

Rapid City Real Estate Update

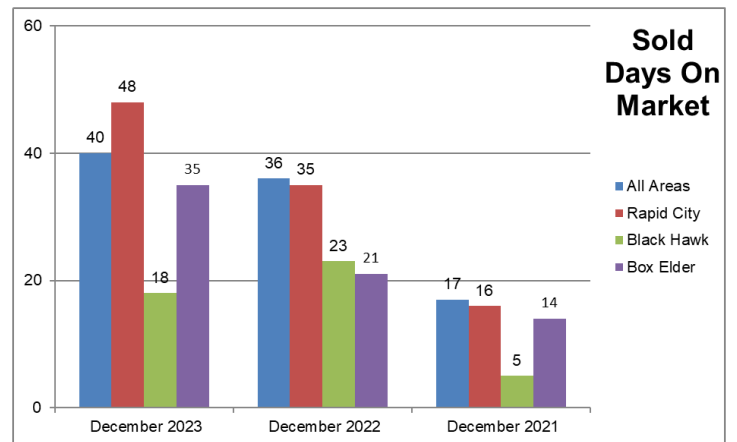
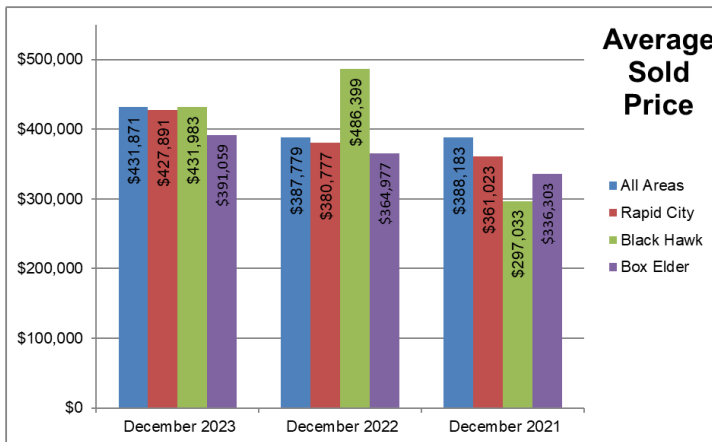
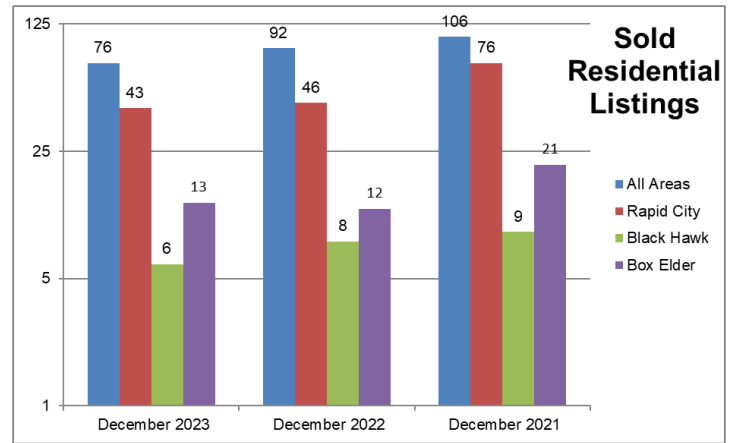
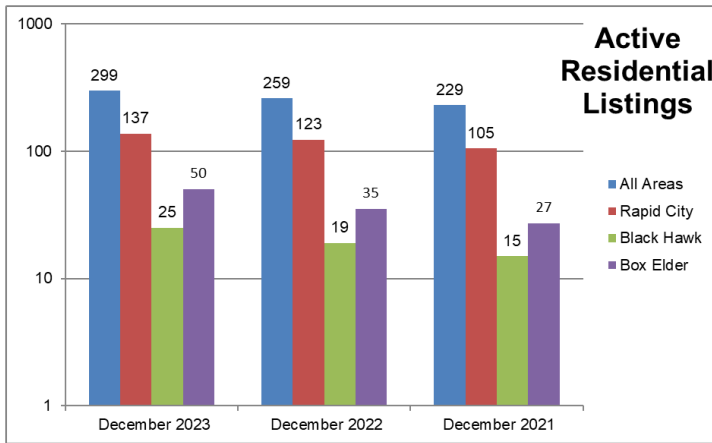


