

Rapid City Real Estate Update

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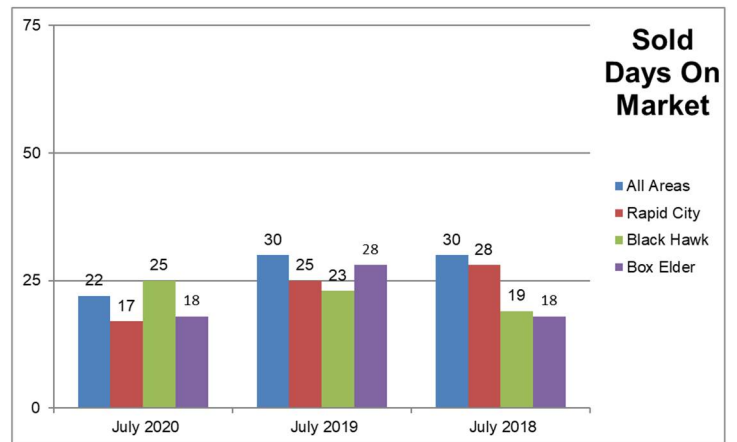
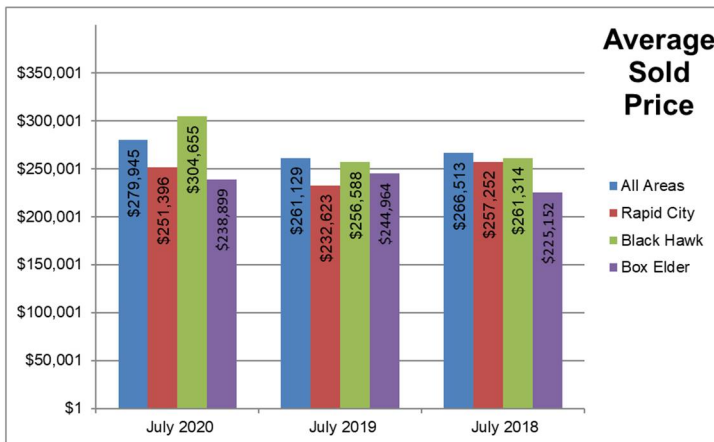
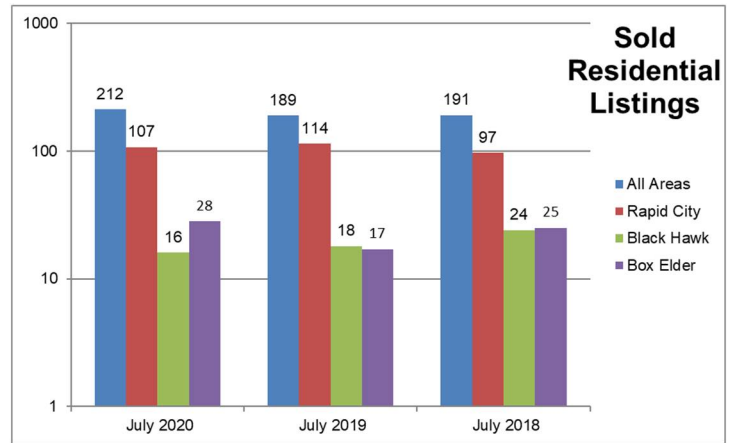
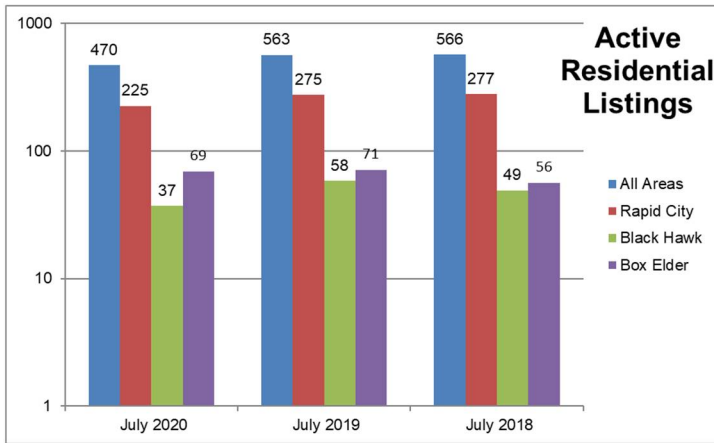


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Rapid City & Area Market Conditions For July 2020



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The Mortgage Secret That Could Save You Thousands

Should you be refinancing right now with sub-3% rates? Probably. But are there other ways to save on your mortgage that you might not know about? Definitely. A little-known mortgage payment trick could save you thousands over the life of your loan.

