

Rapid City Real Estate Update

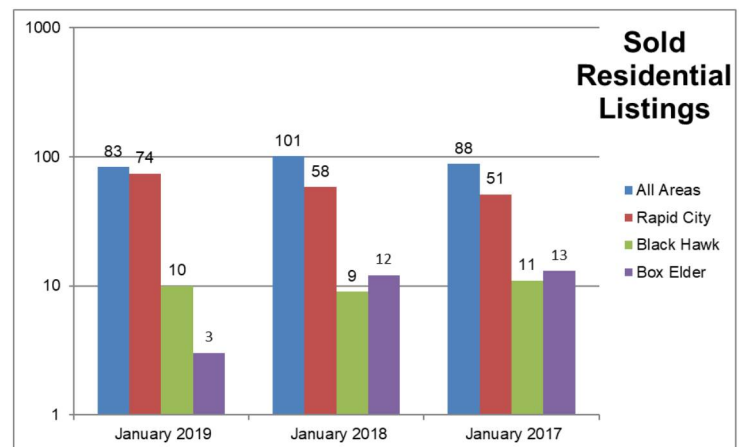
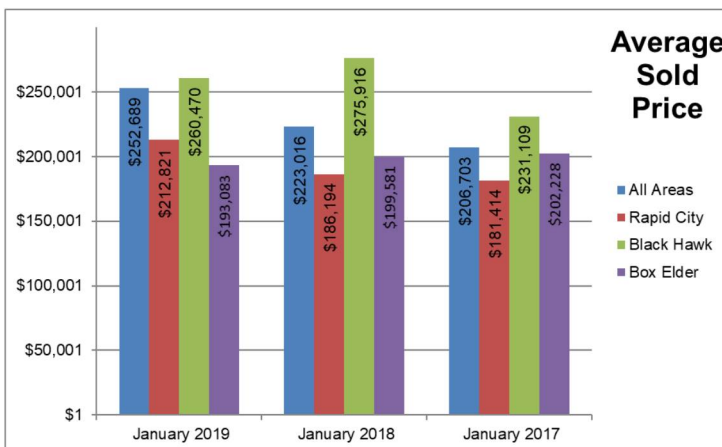
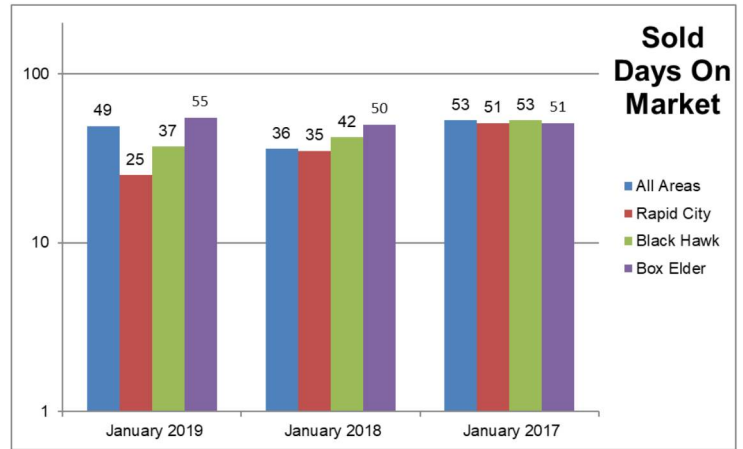
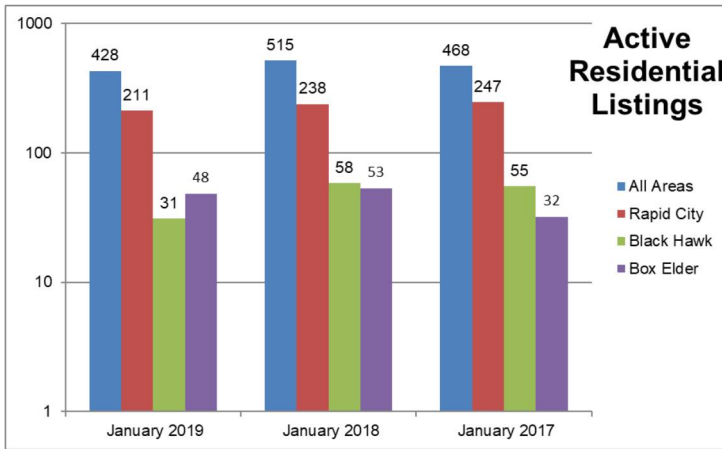


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REAL ESTATE, INC.