COLDWELL BANKER
BLACK HILLS LEGACY
REAL ESTATE

In This Issue

- P.1 Rapid City & Area Market Conditions
- P.2 Should You Buy A Home Warranty?
- P.2 Seven Steps To Take To Prepare Your House To Sell In The New Year
- P.3 What Exactly Is A Rate Lock?
- P.3 December Real Estate Roundup
- P.4 Black Hills Events

Rapid City & Area Market Conditions For December 2023



This representation is based in whole or in part on data supplied by the Black Hills Association of REALTORS® or its Multiple Listing Service. Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market. Data was compiled from areas within the MLS known as BG, BX, CC, EC, NR, N, NE, NW, PV, PG, RV, RM, SLR, SW, WB.

Seven Steps To Take To Prepare Your House To Sell In The New Year

The holidays are a wrap, and with the coming of the new year, many people are starting to make their new year's resolutions. If selling your home is one of those resolutions, it's beneficial to take steps now to prepare your house to sell in the new year. Getting a jump start on this preparation can help your home be ready for the spring/summer homebuying season, an annual tradition that typically sees an increase in buyer demand.

Preparing a house for sale in the new year involves more than taking down the holiday decorations. Some of the key steps to take before putting your home on the market in the new year include:

1. Decide on a listing date

One of the first steps is to decide when you want to put your house on the market and create a timeline for all the tasks that need to be completed before this happens. Work backward from the listing date to establish deadlines for each task. Establishing these deadlines can be a great motivator for getting all of the to dos done in order to showcase your house to its best advantage.

2. Hire a REALTOR®

A REALTOR® will guide you through the selling process and provide a plan for attracting potential buyers to get your house sold for the best possible price. REALTORS® have reams of data and calculators at their fingertips to help you make the most strategic choices when selling your house.

3. Give the house a deep clean

Deep cleaning goes beyond vacuuming and dusting. Giving your home a deep clean means getting carpets steam cleaned, mopping floors, cleaning windows inside and out, washing walls to remove stains and scrubbing bathrooms. Consider using professional carpet cleaning and maid services to really make your house sparkle and shine.

4. Get rid of all the clutter

De-cluttering will make your house seem more spacious and make it easier for potential buyers to envision themselves in the house. Start the de-cluttering process by cleaning out closets, cabinets, and

(continued on page 3)



Should You Buy A Home Warranty?

We're buying a house. Should we buy a home warranty?" Seems like a relatively tame question, right? But post it on Facebook or Nextdoor and watch the impassioned responses roll in. You might as well ask, "What political party should I belong to.

Who knew people were so fervent about home warranties! Everyone has their own experience; expect to hear a few people call them "a scam" or at the very least a waste of money. Others will regale you with their tale of how having a warranty saved them from a freezing winter because they couldn't afford to fix their furnace without it.

In the end, the decision is personal and largely based on how comfortable you are coming out of pocket if one of the more expensive items in your home, like the air conditioning unit or hot water heater, should malfunction and need to be replaced. We're breaking down three important particulars so you can make an educated decision.

Know the cost

"A basic home warranty costs about \$350 to \$500 a year or more," said Money Talks News. "A warranty typically covers kitchen appliances, plumbing, water heater, heating and electrical system components, sump pump, whirlpool tub, and ceiling and exhaust fans, according to Angie's List. "Enhanced" plans, purchased for another \$100 to \$300, provide added coverage for such things as a washer and dryer, air conditioning system, refrigerator and garage door opener. Optional coverage can be added, including for pools and septic systems."

