

97 Rapid City Real Estate Update

July 2019



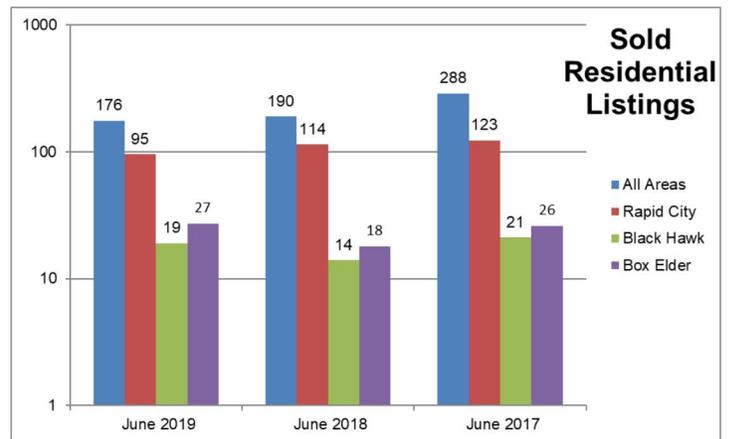
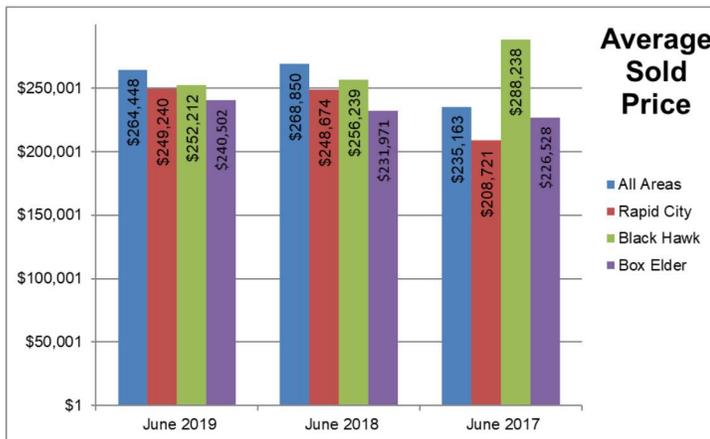
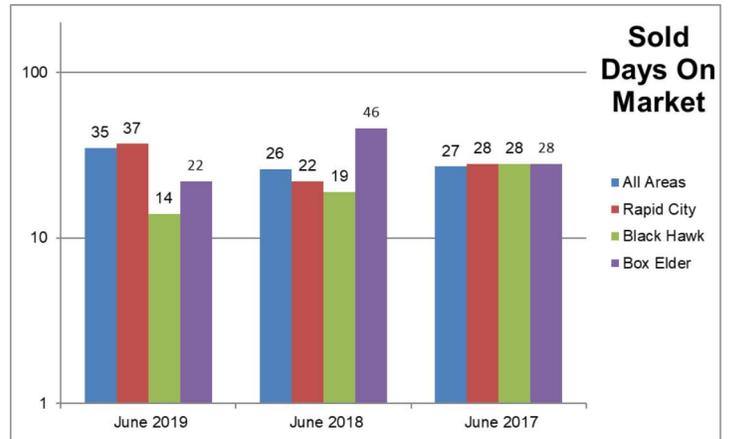
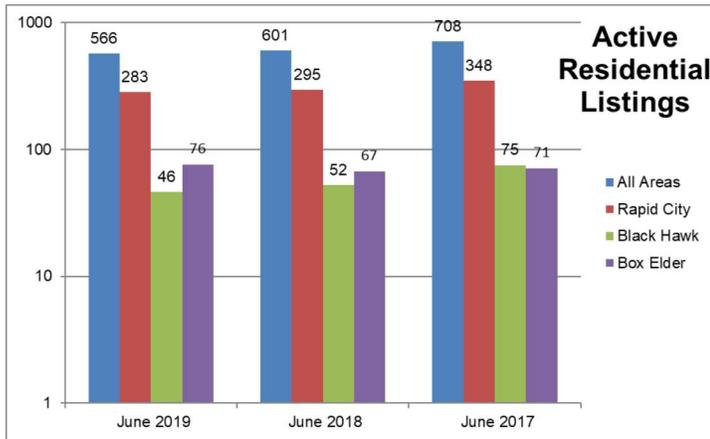
BLACK HILLS LEGACY

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Rapid City & Area Market Conditions For June 2019



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7 Reasons To Keep Your Credit Good After You've Bought A House

You worked hard to save for a down payment and get your credit score to a place where you were able to qualify for a mortgage. Now that you're in your home, you can relax a little, right? Who cares if your credit score drops; you're a homeowner!

Not exactly. While you may have met the goal of homeownership, your credit remains vitally important. Keeping your scores up can benefit you in a number of ways. Here are 7 reasons you should keep your credit good even after you've bought a house.

