

Rapid City Real Estate Update

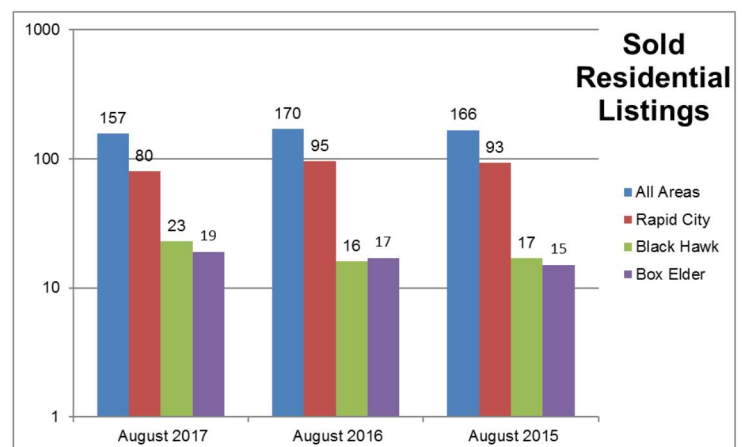
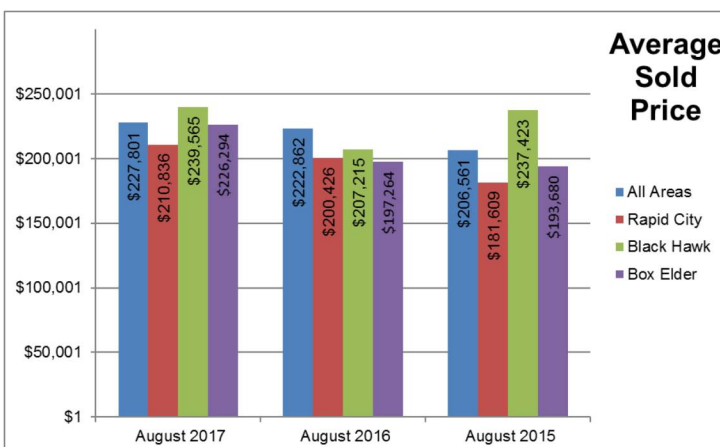
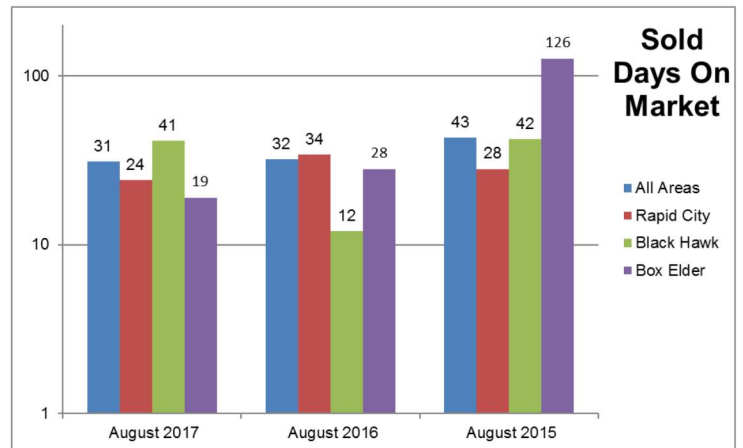
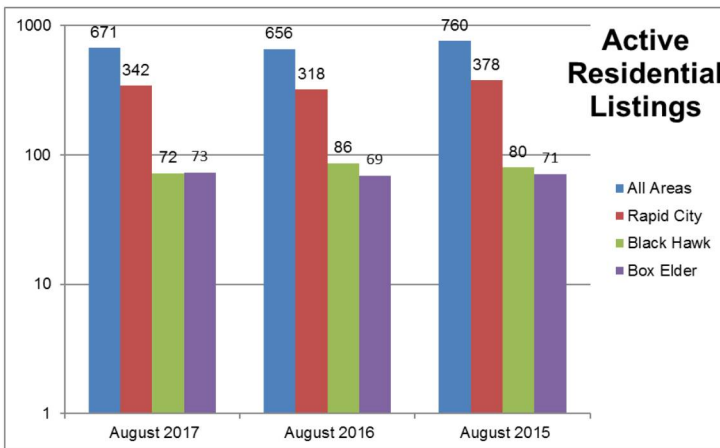


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Rapid City & Area Market Conditions For August 2017



Online Home Values And The Price Of Your Home

Plenty of sellers have visited online home valuation sites such as Zillow, Trulia, and others only to be shocked at the published value of their homes. Most sellers are pleased when the values appear higher than they expected, but many online valuations come in far lower. So should you use these values to price your home for sale?

