

# Rapid City Real Estate Update

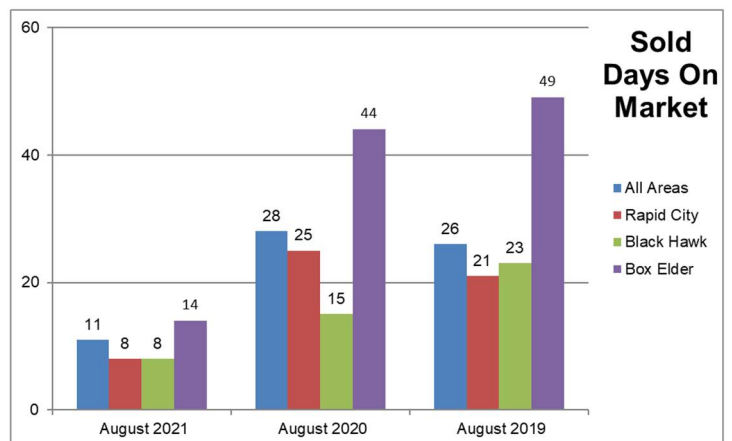
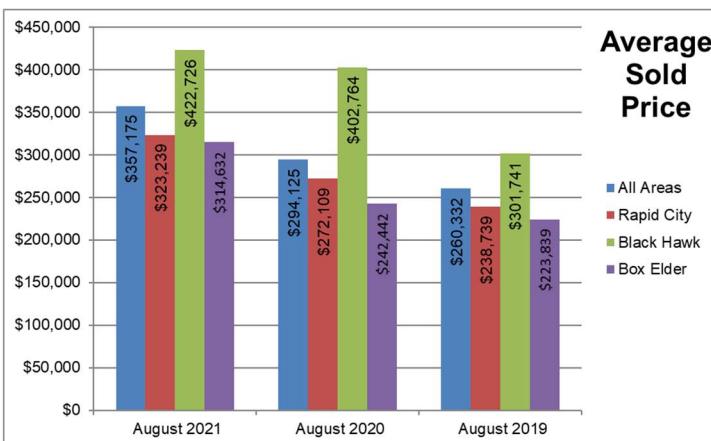
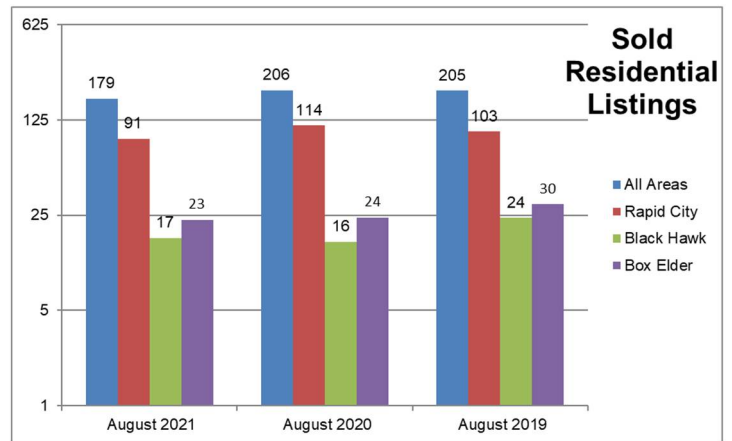
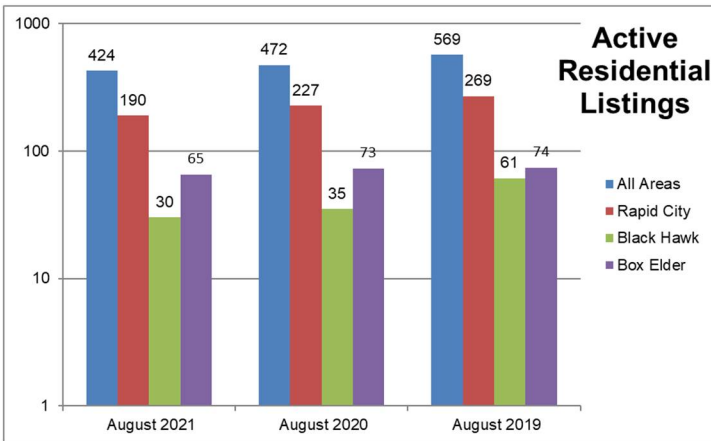


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## Rapid City & Area Market Conditions For August 2021



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## How Do You Make An Offer On A House?

