

# Rapid City Real Estate Update

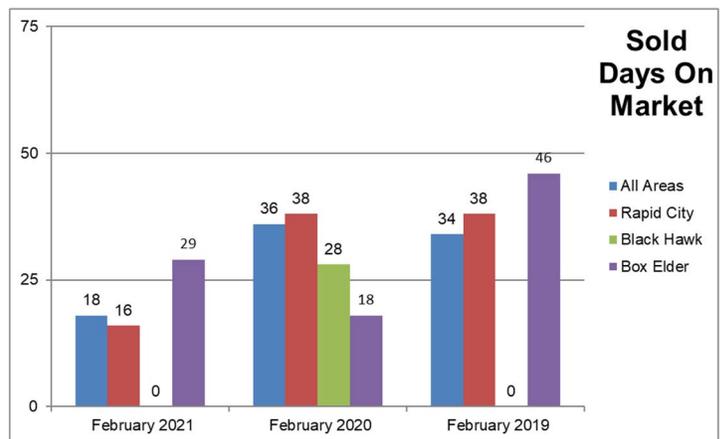
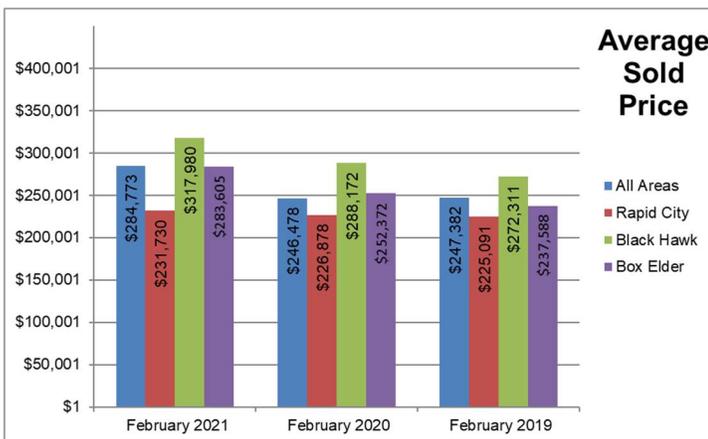
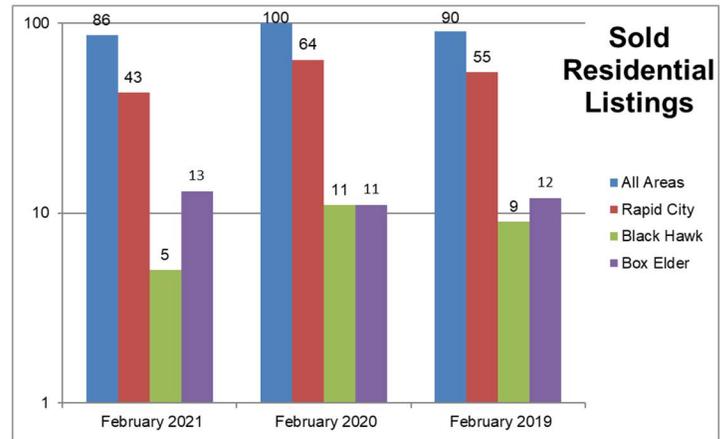
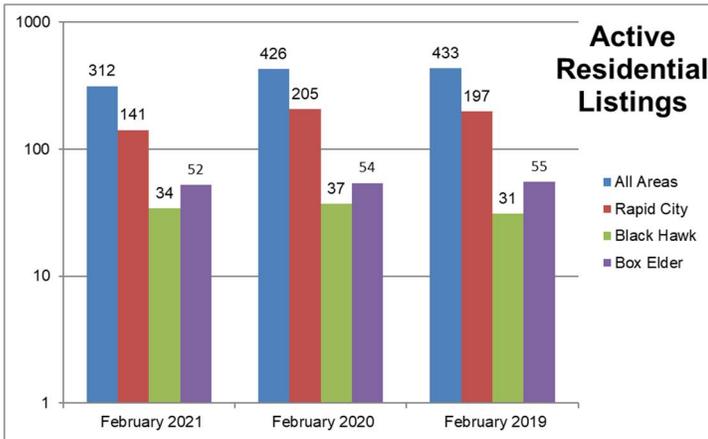


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## Rapid City & Area Market Conditions For February 2021



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## How To Save On Kitchen Cabinets

If you're remodeling your kitchen, it can be a costly project. One of the biggest expenses you're probably going to run into is the cabinets.

Kitchen cabinets are an integral part of a renovation, and they usually make up around 40% of your total budget. Two big factors that play a role in the cost of cabinets are the quality and their construction.

Cabinets are a long-term investment, but even with their importance, how can you save money on the cost of new ones?

### Do Your Research

The first step to saving on the cost of your kitchen cabinets is to do your research. You need to figure out the features and construction elements you can't live without versus the ones you can skip.

