions are rather grim," said Forbes. "Studies have shown that less than 25% of people actually stay committed to their resolutions after just 30 days, and only 8% accomplish them."

This year, making a promise to yourself to make improvements to your home—that might be a resolution you can keep! Here's where to start:

Declutter

If the idea of decluttering is giving you anxiety, think about it in smaller chunks. Split up your home into different spaces and tackle one per month, getting rid of anything that you don't use, don't need, and don't even like anymore.

If you have 12 rooms, you have the perfect ratio of spaces to months in a year; if not, you may have to do some combining or adjusting. Once you've figured out the schedule, get it on your calendar. Studies show we're much more likely to follow through with an activity that way.

Catch up with home maintenance

The broken ice maker. The rattling air conditioner. The chipped fireplace mantel. It's all the things that drive you crazy—or that you have to pretend you don't notice so you can maintain your sanity. Make 2020 the year that you tackle those to-do items. Which leads us to our next item:

Prioritize

You've been dying to redo the bonus room, but updates in the kitchen will add the most value. Of course, the bathrooms also need do-overs, and you can probably do two or

even three of them for the price of the kitchen reno.

So. Many. Decisions.

When you think about all the things in your home that need fixing or redoing, it's easy to get overwhelmed and default to doing nothing. Here's what helps: sit down and make a list in three columns: big fixes, medium fixes, little fixes. Now give them a priority number, based on what you really want, need, and can pay for. Seeing it on paper—or on screen—should shed some light on what you can do, and in what order.

Keep up with home maintenance

Once your home is in pretty good shape, establishing a maintenance checklist can help you keep it that way. A maintenance checklist outlines the systems and components of the home that should be checked on an annual, semi-annual, monthly or weekly basis," said HGTV.

Improve your curb appeal

You don't have to completely overhaul your yard to get it looking great, nor do you have to do everything at once. It might only take a good cleanup—raking, pulling weeds, pruning trees, trimming bushes, and painting the front door—to get it in pretty good shape. Now add some fresh flowers by the front door and you're good to go.

Ask for help

Asking for help isn't easy for many of us, regardless of the task. You may think you can't impose on a good friend or family member to help with painting a room or organizing a closet. But would you do it for them? If the answer is, unequivocally, "Yes," perhaps you should bite the bullet and ask. An offer of pizza and beer in return can sweeten the deal.

Courtesy of Realty Times



Should You Buy A Fixer-Upper?

Home prices continue to rise, which is keeping many a renter out of the market. But, fixer-uppers present a potential opportunity. For starters, the lower prices create the affordability that is lacking in other segments of the market. So should you be looking for one? We're breaking down the pros and cons.

The ability to buy a house:

Median home prices are at a record high, while affordability is at one of its lowest points. The reality for many people is that there seems like there is no end in sight to renting. A fixer-upper may present an opportunity simply because of the lower price point that gets you in the door.

Pride of ownership:

Pride of ownership is a real thing for homebuyers. And that pride grows even stronger when you've had a hand in making improvements.

Expecting the unexpected:

You know how on every episode of every renovation show on HGTV there's something in the wall or under the floor or in the attic that makes taking down a wall impossible, or at least price-prohibitive? Get ready for a whole lot of that.

Saving money:

Certain renovations can seem expensive because the labor is factored in. If you're doing the work yourself, you'll be amazed how far your money can go.

Deciding what you can handle:

If you're handy—or merely patient and a quick learner—there may be no limit to your ambition as it relates to buying and fixing up a home. But it

behooves you to be realistic, and painfully honest with yourself. Do you have the patience for a massive project? Are you the type who always finishes what you start or is it more likely that you'll end up in a half-done construction zone for months (or years!) on end? How strong is your marriage (because it WILL be tested)? These are just a few of the questions you'll want to ask yourself before you take the fixer-upper leap.

Growing your skills can be lucrative:

The more you learn, the more you can apply to your home. But have you thought about how those skills can translate outside of this one home? Maybe buying and fixing up homes sets you on a new career path.

Paying the right price:

Figuring out what to pay for your fixer-upper might not be so easy because you can't make an apples-to-apples comparison with a home in better condition based on the standard price-per-square-foot equation.

"Unlike buying a house that's move-in ready, figuring out the market value of a fixer-upper isn't a simple matter of comparing it with nearby houses that have the same number of bedrooms and bathrooms and so forth," said NOLO. This makes working with an experienced real estate agent even more important. Knowing how much a property is worth and where to start when it comes to negotiations is key to getting a good deal.

Increasing your home's value:

Greater affordability may be the immediate driver when it comes to buying a fixer-upper, but the potential for appreciation is just as important.

Courtesy of Realty Times

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Millennials have made their mark on the market after many years on the sidelines. In September 2019, millennials accounted for 46% of all mortgage originations—a 43% rise from a year ago. This group is expected to dominate the market again next year. Realtor.com expects millennials to make more than 50% of all home purchases in 2020.

Those millennials will be heading for the suburbs.