Deciding to buy a house is huge—it's one of the most significant investments you'll ever make, if not the biggest. You search for the perfect home, and when you think you've found it, the next step is to make an offer.

What exactly does making an offer entail?

### Before You Make An Offer

First, you should have a few things in place before you make an offer. One is a mortgage preapproval from a minimum of one lender. If you get preapproved, it helps you know how much house you can actually afford. The preapproval letter also shows sellers you're serious.

Then, you need to understand the local market to make sure your offer is competitive. Your real estate agent will be able to help you with this.

The third thing to have in place before you make an offer is making sure that you have the down payment in the bank and ready.

Once the three things above are ready to go, then you'll start to determine your price, contingencies, and your timeline. If you're buying in a competitive market, you should ask your agent how you can make your offer as competitive as possible.

Common contingencies that might be included in your written offer include:

- Final loan approval—this means that your purchase of the home is contingent on your getting the mortgage within a certain amount of time.
- Appraisal—A lender is typically going to require an appraisal to verify the value of a home. A lender doesn't want to take on unnecessary risk by lending you more than what the home is worth.
- Inspection— You might include a contingency requiring that the home undergo an inspection, and you could outline how issues are dealt with if they're discovered.

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## 7 Signs It's Time To Downsize



Downsizing a home is almost inevitable for many older people. Once your children are out of the house, you don't need and probably don't want as much space as you once had. Downsizing can be smart financially and give you a new lease on life, but it can also be an emotional decision to leave your home behind.

The following are seven signs that it might be time to consider downsizing, even if you're a bit hesitant.

1.) Your Neighborhood No Longer Suits Your Lifestyle

The location of your home can be as important to your lifestyle as the features of the house itself. When you bought your home, maybe your neighborhood was filled with young children or was close to the best schools.

Those things might still be true of the neighborhood, but that doesn't mean it's the right fit for you anymore.

You might feel a bit out of place in your neighborhood, and maybe you'd like to move somewhere with more people your age so there are more accessible opportunities for socializing.

2.) You Have Multiple Unused Rooms

If you have many rooms in your home that are regularly unused, it could be a good time to downsize. There was probably a time when toys took over every room, and it seemed like you were bursting at the seams. Now, maybe you only use a few rooms in your home, in which case you could make do with a little less space.

3.) You're Struggling to Maintain Your Home

Homes involve a lot of work and upkeep. There might have been a time when you were proud and happy to spend every weekend working on your home, but maybe you have different goals now.

Perhaps you'd rather be traveling or spending time on hobbies.

You might also have some physical limitations that make it harder for you to do certain chores.

A smaller, more manageable home will free up your time so you can do things you love instead of keeping up your home all the time.

4.) The Features of Your Home Aren't Well-Suited to Aging in Place

Someone who's in their 70s today seems a lot different than they might have a few decades ago. We're living longer and staying more active, and with that, rather than moving in with relatives or into retirement communities, more people are opting to age in place.

When you age in place, you maintain your independence and freedom, but your home has to have certain features to make that possible.

If you have a multi-story home, narrow doorways, or high-maintenance outdoor areas, these aren't well-suited to aging in place, in which case you might think about downsizing.

5.) You'd Like a Change of Scenery

If you're dreaming of moving to the beach or the mountains, the homes might be more expensive than where you are currently. If you downsize and accept less space, however, you can make those dreams a reality. You can wake up in a beautiful, vacation-like dream every day.

If you're not tied to a physical location and you can live anywhere you want in the country or the world, why not take advantage of that fantastic opportunity?

6.) Your Housing Expenses Are Greater Than 30%

Sometimes downsizing isn't just about a lifestyle change—you may need to make a financial change.

When you're deciding how much of your budget to spend on housing costs each month, financial experts recommend no more than 30%.

That's the standard used by the U.S. government as well. Any household that pays more than 30% of their income on housing is, by this standard, considered financially burdened.

If you're still working, then this might not be an issue, but if you were to retire, you could quickly enter the financially burdened bracket. The cost of housing burdens goes up as expenses rise, and then your income tends to go down in retirement.

