

Rapid City Real Estate Update

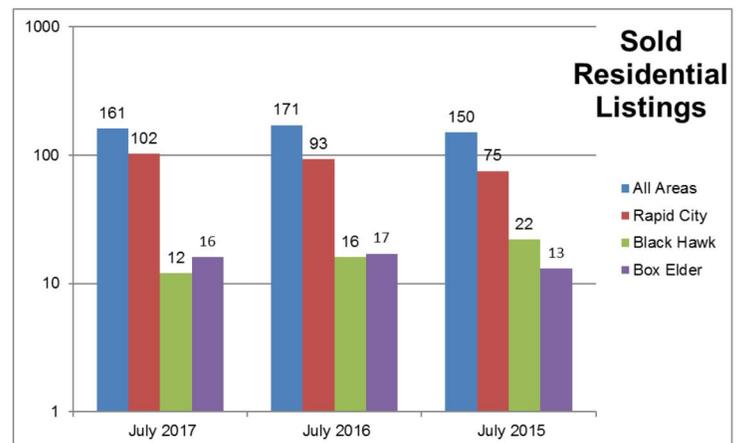
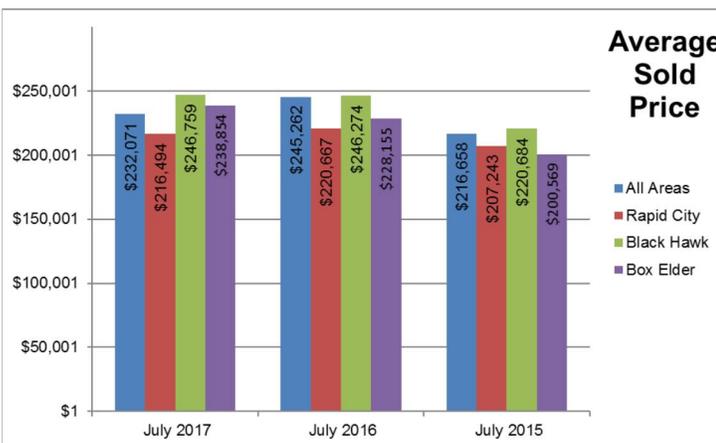
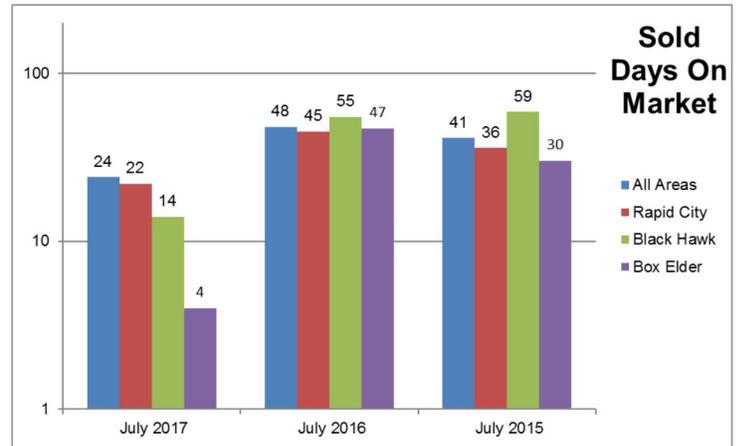
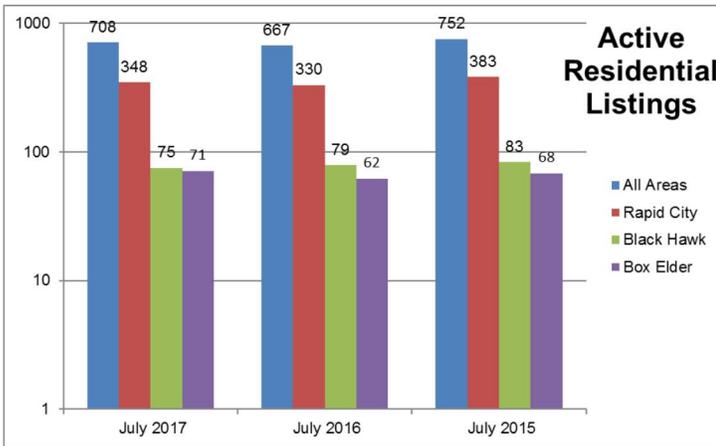


LEWIS-KIRKEBY-HALL
REAL ESTATE, INC.

