

Rapid City Real Estate Update

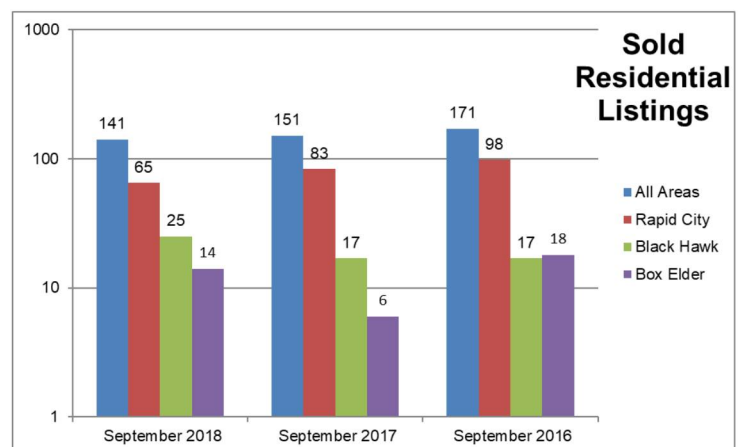
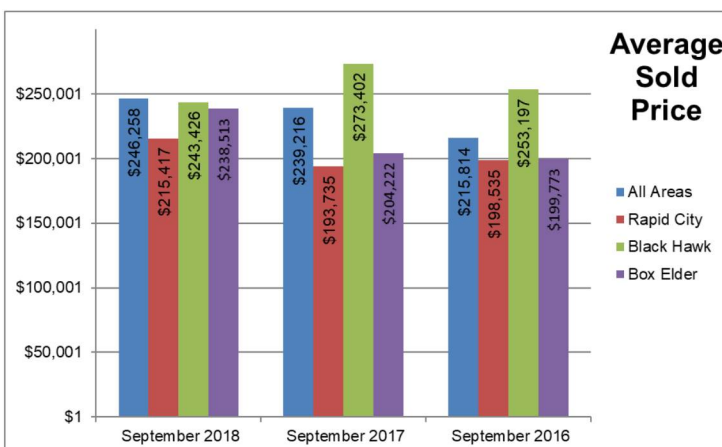
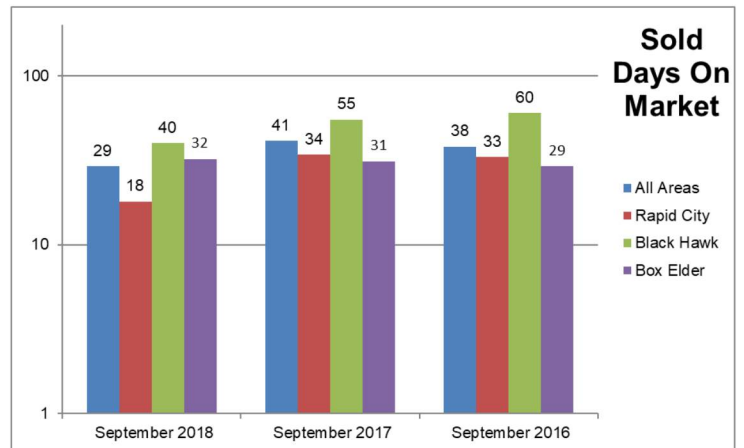
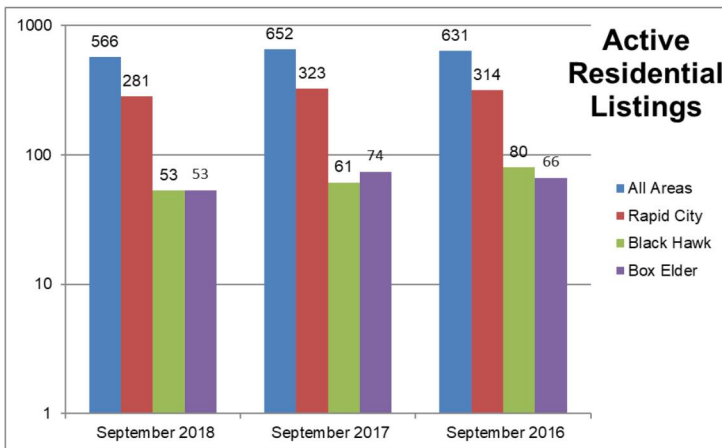


LEWIS-KIRKEBY-HALL
REAL ESTATE, INC.