To furnish your home

Now that you've got that new home, it's time to furnish it. If you qualified for a mortgage, there's a good chance you'll also be a good candidate for new store cards. This can be an easy way to spread a large expense over a period of time, but, beware the pitfalls.

"Store cards or store 0 percent financing deals can enable you to make big-ticket purchases such as furniture, appliances and outdoor fixtures with no interest for several months," said CreditCards.com. "However, many 0 percent deals charge interest on the original purchase amount—often 20 percent or more—if you don't pay the entire balance by the end of the promotional period.

Todd Christensen, director of education at Debt Reduction Services, told them: "A lot of people will just make the minimum payment without thinking, and at the end of 18 months there's still a \$3,000 balance. If they don't pay it all off, here comes 25 percent interest back-dated to day one."

To save money

The best cards are typically reserved for those with the best

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How To Make Sure You Don't Fall Out Of Escrow - Buyer's Version



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According to The Truth About Mortgage, the "sale fail" rate of homes is rising. "More than four out of 100 sales look as if they're going to close, and then fall out of escrow for one reason or another," they said.

So how do you protect your purchase and make sure you get to the finish line? These four tips will help.

1. Prepare yourself for the inspection

Especially if you're buying an older home, there are bound to be some surprises in the inspection report. The sale fail trend is particularly pronounced for older homes.

"Homes built from 1959 through 1969 had the highest sale fail rate at 5.2%, compared to homes built in 2016, with a dropout rate of only 2.6%, which is among the lowest proportion of failed sale bands," said The Truth About Mortgage.

While you can't be prepared for everything, you can go into the process with a realistic understanding that the condition of the home may reflect its age. Expecting everything to be in tip-top shape will probably leave you disappointed.

2. But...don't be afraid to negotiate

That being said, the defects and recommended repairs that end up on inspection reports can be a lot to digest, and you have every right to expect a renegotiation for anything major. Your real estate agent should be able to provide guidance on how much seller cooperation is reasonable so it doesn't put your home purchase at risk.

3. Don't be cavalier with your credit

You've been pre-approved for a loan. Yay! Maybe you should celebrate by buying a new car or a house full of new furniture. No! Your preapproval is based on a number of factors, but credit score and debt-to-loan ratio are two of the big ones. Any change to those figures during escrow and you could find yourself with no financing.

"The underwriter—employed by your mortgage lender—will check your credit score,

review your home appraisal, and ensure your financial portfolio has remained the same since you were pre-approved for the loan," said Realtor.com. Since underwriting typically happens shortly before closing, you don't want to do anything while you're in contract that's going to hurt your credit score. That includes buying a car, boat, or any other large purchase that has to be financed."

You may think it's rare that a financing issue hampers a closing, but, "In fact, 32% of settlement delays come from buyer financing issues which can crop up at the very last minute," said Homelight.

4. Make sure you have all the required documents when you go to close

The last thing you want is to get to your closing and realize you forgot one of the documents you need. Don't leave the house without:

- A driver's license, passport, or some other government-issued photo ID
- Proof of your homeowner's insurance
- A copy of your sales contract
- Any and all home inspection reports
- Any other paperwork the bank used for loan approval (double-check with your lender in plenty of time)
- A notarized document giving you power of attorney if your spouse won't be present at closing
- A bank check or wire transfer for the full amount of your closing costs (check with your lender on the means of payment and final amount)

Courtesy of Realty Times





How To Make Sure Your Home Closes Escrow - Seller's Version

You just heard those magic words: "We have a deal." Now, you just have to get through escrow and you can move on to the next stage in your life. That means making sure your home doesn't end up back on the market. Here are 6 steps you can take both before you list and during the escrow process to make sure everything goes smoothly all the way to closing.

1. Carefully consider your sales price

If you're working with an experienced real estate agent, he or she should have a recommended pricing strategy based on area comparables. Pressuring your agent for a higher sales price could cause the home to sit on the market and, if you do get an offer, the appraisal may not match the sales price. "If the appraisal comes in too low, the seller will have to lower the selling price or (the buyer) will have to pay cash for the difference," said Investopedia.

2. Look for liens

"Overall title issues account for 11% of closing delays and may come to you as a surprise," said Homelight. "Sometimes clearing up title is as simple as verifying that a debt has been paid and recorded correctly, the same way you would clear up errors in a credit report. Other times, addressing outstanding debts can take months to settle. Before you put your house on the market, be sure to pay off any debts, loans, and taxes that may show up as a title defect against your property."

3. Disclose, disclose, disclose

Sellers are legally required to disclose all material defects in the home, so trying to hide issues can

backfire. "Any problem with the property will be uncovered during the buyer's inspection, so there's no use hiding it," said Investopedia. "Either fix the problem ahead of time, price the property below market value to account for the problem, or list the property at a normal price but offer the buyer a credit to fix the problem."

4. Be reasonable and willing to negotiate

It's easy to get stuck on your list price and not want to come down even one dollar. But if things show up in the aforementioned inspection report—things the buyer has a legitimate reason to request fixes—sticking firm to that price could cost you this the deal.