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Rapid City & Area Market Conditions For January 2019



5 Reasons To Buy A Fixer-Upper Instead Of A Perfect Place

“Location, location, location” is the mantra when it comes to where to buy a home. But when it comes to what to buy, it gets a little more complicated. There is definitely a contingent who would insist that you would buy the best home you can afford. But while there is something to be said for buying a move-in ready home, a place that needs a little love can be downright irresistible.

You don't have to go all Chip and Joanna here, but buying a fixer-upper makes sense for so many reasons.

It costs less

“Fixer-uppers list for an average of 8% below market value,” said LearnVest. If you're on a budget or are being priced out in your market, this is a way to get a literal foot in the door. How much depends greatly on the location. “Fixer-uppers in Phoenix have the smallest cash discount, saving buyers just \$1,000 off list price. But you can save a lot of money in expensive markets like San Francisco, where fixer-uppers are discounted an average of 10%—giving homebuyers \$54,000 in upfront savings for renovations on the median home.”

You may be able to finance your renovation

One of the major drawbacks of buying a home that needs to be fixed up is having to come up with the cash—especially after you've just put so much money into your down payment and closing costs. There are a few different types of loans that package the mortgage with funds for renovations, and they often come as a surprise to buyers who have only focused on FHA and 30-year conventional loans.

“Whether you need a new roof or your kitchen is outdated, there is a mortgage that's right for your fixer-upper,” said Bankrate. Fannie Mae's HomeStyle loan and FHA's 203(k) loan both bundle a mortgage and funds for renovations. They each require a minimum credit score of 620. You'll need at least 5% down payment for HomeStyle and just 3.5% for the 203(k).

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7 Ways To Save Money On New Construction



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You can negotiate on the price of a resale home but the price is the price on a new construction home, right? Generally, that's true. Builders don't like to discount their homes. But, a price reduction isn't the only way you can save when buying a brand-new home. Use these tips and tricks and you might be able to get a better deal than you thought possible.

Bring a real estate agent

New-home buyers—especially those who have never purchased a home before, let alone new construction—may not be aware that they can use a real estate agent for their purchase. Many new-home communities also offer a broker co-op to real estate agents. And using a Realtor is the best way to ensure that you are getting the best deal because he or she will negotiate on your behalf, finding out about any available concessions the builder is willing to make to sell you a home.

Builder upgrades

It costs the builder far less to upgrade your flooring or your countertops than it would cost you, so they are more likely to concede to a couple of these upgrades than they would be to discount the price of the house. Don't be afraid to ask for what you want; the worst they can say is, “No,” and you might be surprised at what they're willing to throw in.

Personalized floorplan

New homes typically have options that give buyers some floorplan flexibility. While many of these options come at a higher cost, you may be able to get them for free depending on how motivated the builder is to sell. Want to turn a bedroom into a home office or a loft into an art studio? Ask away!

Lower interest rate

Builders who are looking to getting homes sold quickly, especially if they have standing inventory, may buy down the interest rate, thereby making the homes more affordable for buyers. This is often tied to

using the builder's in-house or preferred lender, but that doesn't mean you don't have a choice to use another lender.

It pays to do your research; talking to multiple banks or lenders may yield you a better deal, even with the builder's incentive. “Consider alternate sources to find a lender,” said The Balance. “Your own bank or credit union might offer you very attractive rates and terms, based on your banking history with that institution. Your agent may refer you to his or her private list of wholesale lenders.

HOA fee and taxes

High HOA fees and/or taxes like Mello-Roos can be a deterrent to buying in certain communities or areas. Builders have been known to cover these taxes and fees for a certain period of time to attract buyers.

Move-in ready home

Oftentimes, builders move forward on the construction of homes before the lots have been purchased. Buying one of these newly-built homes can benefit homebuyers in many ways.