If you're putting more than 30% of your monthly budget into housing, it's a perfect time to think about downsizing.

You may be learning to live on a fixed income, meaning you need a smaller home with a lower monthly mortgage payment.

7.) You Want to Put Your Home Equity to Use

Finally, another good reason to think about downsizing is to put your home equity to use as income.

You can use the equity in your home once you retire, and coverage of everyday costs is the number one reason retirees often give for wanting to utilize their equity. It's understandable why—equity may be your most valuable asset

Courtesy of Realty Times



## 5 Very Important Checklist Items Before Selling Your Home

Before selling your home, you'll want to make sure it is ready to be seen by potential buyers. Follow the next five steps to ensure that your house sells for the maximum value.

### First Step: Paint

First, make sure that the paint is up to date. You may need to skim coat your walls. Skim coat, also called mud, is a thin layer of seam compound that can be used to repair or smooth damaged walls. You may need a skim jacket if you want to repair cracks, fill in joints, or flatten the area with an existing flat surface. Use a spatula or drywall knife to lay a layer of skim coat on rough walls or ceilings to form a flat surface for painting or wallpaper. Usually, two to four layers need to be applied before the surface is smooth. Examine the walls and ceiling for damage. If there is a lot of damage (notches, cracks, large holes), you have to fix them first. You may only need to complete the connection between the new plasters, maybe you have to complete the broken plaster or plaster-gypsum board joints, or you have many years of settlement or vibration Plan to repair plaster that will begin to break down.

Skim coating is a texturing technique used to smooth walls. Drywallers use this technique to hide imperfect taping work and give the wall only a plaster-like appearance and the smoothest surface. Non-oiling coatings are the only way to achieve class 5 drywall completion and many industry groups, including painting contractors, recommend them.

### Second Step: Repairs

Some of these tips are quite simple, while others may need more elbow grease. But once the buyers have begun to show up at your location, you will benefit. When you are ready to sell, check your

home for damaged parts, broken equipment, and spaces that need cleaning or exhalation. Our home maintenance checklist will guide you through common home repairs that may affect your family's value, especially when you are examining each area. Taking an assessment can also help you decide what needs to be corrected. The total cost of repair depends on the condition of your home. Once you have listed the repairs you need, decide for yourself what you can do and where you need expert help. Compare quotes from multiple contractors so that you can consider the price range. Look at the whole house and consider if you need to make some improvements.

### Third Step: Check the Foundation

Concrete is essentially a very porous material. It absorbs moisture naturally. Cracks in the concrete floor are completely expected and not a structural problem, but be sure to check the foundation with a specialist.

### Fourth Step: Landscaping

Be sure that your yard looks good. Hire a professional to keep everything neatly trimmed. This includes mowing the lawn and keeping shrubs and trees manageable. Also, be sure to clean off your patio.

### Fifth Step: Cleaning

Finish by sweeping, mopping, and dusting the whole house clean. This includes making sure that there are no signs of dirt or stains. Countertops, sinks, showers and toilets are the main places to keep clean. Roll up your sleeves and go to work. Save some money by using homemade cleaning products.

Next, plant the "for sale" sign in your front yard and discuss with your realtor. Then, you'll be all set to start showing your property.

*Courtesy of Realty Times*

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- Home sale—In this situation, if you have a home already and your purchase depends on you selling it first, then you might add this as a contingency.

To leave room to negotiate, it can be a good idea to make an initial offer below the maximum price you can pay. Contingencies can include things like appraisals and inspections.

### Submitting An Offer

Once you've worked out the specifics of what you're going to offer, your real estate agent will draft a purchase and sale agreement. You'll look it over and sign it before it's submitted.

If you're making an offer that's way off from the home's asking price, your real estate agent should include a letter highlighting why, such as the findings of a competitive market analysis. The agent for the seller is legally required to provide any offer to the seller.

An offer letter will include not only the price you're offering but the amount of earnest money and down payment you'll pay if you're preapproved for a mortgage and a breakdown of who's responsible for paying what closing costs.

The offer letter may also have information about the sale of your current home, if relevant, and the expiration date of your offer.

In a competitive market, you might also include a handwritten note to the buyer letting them know why you hope to buy their house.

