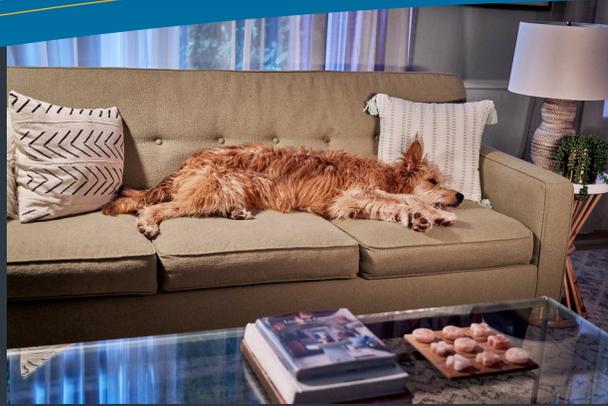


# Rapid City Real Estate Update

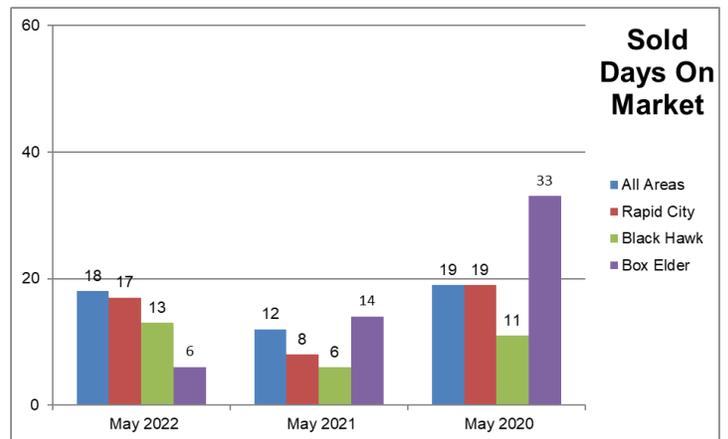
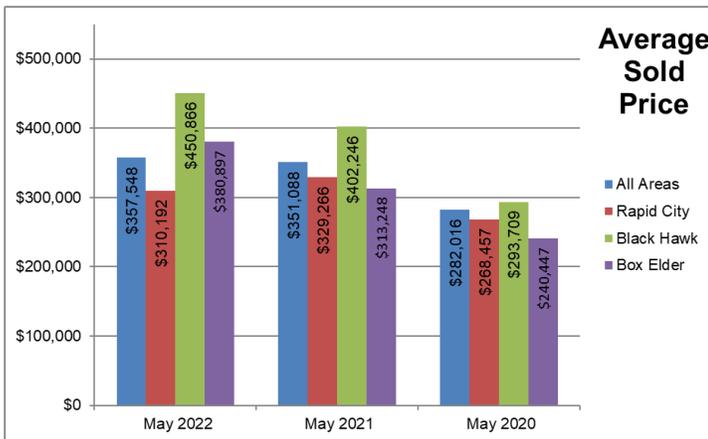
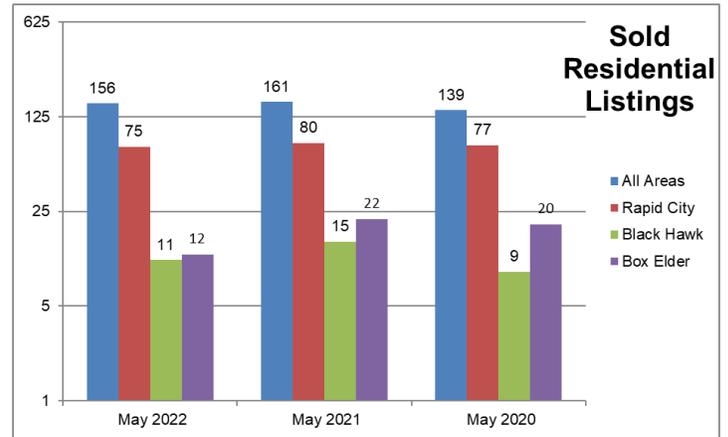
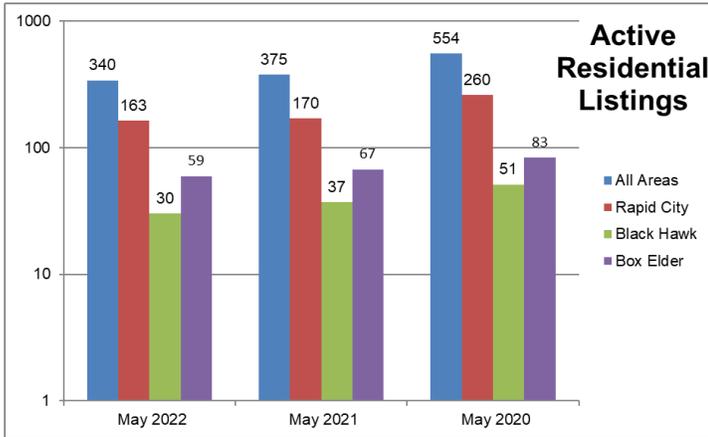


