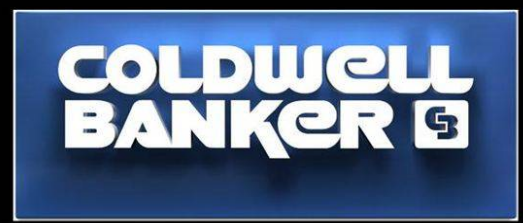


Rapid City Real Estate Update

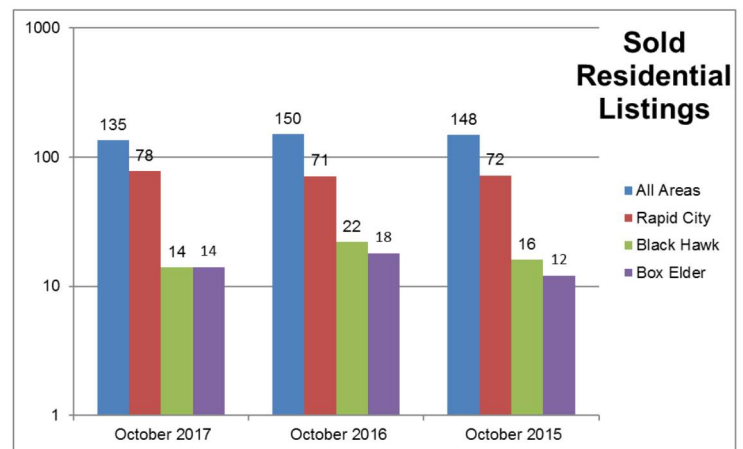
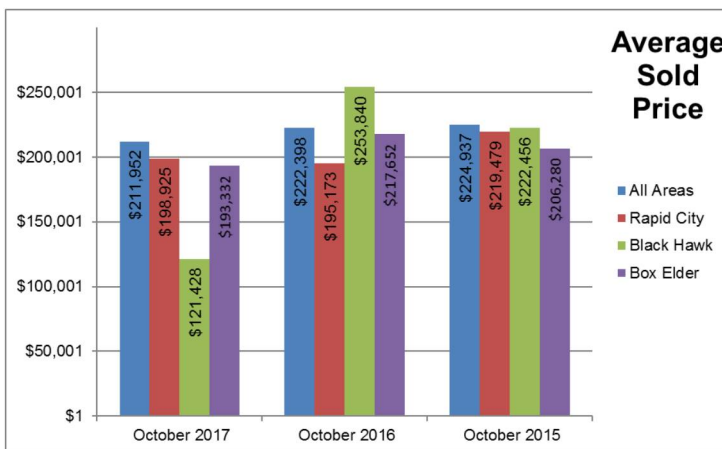
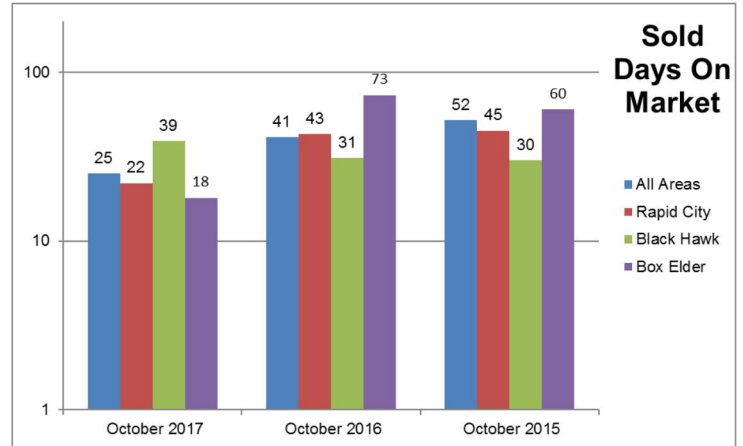
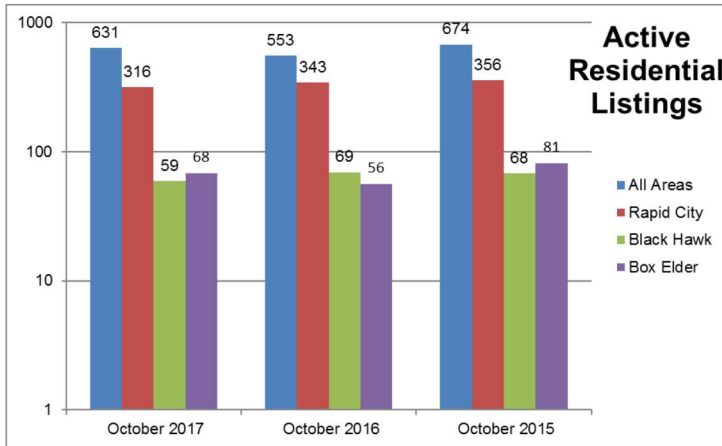