Estimating a home's market value is far from an exact science. What these sites attempt to do is provide greater transparency to homebuyers and sellers by making data derived from public records more accessible. They publish what you paid for your home and how much you pay in taxes. Many have satellite views so accurate they can spot your cat laying on the front walk.

But few consumers realize that two homes right next door to each other could have been purchased at different times and have vastly different tax bases which in turn skews values. The property tax base resets for each home every time it's sold. Then the taxes can go higher every year, remain the same, or go down according to market conditions. Most communities impose ceilings so that your taxes don't escalate to an unaffordable level in a single year.

If you've only owned your home for five years, you are likely paying much more in property taxes than your retired neighbors who bought their home 30 years ago. Yet your home may not be "worth" more unless you've done some substantial updates and/or additions.

Then how do these sites come up with valuations? All property is registered with the city and county for property taxing purposes. Home valuation sites contract with major title companies such as First American to obtain county tax roll data. They also find ways to become members of local multiple listing services, which are either subsidiaries of real estate associations or owned by local real estate brokers. That way, they have access to current listing data and recent sales.

Between tax roll data and listing data, home valuation sites apply

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Are Millions Of Boomerang Buyers About To Ignite The Real Estate Market?

Remember all those people who defaulted on their homes during the last housing crisis? Well, those bankruptcies are about to be discharged, or they already have been, and that means we could soon see an avalanche of homebuyers hitting the market.

Just what constitutes an avalanche? "More than 12.8 million homes entered the foreclosure process - roughly 29 percent of all homes with a mortgage," between 2007 and 2014," said The BIG Picture. "At the peak of foreclosures in 2009, more than 650,000 homes, 1.5 percent of those with a mortgage, entered foreclosure in a single quarter."

According to CoreLogic, this is a key year for boomerang buyers because seven years have passed since the peak of foreclosures in 2010. A whopping "1.9 million homeowners who faced owner-occupied foreclosures between the start of the housing crisis in 2007 through 2010 will have met the seven-year period after which the Fair Credit Reporting Act requires derogatory information to be removed," they said. "By the end of 2020, another 1.2 million homeowners who lost their homes to foreclosure between 2011 and 2013 will become eligible."

A new TransUnion Study Found that, "1.5 million homeowners negatively impacted by the mortgage crisis could re-enter the housing market in the next three years." But do they want back in? Many think so.

"The chief attraction is strong motivation, Kent Temple, broker/owner of Keller Williams Realty - The Temple Team in Mooresville, N.C., said on Bankrate. "If you've been through a foreclosure, you've already been a homeowner. "You know what it's about. You know the process. You've been through hell sometime in the last seven years, and if you really want to buy a house, you are so willing to do whatever it takes."

But some aren't so sure. "As those foreclosures began to clear, many observers speculated that a slew of 'boomerang buyers' was poised to return to the housing market," said The BIG Picture. "Those buyers have been slow to materialize. So what's hindering their return?" Oh, little things like:

- Rising home prices
- Rising mortgage rates
- Low inventory



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- More stringent lending requirements
- Credit scores that haven't jumped back up to where they need to be because of other delinquency issues

There may also be the fear factor. Do buyers who lost a home to foreclosure once before want to take the risk again? If they do, they are largely looking to be more careful this time around, said Jami Harich, a real estate agent with Avery-Hess Realtors in Fredericksburg, VA, in the Washington Post. "Most buyers I work with now, especially if they lost a home in the past, don't want to get in over their heads. They start with a monthly payment that they want to stick to, and then I show them what they can find on the market that fits in that budget." Whatever their reasoning, "History says not all those buyers are likely to come back," said The BIG Picture.