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# Rapid City & Area Market Conditions For May 2022



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## Decorating Tricks for Hiding Kids' Messes While Selling Your Home

Keeping the house together during the selling process is a challenge. Making sure everything is just right for showings and open houses can be exhausting and overwhelming. Throw kids into the mix, and things can get downright chaotic. Fortunately, a few small decor choices can help conceal kid clutter—changing your “for sale” sign to “sold.”

### Hide in Plain Sight

With overflowing toy boxes and tea-party set-ups overtaking the living room, it may be unrealistic to banish all kid stuff to other rooms. Instead, make use of your furniture's built-in compartments and drawers. Have a storage ottoman next to the sofa? Fill it with everything from action figures and dolls to coloring books, art supplies, stuffed animals and more. Divide the credenza in the family room so that your little ones can store toys behind its closed doors. Accent the open shelves with ceramic vases, family photos, decorative carafes and other appealing decor items.

If your built-in storage is already in use, opt for two or three woven baskets with lids instead. Place them wherever you want, whether it's next to the loveseat or on the bottom shelf of a console table. Buyers will be too busy appreciating your home's cleanliness and open floor space to think about what's inside.

### Hide Within Reach

Families in smaller living spaces might consider another strategy—underbed and attic storage. While the underside of your child's bed may be already home to all sorts of tchotchkes, encourage kids to neaten it up with rolling plastic or rattan storage bins. Discreetly stow away everything from dress-up clothes to seasonal clothing in multiple containers. Slide them out of sight, then help your little one make the bed with an oversized quilt that conceals what's hidden below. The best part? These containers can still be used after moving into the new bedroom or playroom.

(continued on page 3)



## 5 Home Projects To Enjoy Your Outdoor Space All Year Round

For the last several years, homeowners have been putting a priority on creating outdoor living spaces for their homes. This has led to an increase in the building of outdoor spaces such as decks and patios.

Having these kinds of spaces isn't always enough, however, if you aren't able to use the space year round. Many homeowners who would otherwise want to invest in these types of spaces may end up putting it off, simply because they don't believe it will get enough use to be viable.

That's why adding some features to an outdoor living space that can extend their use can be beneficial; it adds value to the area, and increases homeowner use and enjoyment. The following five projects are designed to help make an existing outdoor space more usable at any time of year.

### Fire Pit or Outdoor Fireplace

Fire pits and outdoor fireplaces make great focal points for any outdoor living space. They create a gathering point, and allow you to extend the use of the space into the evening hours as well as into the colder months of the year with the heat and light they provide.

Both of these features can add a lot of use and function to the area, but they are different in terms of operation and cost. A fire pit costs around \$700 on average for a built-in model, or you can purchase a movable version for about \$100. With a fire pit, you can gather around it on all sides, so it typically sits in the middle of your patio, which can mean it's in the way when not in use.

An outdoor fireplace can be more expensive, averaging \$5,000 - \$10,000 if you use a readymade insert. You can only gather in front of it, so it's a little less versatile, but it's also tucked out of the way, so you aren't using up valuable real estate on the patio as well. They make good additions to spaces that have other built-in features like outdoor kitchens, because you can typically add on in style easily.

### Hot Tub

Hot tubs can be used in all kinds of weather and temperatures, including during the snow. This makes them a great addition to outdoor spaces where a pool might not get a lot of use, but a water feature could be attractive.