"As home prices skyrocket, cash-strapped Millennials are looking toward more affordable places to put down roots—namely smaller, suburban towns on the outskirts of major metros," said Forbes. "The trend has led to an uptick in 'Hipsturbia' communities—live-work-play neighborhoods that blend the safety and affordability of the suburbs with the transit, walkability and 24-hour amenities of big cities. The Urban Land Institute recently named Histurbia as one of its top real estate trends to watch in 2020."

Millennials and baby boomers will both buy new.

Millennials and baby boomers alike are pushing new home sales, and the trend is expected to continue. Beyond the desire for something brand new and low-maintenance, a lack of inventory in the resale market is also a factor. "The shortage of existing homes for sale has pushed more potential buyers to the new-build market," said CNBC. "Mortgage applications to purchase a newly built home were up 27% annually in November, according to the Mortgage Bankers Association. Homebuilder sentiment jumped to the highest level in 20 years in December, according to the National Association of Home Builders."

Prices will keep on rising.

Home prices will continue heading up, but here the experts disagree about how much. Realtor.com predicts a 0.8% nationwide rise—and a decline in some neighborhoods, including Chicago, Dallas, Las Vegas, Miami, and San Francisco. CoreLogic sees home prices rising by 5.6% by next September—eclipsing this year's 3.5% rise.

Inventory will be tight.

Of course, this is nothing new. But data shows that today's homeowners are staying in their homes longer—five years longer than in 2010, when the average was eight years. This is largely due to Baby Boomers opting to remain in their existing home instead of downsizing, thus creating a logjam in the market. Experts expect the housing shortage to last beyond 2020 unless new home construction can up its pace well beyond what is forecasted.

Courtesy of Realty Times

December Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "

The 30-year fixed-rate mortgage rate saw little change again this week and averaged just 3.9% during 2019, the fourth lowest annual average since 1971 when Freddie Mac started its weekly survey.

Heading into 2020, low mortgage rates and the improving economy will be the major drivers of the housing market with steady increases in home sales, construction and home prices. While the outlook for the housing market is bright, worsening housing affordability is no longer a coastal phenomenon and is spreading to many interior markets and it is a threat to the continued recovery in housing and the economy."

- 30-year fixed-rate mortgage (FRM) averaged 3.74 percent with an average 0.7 points for the week ending December 26, 2019, up from last month when it averaged 3.66 percent. A year ago, at this time, the 30-year FRM averaged 4.55 percent.
- 15-year FRM this week averaged 3.19 percent with an average 0.7 points, up from last month when it also averaged 3.15 percent. A year ago, at this time, the 15-year FRM averaged 4.01 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.45 percent this week with an average 0.3 points, up from last month when it averaged 3.39 percent. A year ago, at this time, the 5-year ARM averaged 4.00 percent.

Courtesy of Realty Times

Black Hills Events

Two-For-One Tuesdays Ice Skating

February 4, 11, 18 & 25 - 12:00 to 8:00 PM
Main Street Square, Rapid City

Chocopalooza

February 8 - 11:00 AM to 6:00 PM
Dahl Arts Center, Rapid City

Rapid City Rush Games

February 12, 14, 15, 28 & 29
Ice Arena, Rushmore Plaza Civic Center

Black Hills Sports Show & Outdoor Expo

February 14 - 16
Rushmore Plaza Civic Center

Black Hills Winter Festival

February 15 - 12:00 to 8:00 PM
Miner Brewing Company, Hill City

4Gmx Indoor Winter Motocross

February 15 - 6:30 PM
James Kjerstad Event Center
Central States Fairgrounds

The Harlem Globetrotters

February 26 - 7:00 PM
Rushmore Plaza Civic Center

Nemo 500 Outhouse Races & Chili Cook-Off

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

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com

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The Case For Two Kitchen Sinks

While the majority of American kitchens have only one sink, the trend toward two is growing quickly in new construction and major remodels. Why would you possibly need two kitchen sinks — that is, if you are in the fortunate position to be able to afford this luxury? In a nutshell, for better kitchen workflow.

Everything in its place. Having two kitchen sinks allows one to be the dedicated cleanup sink and the other to be the prep sink. With this division of sink labor, the space around each sink gains a designated purpose. Prep tools, bowls, colanders and appliances can be stored near the prep sink, while dishes, silverware, serving pieces and glasses can be stored near the cleanup sink and dishwasher. When you separate the cleanup zone from the prep zone, you improve traffic flow and organization.

Multiple cooks in harmony. Another benefit of having two sinks is that multiple cooks can work in comfort simultaneously. With only one sink, prepping and cleanup activities all take place in the same location, creating a cramped work area no matter how expansive your kitchen is in square footage. Two well-placed sinks eliminate this problem.

Efficiency for solo chefs. The two-sink setup also works better for a soloist. It prevents dirty dishes from getting in the cook's way or from forcing the chef to stop in the middle of a task to clean out the sink so that it can be used. Instead, dirty dishes go in the designated cleanup sink instead — and the cook(s) can keep right on cooking.

Courtesy of Houzz.com