You can typically break down the annual cost into monthly payments if that's more comfortable for you, but the cost of the warranty itself isn't the only thing you're responsible for paying. Service calls will typically also cost you; put in a work order for a broken microwave or a tub that won't drain and you'll be responsible for paying for the privilege of having a professional come check it out, and—hopefully—fix it.

"Home warranty deductible, or service call fees, is an important concept to master if you want to understand how to find the cheapest home warranty plans for your needs," said Review Home Warranties. With most home warranties, a deductible or service call fee will be required, "with an industry average of approximately \$75 per

visit. Some companies, like American Home Shield or TotalProtect Home Warranty, let their customers choose the amount of a deductible, which depends on the amount of premium. The higher the premium, the lower the deductible."

Consider your peace of mind

Many homeowners opt for a home warranty for major "just-in-case" scenarios. Just in case the air conditioning unit crashes and burns. Just in case the hot water heater dies. Just in case there's some other expensive repair that pops up, without the ability to comfortably pay for it. With the cost of some of these items running into the thousands—the average for a new air conditioning unit and installation, per HomeAdvisor, is \$5,413!—the peace of mind factor is huge.

"For a homeowner who doesn't have an emergency fund or who wants to protect their emergency fund, a home warranty can act as a buffer," said Investopedia. "Home warranties also make sense for people who aren't handy or who don't want to worry about tracking down a contractor when they have a problem. Warranties can also make sense for people with expensive taste in appliances."

But...understand that not everything is covered

There's always a chance that the item you need repaired is not covered under your warranty for one reason or another. "Having a home warranty doesn't mean the homeowner will never have to spend a penny on home repairs,"

said Investopedia. "Some problems won't be covered by the warranty, whether because the homeowner didn't purchase coverage for that item or because the warranty company doesn't offer coverage for that item. Also, home warranties usually don't cover components that haven't been properly maintained. Furthermore, if the warranty company denies a claim, the homeowner will still have to pay the service fee and will also be responsible for repair costs."

In our case, limitations spelled out in our home warranty contract regarding the replacement of outdated parts and refrigerant costs for our broken air conditioning unit meant we had to come out of pocket for \$1,500. The lesson here: Read the fine print so you're prepared.

Courtesy of Realty Times



COLDWELL BANKER
BLACK HILLS LEGACY
REAL ESTATE



What Exactly Is A Rate Lock?

Mortgage lenders, like pretty much any type of industry, have

their own internal lingo. It's certainly one that is difficult to understand, as certain facets of mortgage lending have no standard English equivalent. Many times, loan officers can use some of their own internal lingo with a client, mistakenly assuming the client knows what the loan officer is actually saying. One of those terms is a mortgage rate lock, or sometimes simply a 'lock.' What are rate locks and how do they work?

A rate lock is when an interest rate is guaranteed on a particular loan for a specific period of time. Many times, consumers can think that if they see a rate online or get a quote from a loan officer that the rate pretty much stays there. That's not the case. Mortgage rates can change daily, depending upon economic and market conditions. During extremely volatile times, they can even change during the course of a day. And until that rate is locked, the rate can change or 'float.'

Lenders don't lock rates for a borrower without the direct authorization from the borrower. While each individual lender may have slightly different rules on when and how a rate can be locked, there are a few general guidelines you can expect.

One is how long the rate lock can be made. And the longer the rate lock requested, the more expensive the rate will be. That makes sense because someone can't expect a lender to lock in a rate for 60 days compared to a lock for 10 days, for instance. That means you should lock in your rate only long enough to cover your closing date. If your sales contract says the close date is say 30 days out, then you'll want to lock in for 30+ days.

You also want a little cushion in case there are any delays but the way the mortgage market is set up these days, it's doubtful delays will occur, but they can happen. Another appraisal might be needed or maybe the appraisal needs another comp listed. Maybe there appears to be an issue with the title and that needs to be cleared up as well. Title issues are referred to as a 'cloud' on the title.