LEWIS-KIRKEBY-HALL
REAL ESTATE, INC.

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Rapid City & Area Market Conditions For October 2017



Ready For Staging: 4 Repairs You Need Before Selling Your Home

Selling your home is a complex process that may take weeks to complete. This is partially because your house may need to be updated or renovated before it can go on the market. What are some of the most crucial fixes that you should make before listing your property?

Update the Exterior

The first thing that you will want to do is make sure that the home's exterior is in good condition. This may involve landscaping work such as removing trees or shrubs that are dead or dying.

It may also involve inspecting the roof, siding or other exterior components that may need to be repaired or updated to make the house easier to sell. At the very least, a fresh coat of paint should be applied before putting the house on the open market.

Check the Air Conditioning

If you have a central air conditioning unit in your home, make sure that it works properly. This means that it should start easily and produce an even amount of cool air throughout the house.

Ideally, you will have it inspected once a year by someone like Doctor Fix-It. However, inspecting it and making repairs prior to selling your home should be considered mandatory.

(continued on page 3)



Which Is The Smarter Down Payment Strategy?

**COLDWELL
BANKER**

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The minimum down payment on an FHA loan is 3.5%, which makes it a popular choice among those who don't have the funds for a large down payment (and also those who don't meet the higher credit score requirements for other types of loans). And that's not even the lowest you can go. Loans like this one require only three percent down, and if you're a veteran or are buying a home in a rural area, you may be able to buy a home for nothing down. But should you go that low just because you can, or are you better off making a larger down payment? We're breaking it down.

The case for 20 percent: There are several advantages to putting down 20% when buying a home, like:

- Since the bank will generally consider you a lower risk because you have "more skin in the game," you may be able to get a lower interest rate than you would with other types of loans—as long as you have the credit score to support it.
- You'll have built-in equity as soon as you move in. You can avoid paying private mortgage insurance.
- It's that last part that drives a number of people to strive for that 20% down payment since PMI can add several hundred dollars to a new homeowner's monthly payment, and it can be hard to get rid of it. "If you can put 20% down and avoid PMI, that is ideal," said certified financial planner Sophia Bera on Business Insider.

The case for as little down as possible: The biggest roadblock to homeownership for many people is coming up with the down payment, so minimizing that expense sounds great, right? "The good news is a first-time buyer can purchase a home for a little as three percent down - and even no money down in some cases," said U.S. News.

But is that a smart move? "The less you put down, the higher the mortgage insurance is," Casey Fleming, author of "The Loan Guide: How to Get the Best Possible Mortgage", told them. "With five percent down, the mortgage insurance is quite high."

Yep, there's that pesky PMI again, which, for many first-time buyers, pushes their monthly payment to a level they're not comfortable with. Another bummer about PMI: If you need to pay PMI, the size loan you can get will be slightly smaller, to allow for the bigger payment.

You may also have trouble qualifying for a loan even if you have a high enough credit score because you don't have enough cash reserves; if you are using all your savings for the down payment and the lender questions where the funds for your closing costs, taxes and insurance, and any needed repairs are coming from, you could have a problem.