You'll start by learning more about the materials used to construct cabinets.

For example, particleboard is one of the cheapest options, but it breaks easily and doesn't do well with humidity and moisture.

Medium-density fiberboard tends to be the option a lot of people prefer because it's somewhere in the middle in terms of cost and actually, when compared to solid wood, has a better performance. It's very water-resistant and can deal easily with changes in humidity and temperature.

Solid wood cabinets are beautiful, but they're expensive and not always a realistic option. For example, if the temperature and moisture aren't carefully controlled in a kitchen, it can destroy solid wood cabinets.

### Get Custom Doors and Pre-Made Boxes

If you want the look of high-end cabinets without the price tag, there's a creative option to explore. Get custom doors, but

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## What Should You Know If You Inherit A House?

Inheriting a house can bring about a range of emotions. You might feel sad because it likely means you've lost a loved one. It can also be overwhelming to know what steps you should take next and what the financial implications are. It can also be exciting because a house can be a huge asset.

### So what should your first steps be if you inherit a house?

You essentially have three options if you find yourself in this situation. You can sell it, move into it or rent it to someone.

### Initial Considerations

First, when you inherit a house, you'll have to think about the legal and financial responsibilities that come with it. There may be debt obligations, for example. You also have to think about the tax liabilities that come with inheriting property, which may include capital gains and federal estate taxes.

If you inherit a home, there's no federal inheritance tax, but some states have an inheritance tax. In most cases, you don't automatically face a tax liability if you inherit property.

Capital gains are taxes linked to the profit you generate from an asset, including a house. If you sell the home, you may be subject to capital gains taxes. You could pay taxes on the difference between the fair market value when you inherited a home and the selling price.

If you keep the home, you might be eligible for an exclusion.

### Is There Currently a Mortgage?

If you inherit a home that's paid for, you have fewer financial considerations to weigh.

If the property has an open mortgage, you might assume it, which would mean you take over the payments as an heir and you pay off the debt based on the original terms of the mortgage.

Some loans, including reverse mortgages, require that the unpaid balance is due either when the loan holder passes away or upon sale. That would mean as an heir, if there is an open reverse mortgage, you would be required to sell the home and then settle the remaining debt.



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### Did You Inherit a House with Your Siblings?

A common and also complicating scenario occurs if multiple siblings or other family members all inherit a house. This means multiple opinions might be part of the decision as to what to do with the property.

If there are multiple stakeholders, then options include a buyout. In this case, if one sibling wants to keep the home for whatever reason, they can buy the other sibling out.

One of the simplest things to do is to sell the home and split the profits. You might also rent it out and split those profits.

If you can't agree on what to do, then you may need to file a lawsuit for partition. This asks a judge to order the sale of the home. You'll have to pay legal fees, and this is time-consuming, so you're going to receive less than you would have without having to resort to this step.

### Can You Move into the House?

If there aren't complicating factors or if the people who share ownership of the property agree to it, you might want to move into a home you inherit. If there's an outstanding mortgage, again, you'll have to think about whether or not you're in a position to take on that debt and whether it makes good financial sense to do so.

You have to think not just about the mortgage payment, but property taxes as well and any other associated costs of keeping the home.

If there aren't debt obligations, you may be able to sell your current home and move in without worrying about taking on debt.

If you decide to sell the home you inherited, you have to cover any repairs that are needed and real estate agent fees and closing costs.

Again, if you fall in a particular tax bracket, you'll also have to pay capital gains on the difference between the fair market value of the property when you inherited it and what you sell it for. Many things factor into what you should do when you inherit a home, from whether or not the home is debt-free currently to how many people you now share it with. Do your research, so you understand all financial implications before making any decisions.

*Courtesy of Realty Times*



# Why Price Shouldn't Be the Only Driver in the Search for Your First Home

Buying your first house? You're likely driven mainly by budget, but there are some other important considerations you may not have thought of that can help you find the perfect place. Not only can these tips help you find a home that really suits your lifestyle, but also helps you afford to live there comfortably.

### Can you afford to heat and cool it?

You may only be thinking of home size in terms of the number of rooms or square footage you want. But, in many cases, a larger home costs more to maintain. More space means more space to heat and cool. Although, a home that's newer or that has updated systems can help defray costs because it's more efficient. Your real estate agent may be able to get an idea of the monthly utility costs so you can have this information up front.

### Who's going to mow the lawn?

If you've never had your own lawn or garden, you may not know if you have a green thumb or if you'll regard the time it takes to care for it as a pleasure or a bummer. Then again, if you're already dreading the idea of having to spend a couple hours out there each week, perhaps a single-family home isn't for you. Yeah, you could pay someone else to do it, but you're already stretching to buy your own place, right? Perhaps the lower-maintenance lifestyle offered by a condo or townhome is the best option for you.