- **Eliminates the construction wait**— This may not necessarily translate to a discount for everyone, although it could for those who have construction delays that create the need for temporary housing or material issues that pump up costs. The best part is simply being able to move right in to a home that's brand-new!
- **No need to choose all the features and finishes**— If you're the type who can't imagine having to make so many decisions, this may be a great option for you.
- **Upgrades included**—Move-in ready homes often include upgrade like nice flooring and countertops. These homes are also more likely to be discounted because builders need to get standing inventory off their books.

*Written by Jaymi Naciri
Courtesy of Realty Times*

January Round Up: Rates Stable

Mortgage rates have stabilized during the last month and are essentially at the same level as last spring – yet the most recent home sales are roughly half a million lower over the same period. Given that the economy remains on solid footing and weekly mortgage purchase application activity has been strong so far in 2019, we expect the decline in home sales to moderate or even reverse over the next couple of months.

30-year fixed-rate mortgage (FRM) averaged 4.45 percent with an average 0.4 point for the week ending January 25, 2019, the same as last week when it averaged 4.45 percent. A year ago, at this time, the 30-year FRM averaged 4.15 percent.

15-year FRM this week averaged 3.88 percent with an average 0.4 point, the same as last week when it also averaged 3.88 percent. A year ago, at this time, the 15-year FRM averaged 3.62 percent.

5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.90 percent this week with an average 0.3 point, up from last week when it averaged 3.87 percent. A year ago, at this time, the 5-year ARM averaged 3.52 percent.

Courtesy of Realty Times



The Smartest Smart Home: Five Things To Buy Now That Will Help Sell Your Home

If you're getting ready to put your home on the market, you've undoubtedly heard that it needs to be in the best possible shape to attract legit buyers. But what else can you do to make it stand out? The answer: Turn it into a smart home.

Not only do smart home features make your place seem updated and well-taken-care-of, but they can also make your home sell quicker and fetch you a higher sales price. "According to a 2017 survey conducted by T3 Sixty, a brokerage consulting firm for residential real estate, 40 percent of Realtors® believe smart homes sell faster, regardless of price," said Cornerstone Home Lending. "This smart home selling potential has increased 33 percent in the past year."

If you're ready to invest a few bucks into some Smart Home features, here are the ones that should give you the biggest bang for your buck.

Home security

T3 Sixty research confirms that home security and video "is the fastest growing sector in smart home technology," said Coldwell Banker in its Smart Home Study. "The T3 Sixty survey shows that 36.4 percent of homebuyers ask most often about smart home security. Video feeds allow homeowners to easily check in on their home, pets and family while traveling or at work. It is also the Smart Home feature that consumers respond to most in marketing.

This exploding segment of the Smart Home market accounted for just under \$2.6 billion in sales in 2015, according to Statista, and more than \$6.7 billion as of 2017. "It is expected to surpass \$20 billion by 2021."

Smart appliances

"Smart appliances win big in the ROI game, expected to bump the average ROI up 11 percent

more than standard appliances," they said. "In the 2017 Concept Community study conducted by MFE, 18.2 percent of people listed appliances as the smart home feature with the highest ROI."

Smart lighting

Automated lighting was noted by more than eight percent of participants in the survey as having high ROI when it comes to smart home features. This feature is especially salient when real estate agents point out not just the ease of use of the lighting system, but also the potential savings. Energy.gov says that "LED lights use at least 75% less energy, and last 25 times longer, than incandescent lighting."

Smart thermostats

This is an easy "entry point" into smart tech for home, and one that can have a great ROI. It is also another item that real estate agents should be pointing out to buyers," said New York magazine's Intelligencer. "The core of the smart home is about the service, right? So you can show how it will change and affect your life and how you interact with your house. If I walk into four houses in the same neighborhood, and one has a Nest thermostat and the agent has educated me that it could save 10 to 12 percent in my heating and cooling, that's going to stick out in my mind. While the other houses maybe I'm going to forget about. The thing with having a smart home is, you have to work with a listing agent that can convey those benefits because if you don't, it might as well not even be there — it just doesn't matter."

According to a Nest study, the company's smart thermostat saved consumers on average 10% to 12% on heating and 15% on cooling," said Security Sales and Integration. "Based on typical energy costs, that translates to an average savings of \$131 to \$145 a year."