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Rapid City & Area Market Conditions For September 2018



Clever And Creative Ideas For Kids' Study Areas

The school year has started, and that probably means your kids are doing their homework: sprawled on the bed, on the couch in front of the TV, on the floor, or at the dining room table. It probably also means their stuff is everywhere and the distractions are making it hard from them to properly concentrate. You can address the mess, and give them a dedicated space to study, even if your place doesn't have a separate home office option.

No matter where you create your study area, make sure you stick it well. Having everything they need on hand will help keep them on task and eliminate excuses for getting up. That means notebooks, pens and pencils, a pencil eraser, a calculator, and also a comfy, supportive chair, and task lighting if the existing lighting isn't bright enough.

Borrow the bedside

With a bed, dresser, and two nightstands, it may seem like there's no place in your child's room for a desk. There may be if you ditch one of those nightstands. A small desk placed next to the bed can double as a place to keep her phone and bedside lamp, and the less matchy-matchy look will invite some eclectic style.

Overhaul the hallway

"American standards call for a minimum 36-in.-wide hallway in most circumstances," said Houzz. So, if your home is blessed with an extra-wide one, you may have a study area in the making. Find a long, narrow desk so it doesn't impede passage.

Create a cool nook

Maybe you just think you don't have a proper spot for a study

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There Are Tax Benefits With Home Ownership



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Homeownership has always been the "great American dream". And Congress -- with one exception -- did not take it away when it passed the tax reform bill last December.

To foster and encourage this dream, Congress has consistently enacted -- or preserved -- tax legislation which favors homeowners. Indeed, much has been written that our tax laws discriminate against renters, by giving unfair and unequal tax benefits to those who own homes.

Every four years, some candidate for high political office tries to focus our attention on equalizing the tax laws, and repealing the homeowner benefits, but these arguments have consistently fallen on deaf ears.

For those of us who own homes, here is a list of the itemized tax deductions available to the average homeowner. Every year, you are permitted to deduct the following expenses:

Taxes. Real property taxes, both state and local, can be deducted. The one exception referenced above: tax filers can deduct on Schedule A any combination of state and local property taxes and income or sales taxes but only up to a total of \$10,000. Interestingly, married couples who file their own separate tax return can only deduct up to \$5000.

However, it should be noted that real estate taxes are only deductible in the year they are actually paid to the government. Thus, if in year 2018, your lender held in escrow moneys for taxes due in 2019, you cannot take a deduction for these taxes when you file your 2018 tax return.

Mortgage lenders are required to send an annual statement to borrowers by the end of January of each year, reflecting the amount of mortgage interest and real estate taxes the homeowner paid during the previous year.

Mortgage Interest. Interest on mortgage loans on a first or second home is fully deductible, subject to the following limitations: acquisition loans up to \$1 million, and home equity loans up to \$100,000. If you are married, but file separately, these limits are split in half. But note that for new loans taken out after December 14, 2017, the limit on deductible mortgage debt is reduced to \$750,000. Loans in existence prior to that date are grandfathered.

You must understand the concept of an acquisition loan. To qualify for such a loan, you must buy, construct or substantially improve your home. If you refinance for more than the outstanding indebtedness, the excess amount does not qualify as an acquisition loan unless you use

all of the excess to improve your home. However, any other excess may qualify as a home equity loan.

Let us look at this example: Several years ago, you purchased your house for \$150,000 and obtained a mortgage in the amount of \$100,000. Last year, your mortgage indebtedness had been reduced to \$95,000, but your house was worth \$300,000.

Because rates were low last year, you refinanced and were able to get a new mortgage of \$175,000. Your acquisition indebtedness is \$95,000. The additional \$80,000 that you took out of your equity does not qualify as acquisition indebtedness, but since it is under \$100,000, it qualifies as a home equity loan.