"According to a 2016 study by CoreLogic, fewer than half of those who lost a home in 2000 or later have purchased new homes, even among those 16 years past a foreclosure." The boomerang rate has been especially low so far for people who lost their homes during the crisis. A little over 30 percent of borrowers who lost their homes in 2000 had purchased another home seven years after the event. But only about 15 percent to 20 percent of borrowers who lost a home between 2006 and 2008 had returned to the housing market after seven years."

Quick or slow: Perhaps it's the rate at which boomerang buyers have been returning (or not) to the market that has surprised industry experts the most. Instead of the rapid return like many had predicted, the boomerang effect has been more tempered, according to CoreLogic.

"While millions of former homeowners reentering the buying market would have a significant impact on home sales, historical data shows a more gradual return rate for these so-called boomerang buyers, with less than half returning to homeownership even 16 years after the foreclosures were completed. Historical return rates show recent incremental volumes of 150,000 boomerang buyers returning per year, or 12,500 per month. Of the 4.4 million owner-occupied foreclosures completed since 2000, 1 million foreclosed homeowners have returned."

*Written by Jaymi Naciri
Courtesy of Realty Times*

Simple Home Fixes To Attract Buyers

Here are three quick fixes if you are looking for easy ways to get buyers' attention before your home hits the market.

1. Refresh with color. When it comes to selecting a palette that looks fresh and has broad appeal, it's best to go with whites and neutrals. Plus, it will also make spaces look bigger.

2. Update the floors and walls. These areas receive serious wear and tear, so a

smart move is to upgrade to a durable porcelain tile. Current design trends include classic terrazzo and even wood textures.

3. Choose larger tiles. Oversized tiles not only are cost-effective (bigger tiles cover a larger area) but also help make a small room seem larger. Select simple patterns: Avoid anything too busy to ensure a clean yet modern look.

Courtesy of Realty Times



How To Simplify Your Next Move

When you're selling your home, getting your belongings organized can seem like a low priority. You're dealing with finding the right real estate agent, the best time to list your home on the market, and maybe even house-hunting for a new place to live.

All of that can keep you quite busy considering many of us have to do those things while we work a full-time job. Organizing your home so that you can simplify your move just doesn't seem practical.

However, there is one main reason why getting organized can not only simplify your next move but also help improve your chances of selling your home faster and for more money.

When you go through the process of getting organized, you should be eliminating items from your home which helps to clear clutter. Clearing clutter is one of the first things agents and experts who stage homes for sale will tell you to do.

When the clutter is gone, the home can be shown much easier. Potential buyers can see what makes your house so special and different from others in the neighborhood.

If you're putting off the process of getting organized because you think you should wait until you accept an offer, let me encourage you to get motivated to do it sooner. I've seen it happen many times. The homeowner thinks there's plenty of time and then when an offer is accepted they're thrust into high gear because the buyer wants to close escrow fast.

Of course, your agent can negotiate the closing date but sometimes a faster closing is a must. Yes, you may be able to rent back from the new owners to give you more time to prepare to move but you can't avoid the fact that you'll need to move at some point. Here are five tips that can help you jump start your organizing and simplify

your next move. You will be glad you start before you get an offer to purchase your home.

1. Sort piles of belongings into groups: keep, giveaway, maybe, and trash. The "maybe" pile you box up and seal for six to 12 months. If you don't have a use for your items in the "maybe" box during the year then perhaps you can donate it.

2. Give yourself plenty of time. Be patient. This process of getting organized takes time. Know that when it comes to sorting through personal papers and memorabilia it will take you much longer than reviewing other items. Leave some extra time for the expected reminiscing that will occur.

3. Store your items in clear plastic bins. Using clear boxes helps to let you have a quick view of what's inside. If you used cardboard boxes or colored bins, then use a pen to clearly label what's inside and which room it will go in at your new home. You might want to use a large piece of paper to write the label on so that you can reuse the bin again later for another purpose.

4. Get rid of the paper. A big problem in many homes is the paper trail they have from room to room. It could be magazines, newspapers, documents, advertisements, receipts, you name it. Most homeowners keep a lot of paper which creates a lot of clutter. Go through your files and reduce the paper by shredding or recycling documents you don't need. You'll find that a lot of what you're hanging on to, you just don't need.