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Rapid City & Area Market Conditions For July 2017



Curb Appeal Problems And Easy Ways To Fix Them

Just how important is curb appeal? Real estate industry legend Barbara Corcoran has said, "Buyers decide in the first eight seconds of seeing a home if they're interested in buying it." What are buyers going to see in the first eight seconds after driving up to your place?

If you've walked around the perimeter of your house recently, you've probably seen at least a couple of issues that need to be addressed before you sell. And your plan probably depends on how much time you have available. If you're listing your house today and expect immediate interest, you may have to pick from a few quick tips to get it in the best shape you can. Have a little more time? You can make a real impact in improving the curb appeal so potential buyers will drive up and want to see more.

Everything just looks a little shabby: It may be time to bite the bullet and repaint the house, or, at least, address some peeling trim. If your windows, walkways, and ornamental details are looking drab, a power washer can help transform the area easily and inexpensively. This is a relatively easy DIY task and the rental will only cost you about \$40 a day from Home Depot.

Your open house is today and your yard is looking pretty boring: You may not have time to do any new plantings, but that doesn't mean you can't make the yard look tidy and pretty. Fresh flowers in pots placed near your front door will bring the eye up from the street to your entry and give the impression that your home (and your yard) is well cared for. Add a new welcome mat to finish the look.

Your front door is janky: If you're looking at making a few smart updates before listing your home, don't ignore your front door. A new door can return between 75–100 percent of your investment, and it's a relatively

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7 Key Things That Help You Qualify For A Mortgage

In an environment where lenders are highly regulated and risk-averse, borrowers are rightfully a little nervous when they apply for a mortgage. But with the right preparation, qualifying for a home loan can be a rewarding experience in your journey toward homeownership.

"In a lot of ways, lenders have gone back to the basics, looking at fundamental personal finance criteria to decide who qualifies for a loan," says Rick Sharga, chief marketing officer of Ten-X, an online real estate marketplace in Irvine, California. At the same time, Sharga says lenders have been more risk-averse than ever since the housing bust.

A.W. Pickel, III, Midwest division president of AmCap Mortgage in Kansas City, Missouri, recommends finding a loan officer you can trust and sticking with that person during your entire home-buying process. "A good loan officer is like a pilot flying you and your loan from Kansas City to Hawaii," Pickel says. "There are several ways to get there and several things that can happen on the way. A good loan officer has seen the turbulence and knows where the smooth air is."

7 steps toward a loan approval: The back-to-basics approach by lenders means that borrowers can take steps that increase their chances of a mortgage approval. Improving your credit, reducing your debt and gathering your documentation are among the many things you can do long before a loan application to increase the likelihood of getting a "yes" from a lender.

1. Maintain a high credit score. The average FICO score for an approved borrower is around 720 for a conventional loan and close to 700 for an FHA-insured loan, says Sharga. He says borrowers should find out their FICO score before applying for a loan, make sure their credit report is correct and take steps to improve their score if necessary. Pickel says he recently reviewed a loan file with a high debt-to-income ratio of 49 percent but a credit score over 800, which resulted in a loan approval.

Keep a vigilant eye on your credit profile while you wait for your loan to close, too. "Once the application process has begun, borrowers shouldn't do anything that might negatively impact their credit rating -- no new accounts, no late or missed payments," says Sharga.

2. Save for a bigger down payment. One way to minimize risk for a lender is to make a higher-than-minimum down payment. "The average down payment today is around 10 percent; historically the standard has been 20 percent," says Sharga. "Anything above that lowers the

loan-to-value ratio, which is viewed positively."

3. Choose the right loan. If you have less money for a down payment but have good credit, you may qualify for a conventional loan with private mortgage insurance and a down payment requirement of 3 to 5 percent. You may want to look for a lender who issues FHA loans, which are often available to borrowers with less cash or a lower credit score and require a down payment of 3.5 percent. Keep in mind these loans require a monthly mortgage insurance payment in addition to principal and interest, Sharga says.

4. Manage your debt. Lenders are reluctant to issue loans that fall outside qualified mortgage rules established by the Consumer Finance Protection Bureau (CFPB), says Sharga. These loans have a strict cap of a 43 percent debt-to-income ratio, which is the percentage of your gross monthly income that goes toward the minimum payment on all your debt, including your mortgage.