5. Limit contingencies

If you're having trouble selling your home and the only buyer who's come along in three months has two dozen contingencies, that's one thing. If you have a couple of offers, with one who doesn't need to sell their other home before securing financing on yours, it's an easy call, right? Obviously the offer price and other factors like the overall financial strength of the buyer are important, but the great thing about having limited contingencies is that you have a clearer path to closing.

6. Stay friendly with neighbors

The last thing you need is for the grumpy guy across the street to make a fuss because of increased traffic on the street during showings, inspections, appraisals, etc. and scare off a timid buyer. Maybe the situation warrants a knock on the door of neighbors who have a rep for being testy. Bring a plate of cookie or a gift card to Target for their troubles and you may be able to pacify them.

Courtesy of Realty Times

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credit. If you let your credit dip and you want a new credit card, you still might be able to get one—but you're not going to get the best rates. You may also be limited to cards that have a hefty annual fee, which will cost you more money.

For the miles

Cards that offer miles, cash back, or some other perk aren't offered to just anyone. If you keep your credit score high enough to snag one, you'll love being able to rack up miles to use for travel or apply a cash back bonus to everyday expenses to keep costs down.

For a job

Many employers run your credit as part of the hiring process. Let your credit drop and it could keep you from getting a new job.

To take advantage of falling rates

You never know what's going to happen to interest rates. Maintain your good credit and you may be able to refinance if rates drop.

To stay in your home

Defaulting on credit cards won't affect your ability to stay in your home, but if your credit problems extend to your ability to pay your mortgage, you could be looking at foreclosure.

To buy another home

If you've already bought a home, you know that, in order to get the best loan and interest rate, you need to have a good credit score. You can qualify for some loans with a lower score, but it'll cost you. "According to FICO, a homebuyer with a credit score of 760 or higher could pay nearly \$2,500 less per year on a \$210,000, 30-year home loan than someone with a score of 620," said CreditCards.com.

Courtesy of Realty Times

How To Control the Cost of a Bathroom Remodel

1. Plan a Sensible Layout: If you want to avoid expensive mistakes, getting the floor plan right is rule No. 1.
2. Try Not to Move the Plumbing: Related to rule No. 1, rearranging the pipes can be pricey and is often unnecessary, so it helps to avoid it if possible.
3. Tile With Restraint: Unless you're planning a wet room, you don't need to cover every inch with tile, Ghaly says. Not only is tiling just part of the room cheaper, both in terms of labor and materials, but also it's often more practical.
4. Choose Cost-Effective Materials: Indeed, you don't have to choose the most expensive materials, especially these days.
5. Ditch the Tub: Foregoing the bathtub isn't for everyone, but if you tend not to take long soaks, it could be a money-saving option.
6. Look for Sale and Floor Models and Entry-Level Products: Shopping online sales and buying showroom floor models can be great ways to bag a bargain. You may find a stylish sink at one source and a great tub at another.
7. Reuse Items Within Reason: Save the decent things, by all means, but if you hang on to every last screw or tub stopper, you're defeating the purpose of planning a lovely new bathroom.

Courtesy of Houzz.com

Black Hills Events

Movies Under The Stars

July 15, 22 & 29
August 5, 12 & 19
Main Street Square, Rapid City

Farmers Market At Prairie Berry Winery

Tuesdays through September
Prairie Berry Winery, Hill City

Central States Fair

August 16 - 25
Central States Fairgrounds, Rapid City

Summer Nights

July 18 & 25 - 6:00 PM
August 1, 8, 15, 22 & 29 - 6:00 PM
Downtown Rapid City

Days of '76

July 23 - 27
Deadwood

Kool Deadwood Nights

August 22 - 25
Deadwood

Thursdays On The Square

July 18 & 25 - 6:00 PM
August 1, 8, 15, 22 & 29 - 6:00 PM
Main Street Square, Rapid City

80th Sturgis Motorcycle Rally

August 7 - 16
Sturgis

Information provided by:

www.visitrapidcity.com
& www.downtownrapidcity.com

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June Real Estate Round-Up

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "while the industrial and trade related economic data continues to dominate the news, the drop in mortgage rates over the last two months is already being felt in the housing market. Through late June, home purchase applications improved by five percentage points compared to the previous month. In the near-term, we expect the housing market to continue to improve from both a sales and price perspective."

- 30-year fixed-rate mortgage (FRM) averaged 3.73 percent with an average 0.5 points for the week ending June 27, 2019, down from last month when it averaged 4.06 percent. A year ago, at this time, the 30-year FRM averaged 4.55 percent.
- 15-year FRM this week averaged 3.16 percent with an average 0.5 points, down from last month when it also averaged 3.51 percent. A year ago, at this time, the 15-year FRM averaged 4.04 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.39 percent this week with an average 0.4 points, down from last month when it averaged 3.68 percent. A year ago, at this time, the 5-year ARM averaged 3.87 percent.

Courtesy of Realty Times