But, on the flip side, a smaller down payment will up your rate of return, said The Mortgage Reports. "Consider a home which appreciates at the national average of near five percent. Today, your home is worth \$400,000. In a year, it's worth \$420,000.

Irrespective of your down payment, the home is worth twenty-thousand dollars more. That down payment affected your rate of return. With 20% down on the home - \$80,000 - your rate of return is 25%. With three percent down on the home - \$12,000 - your rate of return is 167%."

Even when you add in the PMI and a higher interest rate, the equation comes out in favor of the lower down payment. "With three percent down, and making adjustments for rate and PMI, the rate of return on a low-down-payment loan is still 106% - much higher than if you made a large down payment. The less you put down, then, the larger your potential return on investment."

The case for somewhere in between: Finding that balance between down payment and savings is a challenge for many homebuyers, and the sweet spot will be different for everyone depending on their unique circumstances and financial situation. Most financial experts will say that saving and scrounging to get together 20% at the risk of depleted savings and zero emergency funds is a shaky strategy, at best.

"If putting 20% down means that you use all of your savings, then don't do it! I would much rather see people put five percent down, wipe out all their other debt with cash, and still have three months of emergency savings versus putting 20% down on a house," said Bera.

Especially when you consider all the added costs you may be facing once you buy. It's important to consider all of the costs and not just compare the monthly mortgage payment to your current rent amount," she said.

Another thing to consider when evaluating how much you should put down is what would happen if you had an emergency. It's easy to lose sight of real-life issues that can arise when you are so driven to buy a home and focused on saving the money to get there.

By Jaymi Naciri
Courtesy of Realty Times

Mortgage Rates Jump

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage averaged 3.94% for the week ending October 26, 2017, up from last week when it averaged 3.88%. A year ago at this time, the 30-year FRM averaged 3.47%.

According to Sean Beckett, chief economist, Freddie Mac, "The 10-year Treasury yield surged this week, jumping 12 basis points. The 30-year mortgage rate followed suit, increasing 6 basis points to 3.94 percent. Today's survey rate is the highest rate in three months."

Courtesy of Realty Times



4 Gadgets To Techify Your Home

The value and usefulness of your home goes beyond its foundation, walls and roof in 2017. Automated home assistants such as Google Home and Amazon Echo, and smart thermostats like the Nest are just a few of the electronics transforming modern homes into livable computers.

Whether it's to increase your home's value and sellability or just get with the times of a modern home, these are four gadgets that will help bring you and your house into the 21st century.

Nest Protect: Most people are familiar with the Nest thermostat, that smart device to control your home's temperature and reduce energy costs, but the Nest Protect could save more than dollars off your utility bill — it could save your life.

The Protect is the next evolution in the same old smoke detector which, let's be honest, hasn't changed much in the last 50 years. The smart detector picks up both smoke and carbon monoxide and sends alerts to your phones, whether you're home or away, to let you know something is wrong. The Nest Protect also carries other nifty features like differentiating steam and smoke and knowing not to bug you about a low battery at two in the morning.

Goal Zero Yeti Generator: Speaking of technology from the past, most people don't need gas-powered generators in 2017. They're obnoxiously loud, can't be used indoors and you must have gasoline on-hand for them to be any use. Goal Zero solar-powered generators are the backup power source of the 21st century.

These battery-powered and very portable generators connect to solar panels to recharge or can power up right from your wall outlet. They offer tons of output options to charge all your devices and are used from everything from tailgating to a power outage. There's no hiding the fact that these generators aren't cheap, but they're sold at major outdoor retailers such as Cabela's.

Logitech Harmony Elite: The list of electronic devices in the home is growing rapidly — TV, streaming box, cable, surround sound, Amazon Echo, Google Home, Sonos speaker systems, even that Nest Protect mentioned above. Many of them come with their own remotes and managing all those clickers can be a huge pain in the subwoofer.