Paying off credit card balances or at least reducing debt before applying for a home loan is helpful.

5. Buy within your means. "Be realistic with your monthly income," Pickel says. "Buy a house with a monthly payment you can afford. Buying a house that needs the income from two or three future raises will only cause stress." It matters that you can afford your payments and have remaining income after those payments are made, he says.

6. Demonstrate stability. Lenders look for signs of personal and financial stability, such as whether you've saved three to six months' worth of expenses in the bank, whether you have a steady employment record and how often you've moved over the past few years, Sharga says. Your good credit score and a pattern of saving money are both indicators of financial strength.

7. Respond fast to lender requests. The CFPB's ability-to-repay rule requires lenders to verify whether a borrower has the means to handle loan payments, says Sharga. This requires you to have all your financial records in order, including pay stubs, bank records, tax returns and more. Sharga says incomplete documentation is a common reason for loans being declined.

"If the loan officer asks for it, then bring it," says Pickel. "Sometimes people don't want to say they can't find something or they don't want to look for it, but it really helps to have all the information that the loan officer requests. This will help expedite the process."

*Written by Michele Lerner
Courtesy of Realty Times*

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Rates Drop Again

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage averaged 3.92% for the week ending July 27, 2017, down for the second consecutive week.

A year ago at this time, the 30-year FRM averaged 3.48 percent.

According to Sean Beckett, chief economist, Freddie Mac: "The 10-year Treasury yield rose 5 basis points this past week while the 30-year mortgage rate dropped 4 basis points to 3.92 percent. Mortgage rates in next week's survey would depend on how the market reacts to the Fed's balance sheet unwinding announcement coming soon."

Courtesy of Realty Times

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low-cost project," said Houzelogic, with a "national median cost of around \$2,000 installed."

You have a last-minute showing and the landscaper hasn't done his thing in the yard yet: Get in the car, drive to Lowe's, and pack up the trunk with mulch. It's one of the easiest ways to transform your yard and make it look fresh and neat. Lawn and bushes a little overgrown? Nextdoor is a great resource for finding last-minute landscape help or, in a pinch, a neighborhood kid with some developing gardening skills and a need for pocket cash.

Leaves. Everywhere: Get out the hose and spray those suckers away from sidewalks and walkways. Even if the hardscape is wet when the prospective buyers arrive, the area will look nice and clean. Now corral everyone in the house for some fire drill leave-bagging fun. An abundance of leaves in the yard can be a turnoff to those looking to buy as it may make them think the home is unkempt or that the yard is hard to take care of.

Your mailbox is...wow. How did you never notice that?: If it's old, worn, rusty, or has just seen better days, buyers will notice. This seemingly little thing can make them question the quality of your home. Thankfully, it's an easy fix that you can do yourself for almost no money. "It doesn't matter if you have a regular mailbox by the road or if you have a box mounted to your house, adding a new mailbox can add curb appeal."

You can find a new mailbox starting around \$20," said DIY Network. "When you install your mailbox, make sure that you are following the regulations that are set forth in the city that you live in. If you have a simple mailbox mounted on your house, this home improvement project should take less than an hour to complete. If you have a full-size mailbox at the road, plan for at least two hours or so to complete the project."

*By Jaymi Naciri
Courtesy of Realty Times*



6 Important Things To Know About New-Home Upgrades

Getting ready to buy a brand-new house? Moving into a home that no one has ever lived in before is incredibly exciting. So is picking out all your finishes so everything really suits you. But there are several important factors to keep in mind when it comes to the upgrades and options that are offered by the builder, starting with the fact that anything you choose beyond what is considered "standard" will raise the price of the home.

The home price is just the starting point

Have you fallen in love with a model home that's all decked out with sleek countertops and fancy appliances and hand-scraped floors and elaborate window coverings? Depending on where you're buying, you may have to pay more for some - or all - of what you see in the models. The "standard" home is typically a much more stripped-down version than what you're shown in the model complex.

Want to make changes to the floorplan or select higher-end finishes? Be prepared to pay for them. "A surprisingly large amount of the money you spend on your new home will be determined by the options and choices you make," said NewHomeSource.