So what's the big secret? Paying your mortgage twice per month.

We know what you're thinking: "How does paying double save me money?" Let us explain. Paying twice per month doesn't mean making the entire monthly payment twice. It means paying half of the total every two weeks.

"The practice is called bi-weekly mortgage payments, a strategy where mortgage loan customers pay their mortgage loan every two weeks, instead of once a month," said Experian. "The idea is to chop down your mortgage payment more quickly, and in the process, lower the amount of interest you pay on your mortgage overall."

So how does paying every two weeks cut down on your total amount and save you big time? When you pay monthly, you make 12 payments per year. Pay every two weeks, and you actually end up making 13 full payments. And that one extra payment is directed toward the loan's principal.

"Since the homeowner is reducing the amount of the loan balance quicker, they are also reducing the amount of interest charged over the life of the loan," said MortgageCalculator.org.

What to ask your lender

Before you start making that extra payment, you'll want to make sure it's allowed. Some lenders either don't facilitate the process or don't credit the payment more than one time per month. "Many lenders decide to hold partial payments in an account until the rest of it is received," said MortgageCalculator.org.

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Selling Your House? Here are the Renovations that Pay Off (and The Ones that Don't)

Homeownership is great in a lot of ways—you get your own space that you can customize as you please, you can have as many pets as you want, you can have pets without paying extra fees, you get space to fit more belongings, etc. But homeownership can also be a big burden—you are responsible for any and all necessary repairs, you have to buy tools and equipment to help with maintenance for things like the lawn, you have to pay the cost of all utilities, and so on.

Owning a home has both its pros and cons but even despite the pros, after a while, many people find themselves needing to move. Whether it be because the home is too small, it's time for an upgrade, there's a new job in another location, it's not worth the cost of maintaining, or it's simply a good market and the right time to sell, there are a number of reasons that homeowners part ways with their houses. No matter the reason, though, many want to get the most out of it that they can, and that often means making updates and/or doing renovations to boost the value of their home before it goes on the market.

If you're getting ready to sell your own home and are deciding which renovation projects to take on, you may be having a hard time figuring out what's worth it and what's not—some renovations are worth more than others, but it can be hard to tell since the potential buyers' personal preference will come into play as well.

Luckily, there are a few renovations that will generally pay off, and a few that generally don't. If you're considering renovations for your house, here are the ones you should move forward with and the ones you should avoid:

Renos That Will Make You Money

Kitchen

If you're considering remodeling your kitchen before listing your home for sale, stop considering and start doing. While you don't need to do a full-on kitchen remodel, doing minor upgrades and updates to make it look current and fresh will have a positive impact on your home's overall value, helping you get more bang for your buck.

Energy Savings

Doing renovations or upgrades that result in energy savings is a good idea when you're planning to sell your home. Things like replacing insulation, upgrading windows, replacing appliances, etc. will add value to your home and help you get more money out of it when you go to sell it to new owners.

Siding

Curb appeal is big for many buyers, and if you have old, outdated, faded siding that you're considering replacing, you should. New siding can give your house a totally fresh new look and will attract more buyers than you might think.



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Front Door

Again, curb appeal has a big impact on buyers and the front door plays a big role in that for such a seemingly small aspect of the house. Replacing the front door is relatively cheap, easy to do, and will have a positive impact on your home's value, helping you recoup your costs and get more out of your house, whatever the reason you're planning to sell.

Basement

If you have an unfinished basement or a basement that needs some upgrades, then doing those before you list your house on the market is a great way to go. While some people love the potential of unfinished space, many would prefer a space that has potential but is finished so that they can move in, customize it, and start using it right away.