Hot tubs come in all shapes and sizes including some that can be sunk into the ground, some that can be placed on a deck or patio, and even some that can double as an endless exercise pool. Because of these many choices, you'll also have a range of associated costs. The average hot tub installation will run around \$6,925 for a tub that seats four people. Keep in mind that many hot tubs are heavy, so if you want to place it on the deck, you may need to have it inspected to ensure it can handle the weight, since there are many factors that go into determining whether or not a deck can handle the additional load.

Hot tubs can be located alongside pools or on patios easily, however, so even if the deck isn't the best place to install one, it's possible to find a good location elsewhere.

### Sunroom

Sunrooms blur the line between indoor and outdoor spaces. They can be three-season rooms with walls made of screens or they can be four season spaces with highly insulated windows. Regardless of type, they can usually be designed to create wide-open views so you can feel like you're outdoors even when you aren't.

Sunroom additions have an ROI of just shy of 60%, which means that they can add some value to the home, as well as recreation and enjoyment. Sunrooms cost between \$35,000 and \$55,000 for a three season room with fans and outlets. Costs do go up as you winterize and create a more year round space, with most four-season sunrooms topping out around \$60,000 to \$90,000. This is mostly due to the amount of insulation and tightly fitting windows that are required for the space.

### Add Good Lighting

Good lighting is important year round, particularly when you want to extend the use of your outdoor space into the evening hours. During the winter months, when the days are shorter this becomes even more important to the use of the space. Installing good landscape lighting to your patio, deck, or pool area can help make the space more functional while opening up more opportunities for things like entertaining.

Outdoor lighting should ideally be customized to the space you're using. For example, if you have walking paths, you'll want to ensure they're well lit, while patios and decks may need additional lighting near seating and doorways to ensure the space is safe and functional. Outdoor lighting can therefore have a fairly wide range of associated costs, with the average being about \$3,800 for 20 outdoor lighting fixtures.

### Consider an Awning

Most people associate awnings with creating shade on a hot day, but they also have use year round as well. Awnings can offer some protection from the elements, which can help keep snow and ice off of decks and patios, extending the amount of time they can be used. This way, you won't have to spend as much time shoveling out an outdoor area on a nice winter's day.

Not all awnings are going to work well for this; cloth awnings and those designed solely for providing shade may not be able to offer the protection you need. Look for aluminum awnings or have a custom, attached pergola with a solid roof added above your patio.

A metal awning installation can be installed for as low as \$600 to \$1,000, while an attached pergola with a roof can run around \$3,000 to \$6,000.

### Get More from Your Outdoor Living Spaces

Outdoor living is becoming more important not only to homeowners, but also their properties. And the more versatile the space is, the more use it will get. Add any of these projects to your existing outdoor space to increase its value and the amount of use that the area will get and start expecting more from outdoor living.

*Courtesy of Realty Times*



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## Is A Bigger Down Payment Always Better?

When you're buying something major with a loan, namely a house, you likely need a down payment. A down payment covers part of the purchase price.

Your down payment plays a role in whether you are approved for a mortgage at all. Down payments also impact your interest rate and the borrowing costs throughout the life of your loan.

Your down payment usually comes from your savings. The down payment should be a percentage of the total purchase price, and then you pay off the rest of the loan by making installment payments.

If you're buying a house for \$200,000 and want to make a 20% down payment, it's \$40,000. You would pay that when you close on your home loan. Then, you're actually only borrowing \$160,000.

There are arguments to be made both for and against making the biggest down payment possible. There are also pros and cons of a larger down payment.

### The Pros of a Bigger Down Payment

If you save the cash and want to make a bigger down payment, one big benefit is reducing how much you're borrowing. When you have a smaller loan, you're going to pay less in total interest over the life of your loan. You'll also get lower payments each month.

You can use a loan calculator to see how much a larger down payment has the potential to affect your payments.

With a bigger down payment, you may qualify for lower interest rates. A lender likes a bigger down payment because they're taking less risk on you. If you default on your loan, they see that they'll be able to get more of their money back.

If you can manage to make a down payment of at least 20%, you can avoid paying private mortgage insurance. Since down payments that are larger mean a smaller monthly payment, you'll have less stress in this area.

There are opportunities to borrow against assets such as your home. The home is an asset that serves as collateral. The larger your down payment is, the sooner you build equity in your home. Then, you can borrow against that equity.