5. Do it now! This is the most valuable tip. As soon as you finish reading this, go put a time on your calendar when you will begin to get organized. Placing it on your calendar should help you block off time to get started and prevent procrastination. If you take care of things right away, you'll find that life gets simpler. The same goes for your move. So, get organized and simplify your next move!

Courtesy of Realty Times

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their own secret sauce, or algorithm to come up with "zestimates" or approximate values of what homes in a given area are worth. Sometimes the results are spot on, but they can also be inaccurate.

First, transaction data has to be recorded with the county, which could take weeks. But, what alters the algorithm most is that properties not currently on the market are included in the data. These homes have not been tested by the current marketplace and cannot possibly contribute to recent market values.

In addition, the algorithms may include whether or not a home has been updated, but there's no way to quantify subjective information such as how well the home is maintained, curb appeal, interior design, window and yard views, and neighborhood popularity. For these reasons, online valuations should be used only as one of many tools to estimate a home's value.

Your best approach to choosing a listing price is to ask your real estate professional for a comparative market analysis, or CMA. He or she can show you the most recent listing asking prices and sold comparables in your neighborhood. These results are accurate up to the hour in most cases. Realtor.com updates listings from MLSs every half hour.

If your home is estimated for far less on a home valuation site than current comparables, be prepared to argue pricing with buyers who take these numbers as gospel. If they have a real estate agent representing them, the agent can confirm the comparables you show them to help them understand the market a little better.

By the same token, don't expect to get more for your home if home valuation sites put your home in a higher price bracket. Recent comparables tell the true story of the current market as long as buyers and sellers are using the same search parameters.

Remember, a set of comparables is only a guide to pricing your home, so you can sell your home quickly and for the most money possible in the current market.

*By Blanche Evans
Courtesy of Realty Times*

Black Hills Events

Custer State Park Annual Buffalo Roundup

September 29
Custer State Park

Oktoberfest

September 29 - 30
Deadwood

National Parks Fee Free Day for

National Public Lands Day
September 30

Great Downtown Pumpkin Festiva.

September 30 - 9:00 AM to 6:00 PM
Main Street Square, Rapid City

Crazy Horse Autumn Volksmarch

October 1 - 6:00 AM to 4:00 PM
Crazy Horse Monument, Custer

2017 Black Hills Pow Wow

October 6 - 8
Rushmore Plaza Civic Center, Rapid City

Bierborse

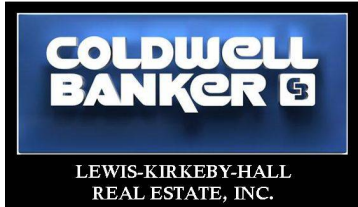
October 7 - 12:00 PM to 6:00 PM
Main Street Square, Rapid City

Wild West Songwriters Festival

October 12 - 14
Deadwood

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com



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Outdoor Amenities Topping Buyers' Lists



Real estate professionals are finding home buyers are placing a higher value on outdoor spaces and their potential for entertainment. Here are the specific amenities that are proving most beneficial to sellers in marketing their properties:

The outdoor kitchen: These spaces are becoming more than just a simple dining set and grill. They are now being outfitted with an outdoor refrigerator, sink, and counter space. In luxury homes, outdoor kitchens may include bar areas, islands, ovens, stoves, and extra storage space as more cooking tasks move outside.

Pool and spa: Real estate pros say that they're noticing a shift in the way pools and the spaces around them are being designed. Homeowners are getting more creative, adding waterfalls or even a hot tub in the middle of the pool. Buyers are looking for terraces and lounges overlooking the pool area.

Open access: The transition between the interior and exterior is becoming more seamless. Homeowners achieve this look by installing collapsible window walls, though a more affordable option is the classic sliding glass door.

Outdoor fireplaces: Both simple pits and custom fire features are becoming more common as decor in outdoor landscaping. Fireplaces have long topped home buyers' wish lists for interiors, but they're increasingly becoming a popular amenity outside too.

Courtesy of Realty Times