### Negotiating

Once a seller gets your offer, they might accept it as-is, decline it or counter it, in which case you begin negotiating.

Along with negotiating on price, there are other ways that you can leave some room for negotiation. For example, going easy on contingencies is going to make your offer more competitive. If you can pay cash, that's always going to get the attention of a buyer.

Your agents should handle the negotiations. Once negotiations reach a conclusion, the deal is done when you and the seller sign the purchase offer agreement. From there, you move onto the complete mortgage application process.

*Courtesy of Realty Times*

## August Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "The tug-of-war between the economic recovery and rising COVID-19 cases has left mortgage rates moving sideways over the last few weeks. Overall, rates continue to be low, with a window of opportunity for those who did not refinance under three percent. From a homebuyer perspective, purchase application demand is improving, but the major obstacle to higher home sales remains very low inventory for consumers to purchase."

- 30-year fixed-rate mortgage (FRM) averaged 2.87 percent with an average 0.6 points for the week ending August 26, 2021, up from last month when it averaged 2.8 percent. A year ago, at this time, the 30-year FRM averaged 2.99 percent.
- 15-year FRM this week averaged 2.17 percent with an average 0.6 points, up from last month when it averaged 2.1 percent. A year ago, at this time, the 15-year FRM averaged 2.51 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 2.42 percent this week with an average 0.2 points, down from last month when it averaged 2.45 percent. A year ago, at this time, the 5-year ARM averaged 2.94 percent.

*Courtesy of Realty Times*





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## 5 Favorite Fall Annuals For Adding Seasonal Color To Your Garden



Even when summer's over, there's still plenty of colorful plants you can enjoy in your garden before winter really sets in. While trees and shrubs start showing off their fall foliage and fall-blooming perennials get going, you can add even more color to your garden by planting a few cold-tolerant annuals. They're perfect for swapping out tired plants in your summer container gardens, tucking into beds and borders for seasonal interest, or adding a fresh look to your front door, patio, or deck for the fall. Use these annuals to fill in any blank spaces in your landscape as your garden transitions from summer to fall.

- 1. Pansy** - The cheery, edible flowers of this popular cold-tolerant plant come in just about every color, including red, orange, yellow, white, purple, and blue. Pansies are often grown as annuals, especially when used in container gardens, but they are actually short-lived perennials that are hardy in Zones 6-11. They'll survive the winter in these regions if planted in the ground, blooming again the following spring. Plant them in a spot with full sun to part sun about 6-8 weeks before your area's first frost date.
- 2. Strawflower** - Not only colorful, strawflower adds gorgeous texture to your garden as well. It has stiff, paper-like petals, which make the blooms especially useful for dried floral crafts. Strawflowers usually appear in shades of yellow, orange, red, pink, and white. Plant them in an area with full sun and well-drained soil. Strawflower doesn't tolerate frost so protect it from freezing temperatures so it continues to bloom as long as possible.
- 3. Ornamental Peppers** - These tough annuals will spice up any garden. Ornamental peppers are easy to grow for their colorful fruits in shades of red, orange, yellow, blue, purple, and even black. Some ornamental peppers are spicy hot, while others have non-pungent fruits and are safe to grow around small children. In addition to their fruits, some varieties show off their colorful variegated foliage as well. Plant in full sun and well-drained soil. Like strawflowers, these fall annuals don't tolerate frost well, so they'll need to be covered or protected when that time comes.
- 4. Flowering Kale** - Although flowering kale is related to the types of kale you'd grow for eating, it's more commonly an ornamental than edible plant because it has thick, tough leaves. And despite the name, this kale doesn't technically flower, but the inner leaves often are white, pink, or purple. Pair it with mixed pansies, and you'll have a pretty, seasonal display that will hold up well to freezing temperatures. Plant in full sun for the best coloring.
- 5. Calibrachoa** - Calibrachoa is another favorite annual flower known for its bright colors and low-maintenance care. While it is commonly thought of as a summer annual, calibrachoa holds up well to cold temperatures, too. It's a staple for fall annual container gardens, and looks especially pretty spilling from hanging basket. The jewel-tone flowers come in nearly every color, so they coordinate well with just about any design theme you can imagine. Just be sure to plant in a spot with full sun and well-drained soil.

*Courtesy of BHG.com*