### Why Would You Make a Smaller Down Payment?

While there's a significant upside to maxing out how much you put down on a home, it's not always the right situation. We tend to see a bigger down payment as always being better. In reality, it depends.

One reason to go with a smaller down payment is that it can take a long time to save that much cash. You may not want to wait so long to buy a house.

Even if you do save enough money for a large down payment, it can create stress to think about putting the money into a house. If you were to face an unexpected situation and had less of an emergency reserve, it could create problems.

Another reason a lower down payment could make sense for you is if you want to make any repairs or potential upgrades to the home after you buy it.

Most lenders will set a minimum down payment required, and you can always pay more than that.

Down payments will show a lender you're serious and that you're putting yourself on the line as far as taking a risk but think about your personal financial situation before you decide.

*Courtesy of Realty Times*

(continued from page 2)

For toys that are too big to fit in this space, such as kids' teepees and play tents, consider collapsing them and stowing behind a dresser. If the dresser has legs that makes it easy to spot what's behind it, opt for a chest instead.

### Rotate Toys in Longer-Term Storage

Consider storing bins of toys longer-term and swapping them out every few weeks. In addition to the attic and basement, the back corner of a deep closet is a great place to stack storage tubs filled with everything from building blocks and board games to miniature cars and pull toys. Strategically hide them behind long coats so a quick peek inside the closet doesn't give anything away. Better yet, switch out the storage tubs for suitcases. Rotate the toys in storage every few weeks--kids will have renewed interest when they come out of hiding.

### Minimize and Add Some Style

Rather than attempting to conceal every toy, consider downsizing. Prior to the first showing, help your little one sort through toys, determining what still gets played with and what doesn't. Sort into "keep," "donate," and "throw away." This streamlines the clean-up process and makes it easier to stow away what remains. Bonus? You'll have less to move when the time comes. For every item your children give up, consider rewarding them with small change or a trip to a favorite restaurant or ice cream shop.

For kids' areas like bedrooms and playrooms, embrace the playful nature and just add a little style. Choose bookcases and desks with useful cubbies and shelves, and dress up the space with vibrant and unique artwork. Inspire imagination in potential buyers (and keep the space useful while your home is on the market) by choosing a few colorful supplies and knick-knacks to display.

Strategically rearrange home decor to hide kids' messes while your house is being shown, and potential buyers will see a clean space that they'll want to make their own.

*Courtesy of Realty Times*

## May Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "Mortgage rates decreased for the second week in a row due to multiple headwinds that the economy is facing. Despite the recent moderation in rates, the housing market has clearly slowed, and the deceleration is spreading to other segments of the economy, such as consumer spending on durable goods."

- 30-year fixed-rate mortgage (FRM) averaged 5.1 percent with an average 0.9 points for the week ending May 26, 2022, the same as last month when it averaged 5.1 percent. A year ago, at this time, the 30-year FRM averaged 2.95 percent.
- 15-year FRM this week averaged 4.31 percent with an average 0.8 points, down from last month when it averaged 4.4 percent. A year ago, at this time, the 15-year FRM averaged 2.27 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 4.2 percent this week with an average 0.3 points, up from last month when it averaged 3.78 percent. A year ago, at this time, the 5-year ARM averaged 2.59 percent.

*Courtesy of Realty Times*



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# Black Hills Events

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

Food Truck Friday  
Fridays May 6 - July 29: 11:00 AM - 3:00 PM  
Main Street Square, Rapid City

Sturgis Camaro Rally  
June 23 - 26  
Sturgis

Main Street Arts & Crafts Festival  
June 24 - 26  
Centennial Park, Hot Springs

Black Hills Bluegrass Festival  
June 24 - 26  
Rush No More RV Resort & Campground

Black Hills Roundup  
June 30 - July 3  
Belle Fourche

Monsters of Destruction  
July 1 & 2  
Days of '76 Rodeo Arena, Deadwood

Fireworks on the Farm  
July 2 - 4:00 PM  
The Charm Farm, Box Elder

Gold Camp Jubilee Days  
July 3 & 4  
Lead

Custer's Old Time Country Fourth of July  
July 3 & 4  
Custer

Black Hills Corvette Classic  
July 13 - 16  
Spearfish

Festival In The Park