Several years ago, the Internal Revenue Service ruled that one does not have to take out a separate home equity loan to qualify for this aspect of the tax deduction. However, if you had borrowed \$200,000, you would only be able to deduct interest on \$195,000 of your loan -- the \$95,000 acquisition indebtedness, plus the \$100,000 home equity.

One more caveat: the proceeds of a second mortgage -- or a home equity loan -- are still deductible but only if the money is used to substantially improve the property.

The remaining interest is treated as personal interest, and is not deductible.

Points. Because mortgage rates are still considerably low, not too many borrowers are paying points. When you obtain a mortgage loan, in order to get a lower rate mortgage, you would pay one or more points. Whether referred to as "loan origination fees," "premium charges," or "discounts," these are still points. Each point is one percent of the amount borrowed; if you obtain a loan of \$170,000, each point will cost you \$1,700. And the interest rate on your loan will be lowered.

The IRS has also ruled that even if points are paid by sellers, they are still deductible by the homebuyer. Points paid to a lender when you refinance your current mortgage are not fully deductible in the year they are paid; you have to allocate the amount over the life of the loan. For example, you paid \$1700 in points for a 30 year loan. Each year you are permitted to deduct only \$56.66 (\$1700 divided by 30); however, when you pay off this new loan, any remaining portion of the points you have not deducted are then deductible in full.

Needless to say, if you have any questions about these tax benefits, discuss them with your financial and legal advisors.

By *Benny L. Kass*
Courtesy of *Realty Times*

Rates Continue To Climb

In Freddie Mac's results of its Primary Mortgage Market Survey®, mortgage rates jumped for the fifth straight week .

The robust economy, rising Treasury yields and the anticipation of more short-term rate hikes caused mortgage rates to move up.

30-year fixed-rate mortgage (FRM) averaged 4.72 percent with an average 0.5 point for the week ending September 27, 2018, up from last week when it averaged 4.65 percent. A year ago, at this time, the 30-year FRM averaged 3.83 percent.

15-year FRM this week averaged 4.16 percent with an average 0.5 point, up from last week when it averaged 4.11 percent. A year ago, at this time, the 15-year FRM averaged 3.13 percent.

5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.97 percent this week with an average 0.3 point, up from last week when it averaged 3.92 percent. A year ago, at this time, the 5-year ARM averaged 2.74 percent.

Courtesy of Realty Times



5 Steps For An Easy And Impactful Kitchen Makeover

Renovating a kitchen can be a huge expense, and a huge hassle, but you can get a brand-new feel at a fraction of the average cost. That means forgoing major structural, plumbing, or electrical changes and concentrating on fixtures, finishes, and fanciful details.

Counters

If you just don't have the money for quartz but you want a sleeker look, The Spruce has several ideas for covering over your existing countertops with everything from paint to paper. We love this concrete look that was achieved for just \$200 by pouring Level Quick Concrete right over tile counters!

Cabinets

One word: Paint. A dingy, dark, or outdated kitchen can be transformed with this one task. You can read a thousand different articles that discuss DIY versus hiring a pro, but all you really need to ask yourself is this: Are you up for the challenge?

The truth is, painting your kitchen cabinets is tedious and will test your patience. You will want to give up - more than once - and you will question your sanity a few times, too. But if you can get through it while maintaining a good technique and resisting the urge to cut corners, you'll have cabinets that will make you proud every day you live in the home, and that will also add value. If you do choose to hire someone to do the painting (and we can't say we blame you), be prepared to pay a premium. You can always find a deal, but when it comes something as important as kitchen cabinets, you want to make sure you get someone who really knows what they're doing.

Lighting

Does your kitchen lighting fade into the background or stand out for all the wrong reasons? That's easy to fix. A new chandelier over your kitchen table will freshen up the whole space. Add pendants over your island or sink to bring in a modern touch that will also add function.

Hardware

Cabinet hardware is highly underrated and requires only a small dollar commitment to make a big impact. Gold tones have made their way back into style and kitchen cabinet hardware is a great way to express this trend because when you tire of it, you can just unscrew and replace! If you're worried about the gold or brass hardware clashing with your silver-tone faucet and stainless steel appliances, don't be. Mixed metals are all the rage now.