*By Jaymi Naciri
Courtesy of Realty Times*

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It gives you the opportunity to build value

With an already-updated home, "If a seller has redecorated or improved the whole place, that seller is reaping the benefit," said Forbes. "If the home's value has been raised, the buyer is paying for it. Also, consider this reality: A seller who re-does a whole house in order to sell is not likely putting in the highest-quality materials. They're cutting costs to maximize profit. But if you buy a fixer-upper, you might be able to secure an undervalued property, improve it and get the benefit of the extra equity. It's a core real estate concept. If you can find the right property, this could mean thousands of dollars almost immediately."

You can do renovations over time

There may be a few things you can't live with in a fixer-upper, like the grungy carpet and cruddy plumbing fixtures, but no one (other than design shows) says your place has to be perfect the day you move in. Taking your time to make updates as you're able gives you the opportunity to save money and recover from all the expenses of buying the home and moving in.

It allows you to put your stamp on it

When you buy a home that was lived in and fixed up by someone else, it reflects their taste and style—or at least the taste and style they think will help the house sell faster. If you buy a house with the intention of fixing it up, you get to update and upgrade it to your standards, and you have the money to do so.

"One of the primary reasons people buy fixer-upper properties is for the opportunity to make the space their own," said Green Residential. "Instead of purchasing a home in which someone else designed the layout, chose the materials, and dictated where different elements were placed, you can buy a basic structure and then take charge. It's like building your own home without having to go through the lengthy process of drawing plans and constructing it from the ground up."

*Written by Jaymi Naciri
Courtesy of Realty Times*

Black Hills Events

Skates & A Movie

February 16 - 5:00 PM to 7:30 PM
Main Street Square, Rapid City

Annual Nemo 500 Outhouse Races

February 23 - 10:00 AM to 4:00 PM
Nemo Guest Ranch

Deadwood St. Patrick's Day Weekend

March 15 & 16
Deadwood

Rapid City Rush Games

February 20, 22 & 23
March 6, 8, 9, 22 & 23
Rushmore Plaza Civic Center

Custer State Park's Birthday Celebration

Celebrating 100 Years
March 1
Custer State Park

Creative Quilt, Art & Craft Market

April 5 - 5:00 PM to 8:00 PM
April 6 - 9:00 AM to 3:00 PM
Best Western Ramkota Hotel
& Conference Center

Last Day To Skate

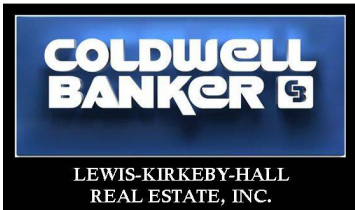
February 23 - 1:00 PM to 5:00 PM
Main Street Square, Rapid City

Deadwood Mardi Gras

March 1 & 2
Deadwood

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com



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7 Simple Ways to Give Your Home Office a Speedy Refresh

1. Perk Up Your Office With Wallpaper: Turn your attention to more interesting paperwork with a lively wallpaper design on the desk wall. A small area like this could be covered in an afternoon. Or paper the back wall of your bookshelves. To finish the look, add a few accessories that pick up a color from the new design.

2. Add Houseplants: Add a natural touch to a home office area with some trailing houseplants or sculptural succulents. Many houseplants are valued for their air-purifying properties, so they may also help keep you breathing easy while you work.

3. Soften the Space: Easily add softness and comfort with a fabric window covering, cushions and throws to cozy up the space.

4. Coordinate Your Files: A messy office overflowing with paper isn't going to inspire you to buckle down, so invest in new file boxes to keep

everything looking good. Choose a bright color or go for white, black or brown file boxes for a classic look.

5. Brighten the Room With a Rug: White can be calm and nondistracting in a working environment, but it can also look a bit sterile and cold. By laying down a patterned rug, you can alter the feel of the space. Borrow a rug from another room first to try out the look.

6. Paint the Desk: Have an unloved pine desk or boring white work surface? Get out the color charts and choose a cheery hue to inject some creative flair into your workspace. Specialty paints can be used on laminated or varnished surfaces.

7. Put Up a Corkboard: You can use the corkboard to pin up memos, lists, notes and art, and clear valuable space on your desk.

Courtesy of Houzz.com