One last thought- if you do lock in and rates go up, you're protected. But what if they go down? Same. The rate lock is the lock. Some lenders do offer a 'float down' option if market rates fall far enough but lenders won't do a float down without a fee. All of these parameters for your lender will be spelled out in a rate lock form you receive as part of your initial disclosure package. And as always, if you have any questions, speak directly with your loan officer.

Courtesy of Realty Times

(continued from page 2)

garages. Donate clothing and other items of use and throw out items that are broken or cannot be used.

5. Make needed repairs and updates

Leaky faucets, chipped paint, running toilets, and squeaky doors may seem minor but really signal to potential buyers that your home has not been well maintained. To help attract buyers and get top dollar for your home, take the time to make needed minor repairs and consider updates such as repainting rooms with neutral paint colors, replacing worn carpeting, and modernizing bathroom and lighting fixtures.

6. Spruce up curb appeal

Sprucing up the curb appeal of your home is an important step to take before putting it on the market. In fact, among REALTORS®, 94% have suggested sellers improve their curb appeal before listing a home for sale. This recommendation is so common simply because the outside of your home is the first thing buyers see when they pull up to the curb and as the saying goes - you never get a second chance to make a first impression. Painting or replacing the front door, keeping the lawn mowed and weeded, trimming overgrown shrubs and trees, and repairing cracked walkways are just a few things that can go a long way to sprucing up the curb appeal of your home.

7. Stage it to sell

Staging your home can show it in its best light. The National Association of REALTORS® Profile of Home Staging found that 40% of buyers' agents cited that home staging had an effect on most buyers' view of the home, and 83% of buyers' agents said staging a home made it easier for a buyer to visualize the property as a future home. Staging a house can involve things like adjusting furniture layouts to make rooms appear larger, repainting rooms, opening curtains and blinds to let light in and adding extras like fresh flowers in vases, a bowl of fruit in the kitchen and folded towels in the bathrooms.

If selling your house is on your list of New Year's resolutions, make sure to take the steps outlined above to get it ready to sell. This preparation can help your house stand out among the millions of homes nationwide projected to sell in the new year.

Courtesy of Realty Times

December Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "The 30-year fixed-rate mortgage remained below seven percent for the second week in a row, a welcome downward trend after 17 consecutive weeks above seven percent. Lower rates are bringing potential homebuyers who were previously waiting on the sidelines back into the market and builders already are starting to feel the positive effects. A rise in homebuilder confidence, followed by new home construction reaching its highest level since May, signals a response to meet heightened demand as current inventory remains low."

- 30-year fixed-rate mortgage (FRM) averaged 6.67 percent for the week ending December 21, 2023, down from last month when it averaged 7.29 percent. A year ago, at this time, the 30-year FRM averaged 6.27 percent.
- 15-year FRM this week averaged 5.95 percent, down from last month when it averaged 6.67 percent. A year ago, at this time, the 15-year FRM averaged 5.69 percent.

Courtesy Of Realty Times



**COLDWELL
BANKER**

BLACK HILLS LEGACY
REAL ESTATE

6015 Mount Rushmore Road
Rapid City, SD 57701
605.343.2700 ph
605.342.2247 fax
www.coldwellbankerrapid.com



Courtesy of:

Ron Sasso
Broker Associate
(605) 593-3759
ron.sasso1@gmail.com

Black Hills Events

Rapid City Rush Games

January 10, 12, 13, 19 & 20
February 9, 10, 14, 16 & 17
The Monument, Rapid City

Chinook Days

January 12-14, 17-20
Spearfish

Rapid City Restaurant Week

January 17-27

Pro Snocross Races

January 26 & 27
Days of '76 Rodeo Arena, Deadwood

Black Hills Stock Show & Rodeo

January 26– February 8

Black Hills Sports Show & Expo

January 9-11
The Monument, Rapid City

Tour de Chocolate

February 10
Hill City

Mardi Gras Weekend

February 9 & 10
Deadwood

Counts Car Club Indoor Car and Bike Show

February 16-18
The Monument, Rapid City