Renos That Aren't Worth What They Cost

Bathroom

You might want to consider adding a fresh coat of paint, but in general, a full bathroom remodel or the addition of a bathroom isn't worth what it costs. The average ROI for a bathroom addition is only about 56 percent, meaning that you won't be able to recoup much at the time of resell.

Deck

Having a deck is great and gives you the chance to get outside and enjoy the summer evenings. It's not something buyers are really looking for, though, so if you're considering adding a deck as a way to add value, you may want to think twice about it. The money you would spend on the deck could be put towards a more valuable renovation instead.

Master Suite

Everyone seems to think that everyone wants a luxurious master suite, and while that may be true to a degree, when it comes down to it, people would rather pay a good price for a house they like than pay a lot more for just a master suite. On average, adding a master suite costs over \$100,000 and only results in a 64 percent ROI, so it's not a renovation that's worth it if you want to add resell value to your home.

In Conclusion

When it comes time to sell your home, there are a number of renovations that you might want to consider doing in order to increase its value and get more money when it's time to close. Not all renovations are worth the cost, though, so although you may want to remodel the kitchen a bit, adding a bathroom or deck won't add the same value and isn't worth the money or time.

Which renovations are you considering doing before you sell your home?

Courtesy of Realtor.com



Creative Ways To Carve Out A Home Office In Your Place

People have had to get creative about how—and where—to work since the Coronavirus sent so many of us home. For those who already had a home office, the transition may have been relatively easy. But what if you don't have a dedicated space? These trending home office ideas might help give you focus, especially if your remote work situation may not be as temporary as you first thought.

Closet conversion

Have a closet that's filled with off-season clothes, giveaway stuff, and rarely-used items? Relocate it to the garage or attic and turn that space into a tidy home office. You'd be surprised how much usable space you can gain and how many ingenious ideas there are for converting a closet into a functional workspace.

"In a closet office, well, there's not a plethora of space even for your must-have items," said FlexJobs. "You'll have to be creative about storage. Running shelves up the back of the closet is an easy and obvious solution. While you're at it, though, consider adding a rail for hooks so you can hang pencil holders, pictures, or other items up and off your desk. Pegboards are another fun and creative way to create more space. You can add these boards on walls and doors to create flexible storage space for whatever you need."

Backyard bonanza

"Homeowners who want to stay put are turning to their backyard to make space," said REALTOR Magazine. "Several companies are touting backyard solutions, like Kanga Room Systems (units

start at about \$5,000 for an 80-square-foot kit the buyer can assemble) and Modern Shed. These companies can ship standalone structures that can be assembled by homeowners to keep their home offices separated from their living spaces. Studio Shed officials say they've doubled their sales over the last year. In April alone, their sales were four times it was a year prior. The company's units start at \$10,000."

Double duty

You don't need to lose your guest room to incorporate a home office. You just need to be creative. We love these Murphy beds that give you both a decked-out desk and a comfortable overnight space for visitors, without the typically cluttered look of a double-duty room.

Hideaway

You don't even have to have an entire room to dedicate to a home office. In fact, it's not even necessary to have enough room for a desk. If you're tight on space, consider a wall-mounted desk that folds down when you need it and disappears when you don't.

A new zip code

If your current space just can't accommodate your work-from-home needs, maybe it's time to move. "Space-constrained homeowners are looking for solutions for a workspace," said Realtor. "For some, it's even been motivation to move. A recent survey of real estate agents conducted by HomeLight says that a designated home office will likely be the most desirable or important feature to home buyers in a post-pandemic era."

Courtesy of Realty Times

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Other companies may allow bi-weekly payments but charge a fee. "Rarely, some lenders will charge you to make biweekly payments, since it's essentially twice as much work for them to process," said Magnify Money. "If your lender does this, it may be better to stick with your normal monthly payment plan. If you want to make biweekly payments, you can still do so manually for free by setting aside a portion of your paycheck on your own, paying your normal monthly payment, and then submitting an extra payment once per year."

How much can you save?