Flooring

The good thing about kitchen flooring is that, even if you don't have the money to redo it, you can just cover it with a decorative rug. But, if you are looking to use a little sweat equity to create a floor you can more than stand to look at, we love this painted stencil technique. "In order to avoid the hassle of ripping out existing floor and the high cost of real tiles, you CAN achieve a similar look by painting your tile floors that only LOOK expensive," said Royal Design Studio Stencils. For a couple hundred dollars, you can get the look of a pricey Moroccan tiled floor and create a showstopper instead of an eyesore.

*By Jaymi Naciri
Courtesy of Realty Times*

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area. What about the space next to your fireplace? You know, the one that's meant to house your TV. The TV you put over the fireplace. You can easily and inexpensively turn that nook into a chic study space that will look like it was meant to be used that way. Check out all these desktop options for under \$100 at IKEA.

Make smart space decisions

We love this built-in desk just adjacent to the kitchen, especially with the lively pop of yellow. Your floorplan may not be able to accommodate this, but you can get creative with a modern secretary desk that looks sleek, gives you some needed storage, and has a drop-down desk that folds away when not in use.

Clean out the closet

A hall closet or unneeded closet in an extra bedroom can beautifully transform into a great study area, and the best part is that it all disappears when you close the doors.

Tailor the table

Having your child hunkered down at the dining room for homework time may not be ideal, but it also may be your only or best option. You can help him stay organized and minimize the chaos with creative storage solutions. A banquette offers hidden storage that could be a great answer for all the supplies your child needs for daily homework and studying. If that's not a reality, a fully-stocked bin they can take out of a pantry or cabinet and return when they are done is an easy answer for quick cleanups.

*By Jaymi Naciri
Courtesy of Realty Times*

Black Hills Events

Deadweird

October 26-27
Deadwood

Halloween Night Hike

October 26-27
Peter Norbeck Outdoor Education Center
Custer State Park

2018 SDHSAA All State

Chorus and Orchestra
October 26-27
Rushmore Plaza Civic Center

Scare In The Square

October 27 - 1:00 PM to 3:00 PM
Main Street Square

Hallowpalooza

October 27 - 1:00 PM to 7:00 PM
Dahl Arts Center

Harlem Globetrotters

November 1 - 7:00 PM
Rushmore Plaza Civic Center

National Parks Fee Free For Veterans Day

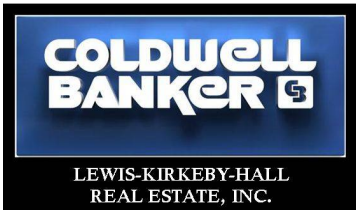
November 11
All National Parks

Ice Rink Opening Day and Skates-Giving

November 17 - 10:00 AM to 10:00 PM
Main Street Square

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com



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Why Fall Is The Best Time For Planting

Spring is overrated for planting perennials, shrubs and trees. Starting plants in autumn has advantages for both garden and gardener. Fall is the best time to garden, and it's about time we realized this. Not only is cooler weather easier on new plants and tired bones, but planting in a spent garden with rain on the horizon also has advantages. Here's more on why planting in fall can make spring gardens more robust than we might have imagined.

Cooler Weather Helps Plants

Plants love fall. Their leaves aren't stressed by scorching sun, and cooler temps lessen the demand for water from the roots. I'm a firm believer that fall-dug plants are more robust than spring- or summer-dug plants.

Less Watering Means Lower Maintenance

If you plant in spring or summer, more often than not you have to dutifully keep up with watering during those first few weeks or months. Constant observation of your new darlings gets tedious as the heat ramps ups.

It's Easier to See Where You Need to Add Plants

Of course, you should leave your plants up for winter to help the garden insulate itself, capture moisture and protect overwintering pollinators, but it also will help you see where the gaps between plants are. Now is the time to make those changes while the mosquitoes and leaves are gone. You can actually see the ground and get to it through the skeletons of the year's growth.