That's why Logitech, which is been making the best universal remotes for years, has the perfect solution in the Harmony Elite. It connects seamlessly to 270,000 entertainment and smart devices to create one remote to rule them all. This makes controlling your dev**Smart Lock:** ices more convenient and cleans up your living room look.

Runners will love this one. Never sure what to do with your keys when you hit the pavement? Now you can leave them inside and lock the door at the same time. The August Smart Lock goes over your door's dead bolt lock and uses Wi-Fi to connect to your smartphone to lock and unlock.

Ever leave the house and you're not sure if the door is locked or not? August will tell you via your smartphone. You can give lock access to friends and family with the app and even set the door to auto-lock when you leave for the day.

Courtesy of Realty Times

(continued from page 2)

It may also be a good idea to check the furnace and clean the ducts before you show the home to buyers.

Make Sure the Floors Are Adequate

Whether your home has wood floors or carpet, make sure that they are in good condition. If necessary, wax and clean the wood or put down new carpet in areas where it may be frayed or dirty.

If you are going to replace your carpet, make sure that it is the same color and style throughout a given space. Check the Plumbing and

Electrical Systems

Buyers aren't going to want to put an offer on a home that has poor water pressure. They are also unlikely to want to make an offer on a home that has dangerous electrical wiring. If the fixes to either system are relatively minor, you can do them yourself. However, it may also be a good idea to call a professional to make sure that the job is done safely.

Selling your home can be a great way to help you downsize or lock in profits. However, if the process is not done right, it could reduce the sale price of the home or result in the home staying on the market longer than you anticipated that it would.

*By Meghan Belnap
Courtesy of Realty Times*

Black Hills Events

Rapid City Rush Hockey Games

November 15, 17, 18, 22, 24 & 25
December 6, 20, 22, 23, 29 & 30
Rushmore Plaza Civic Center

Holiday Art Market

November 17-18
Dahl Arts Center

Ice Rink Opening Day & Skates-Giving

November 18 - 10:00 AM to 10:00 PM
Main Street Square

Storybook Island Christmas Nights of Lights

November 24-26
December 1-3, 8-23, 26-31
Storybook Island

1880 Train Holiday Express

November 24 to December 23
1880 Train Depot, Hill City

Holiday Celebration & Winter Market

November 25 - 2:00 PM to 6:00 PM
Main Street Square

Festival of Lights Parade

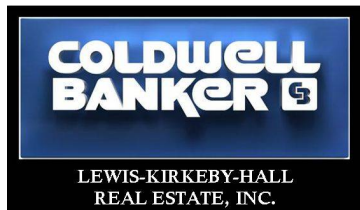
November 25 - 6:00 PM
Downtown Rapid City

8th Annual Black Hills Cowboy Christmas

December 9 - 2:00 PM & 7:30 PM
Historic Homestake Opera House, Lead

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com



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Why First-Timers Can't Capitalize On Ripe Market

With steady job growth, mortgage rates near record lows, and escalating rental costs nationwide, the market is favorable for first-time home buyers - yet their share of overall purchase activity this year is approaching a 36-year low, according to the National Association of REALTORS® 2017 Profile of Home Buyers and Sellers.

First-time buyers accounted for 34% of home sales this year, the fourth lowest share since 1981. It's not because first-timers lack interest in purchasing a home; they can't find enough available inventory in entry-level and affordable price points, NAR reports. Transactions to first-time buyers have a long-term average of 39%.

With the lower end of the market seeing the worst of the supply crunch, house hunters faced mounting odds in finding their first home. Multiple offers were a common occurrence, investors paying in cash had the upper hand, and prices kept climbing, which yanked homeownership out of reach for countless would-be buyers.

This is occurring despite solid economic conditions and an increasing number of millennials who are entering their prime buying years. This should be translating to a lot more sales to first-timers, but the unfortunate reality is that the nation's homeownership rate will remain suppressed until entry-level supply conditions increase to improve affordability.

Courtesy of Realty Times