This scenario illustrates the type of long-term savings that make bi-weekly payments attractive. "Say you have a 30-year fixed-rate mortgage for \$250,000 with a 4 percent interest rate. Your monthly payment would be about \$1,194, and the total interest paid over the life of the loan would be \$179,673," said Bankrate. "In the same scenario, using a biweekly mortgage calculator, your total interest paid over the life of the loan on a biweekly plan is \$150,450.40. That means you'd save more than \$29,000, and pay off your loan in 25 years instead of 30.

Another alternative

If making a payment every two weeks isn't feasible, consider a lump sum payment once a year. Maybe you get a Christmas bonus, a merit bonus, or a tax refund. Using this windfall and allocating the equivalent of one mortgage payment would make a huge dent in your principal. "By paying one extra payment of \$1,285.33 each year" on a "25-year loan of \$250,000 with interest at 3.75%...the loan amortization schedule with extra payments shows that you would repay the loan 2 years and 11 months earlier and save \$17,381.35 in interest," said Interest.com.

Courtesy of Realty Times

July Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "Rates continue to remain near historic lows, driving purchase demand over 20 percent above a year ago. Real estate is one of the bright spots in the economy, with strong demand and modest slowdown in home prices heading into the late summer. Home sales should remain strong the next few months into the early fall."

- 30-year fixed-rate mortgage (FRM) averaged 2.99 percent with an average 0.8 points for the week ending July 30, 2020, down from last month when it averaged 3.13 percent. A year ago, at this time, the 30-year FRM averaged 3.20 percent.
- 15-year FRM this week averaged 2.51 percent with an average 0.7 points, down from last month when it averaged 2.59 percent. A year ago, at this time, the 15-year FRM averaged 3.16 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 2.94 percent this week with an average 0.4 points, down from last month when it averaged 3.08 percent. A year ago, at this time, the 5-year ARM averaged 3.46 percent.

Courtesy of Realty Times



Courtesy of:
Ron Sasso
Broker Associate
(605) 593-3759
ron.sasso1@gmail.com

5 Ways a Home Garden Can Boost the Aesthetic Value of Your House

A well-spruced and aesthetically-pleasing garden enhances the value of your property, especially if you plan to sell it anytime soon. Here are some things you can do to boost the value of your property with a well-maintained home garden.

De-clutter and maintain

Just like the interiors of your house, your garden also has to be de-cluttered and maintained. Winters can be harsh on your gardens, especially if you live in a place that is cold and snowy. In particular, it can affect the fences and trellis along with large shrubs and trees. Once the winter ends, make sure you repair the damaged structures and clean the fallen leaves and other debris to prepare your garden for the beautiful spring and summer months.

Make it colorful

Humans are genetically predisposed to colors and this is why it plays a big role in triggering emotions in us. To make your garden attractive and also a great place to relax and unwind, opt for colorful flowers.

For example, a blooming purple flower not only adds elegance to your garden but also soothes and calms your mind, especially when you've had a bad day. Likewise, pink flowers are known to induce romance and kindness while red is sure to excite you. Depending on the kind of impact you need in your life, choose the right flowering plants. You can, in fact, combine many colors to add to the synergy of emotions and vibrations.

Add a focus area

When someone walks into your garden, what is the first thing they see? The answer to this question can determine the chances of selling your house. For example, if a beautiful fountain is the focus area of your garden, it is sure to boost your property value and the chances for it to sell. That's why it's important to have a clear focus area that is stunning and attractive for even passers-by.

Paint the fences

When you paint the cabinets and walls of your home, they look bright and fresh, right? The same applies to your fences and garden walls too. It can, in fact, be a cheap way to spruce up your garden and make it more inviting for you and your guests. The best part is you can do it by yourself too, as a hobby!

Consider some furniture

Imagine you're a buyer. You're walking into a house full of furniture and another one that is completely empty. Which of the two would appeal to you?

Most people would like to see a house with the furniture as it can give them a perspective of the layout and different rooms. Similarly, when you add some garden furniture, it is sure to spruce up the entire place and make it more inviting to your guests. It can also double-up as a cozy place for you to relax and read a book or maybe even listen to some music at the end of a long day.

Courtesy of Realty Times