You may be limited in the options you can choose

If you have something specific in mind and you don't see it offered by the builder, always ask your real estate agent or the sales professional in the new-home community. Depending on how flexible they are, you might be able to negotiate custom-ordered items into your home. Or, it may turn out you'll have to compromise, or add in the items after the home is finished... which isn't always such a bad thing.

It might make sense to hold back a little

Two more great benefits of adding upgrades from the builder:

- The work is done before you move in.
- The upgrades are included in the builder's warranty.

However, you definitely pay for those conveniences. If you price compare some of the items you're looking at adding, like countertops or flooring, you might find

that you can get them for much less elsewhere. Many of the upgrades offered by builders are huge profit centers for them. If you're willing to go through some renovations after you take possession of the home and either pay out of pocket or finance those options elsewhere, you could save some money.

You can roll your upgrades into your mortgage

But, having to spend thousands of dollars out of pocket for upgrades after you've just spent so much money on your new house may not seem ideal. An added benefit to handling your upgrades through the builder is that you can roll the added costs right into your mortgage instead of having to deal with a separate payment that might have a higher interest rate. The payment may be nominal - \$10,000 in upgrades could cost you about \$50 a month. But, you'll have to make sure that the additional cost doesn't push you over your loan approval amount.

You may have to go back to your lender for more money

If the new home you're buying is already at the top of what you've qualified for and you're raising the overall price with thousands of dollars of upgrades, a conversation with your lender is in order. If you can't raise your qualification amount, you'll have to whittle down those upgrades.

Not all upgrades will bring you ROI

Making smart choices is key when picking your upgrades, because not only do you want to create a home that suits your needs, style, and taste, but you also want to make sure the money you're spending will pay you back when you go to sell someday. Yes, thinking about selling a new home you're just now buying it may seem odd, but it's all about return on investment (ROI). If you're not thinking about it when you're spending your money, you might not get that money back later on.

When considering where to spend, concentrate on the kitchen first. "The kitchen is the heart of the home, the spot where you will spend the majority of your time and make the most memories," said NewHomeSource. "It can never be overly well equipped. Pay special attention to cabinets and appliances, as this is what future buyers will focus on, as well as the tools you will use every day."

*Written By Jaymi Naciri
Courtesy of Realty Times*

Black Hills Events

Find Your Park Festival

August 19 - 10:00 AM to 2:00 PM
Main Street Square, Rapid City

Central States Fair

August 18 - 27
Central States Fairgrounds
Rapid City

95 Percent Eclipse Party

August 21 - 10:00 AM to 1:00 PM
Sanford Lab Homestake Visitor Center
Lead

Kool Deadwood Nights

August 24 - 27
Deadwood

Wine, Brew & BBQ

August 25 - 26
Hill City

Fall River Hot Air Balloon Festival

August 26 - 27
Hot Springs

Once Upon A Festival

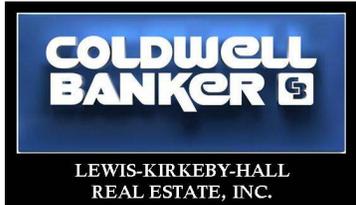
August 9 - 10
Storybook Island
Rapid City

Deadwood Jam

September 15 - 16
Deadwood

Information provided by:

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The True Impact Of Home Staging

Sixty-two percent of listing agents say professional staging decreases the amount of time a home spends on the market, while 40 percent of buyer's agents say their clients are more willing to walk through a home that has been staged, according to the National Association of REALTORS® 2017 Profile of Home Staging.

"REALTORS® know how important it is for buyers to be able to picture themselves living in a home, and staging a home makes that process much easier for potential buyers," says NAR President William E. Brown.

"While all real estate is local and many factors play into what a home is worth and how much buyers are willing to pay for it, staging can be the extra step sellers take to help sell their home more quickly and for a higher dollar value," said Brown.

Thirty-one percent of respondents to NAR's survey say staging increased the dollar value of a home they sold by 1 percent to 5 percent; 13 percent of respondents say it increased a home's dollar value by 6 percent to 10 percent. Agents on both the buying and selling side agree that the living room is the most important part of a home to stage, followed by the master bedroom, kitchen, and outdoor space. Thirty-eight percent of listing agents say they stage every one of their sellers' homes. Fourteen percent say they will only stage homes that are difficult to sell.

Courtesy of Realty Times