### What's good for resale?

Are you thinking about how easy it will be to sell your home when you're just about to buy it? Maybe not, but, the truth it's always a good idea to think like a seller when buying. Chances are, this starter home won't be your forever home, and the same questions you have about the floorplan or location are likely the questions would-be buyers will be asking when you go to sell.

As it relates to the floorplan, it's a good idea to think beyond what you think you might want and consider what's popular in the area. If homes with downstairs master suites sell especially well and you haven't considered that plan, this info may make you rethink your strategy.

### How close are the schools?

Dying to walk your kids to and from school every day? That's the dream for many a parent. But what you might not be envisioning is being able to watch—and hear—every kid in the school walk by twice a day, every day. What seems like a super-convenient location right on the walking path to the elementary school may just turn out to be too much of a good thing if it impacts your privacy and peace of mind.

### Did anything weird happen there?

Yes, the seller will be required to disclose physical defects and also defects that create the potential for stigmatization. "What you're talking about is the issue of 'psychological damage' to a property, to be distinguished from 'physical damage,'" said NOLO. "In some cases, the psychological damage is so great—such as after a violent or highly publicized murder or suicide, or widespread reports of haunting—that the house is considered 'stigmatized' and therefore less valuable. In most states, the owner would indeed be expected to disclose a defect causing the house to be stigmatized, so that buyers could adjust their expectations and purchase price accordingly."

A natural death in the home, however, is not generally something that needs to be disclosed. If that's the type of thing that could keep you from wanting to live there you, just ask. "If a prospective home buyer asks you outright about whether anyone has died in the home, you cannot lie (unless you want to risk being later sued for fraud)," they said. "Also, be prepared for any buyer who is interested in this issue (or shall we say obsessed by it?) to find out the information online, at a site like DiedinHouse.com."

Courtesy of Realty Times

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use premade boxes from IKEA or a retailer like Home Depot.

You get the outward look of custom cabinets at a fraction of the cost.

Of course, you don't even have to do custom doors unless you want them or need them because of a spacing issue.

You can get pre-made cabinet doors as well and make them feel more high-end or custom with the hardware you choose.

Most factory-made cabinets and less expensive pre-made options have integrated rails, and they're made with either particleboard that has a veneer or a medium-density fiberboard panel.

When you're deciding on cabinets, avoid having too many built-in extras like spice racks and pullouts. The more of these you add, the more expensive your cabinets will be if you're going with custom options or even when you're buying cabinets in-stock.

### Get Unfinished Cabinets

If you get unfinished cabinets, you're going to save money, but you'll still have to paint or stain them. Stain is something you might be able to do on your own, but with the painting, you could need a professional. You'll have to do the math on how much that will cost to figure out if it's worth it.

### Use Open Shelving

Finally, if you know you want new cabinets but you're still on a budget, utilize the open shelving trend. The trend looks great, and it's significantly less expensive than having upper cabinets. If you do only open shelving instead of uppers in your kitchen, you could ultimately save thousands of dollars or more.

Along with being cheaper, open shelving can keep your kitchen feeling brighter and airier. This can work especially well in a smaller or more closed-in kitchen, where having too many upper cabinets could create a crowded feeling.

Courtesy of Realty Times

## February Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "Optimism continues as the economy slowly regains its footing, thus affecting mortgage rates. Though rates continue to rise, they remain near historic lows. However, when combined with demand-fueled rising home prices and low inventory, these rising rates limit how competitive a potential homebuyer can be and how much house they are able to purchase."

- 30-year fixed-rate mortgage (FRM) averaged 2.97 percent with an average 0.6 points for the week ending February 25, 2021, up from last month when it averaged 2.73 percent. A year ago, at this time, the 30-year FRM averaged 3.45 percent.
- 15-year FRM this week averaged 2.34 percent with an average 0.6 points, up from last month when it averaged 2.20 percent. A year ago, at this time, the 15-year FRM averaged 2.95 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 2.99 percent this week with an average 0.1 points, up from last month when it averaged 2.80 percent. A year ago, at this time, the 5-year ARM averaged 3.20 percent.

Courtesy of Realty Times



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## Things You Should Never Throw Away

### Important Documents

As you sort through old receipts and school papers, make sure your important documents don't get mixed up in the to-shred pile. You should always keep physical copies of financial documents like loan or investment statements, insurance papers, tax records such as W-2 forms and filed returns (to be safe, hold on to these for at least seven years), and identification documents like social security cards, birth certificates, and passports. Organize this paperwork in a safe spot, such as a fireproof safe or lockable file cabinet, that's easy to access when needed.

### Handwritten Notes

In our digital age of emails and text messages, receiving a handwritten note is extra special. So while you're clearing paper clutter from your office drawers, consider keeping handwritten letters, cards, and other ephemera (like recipes written by your grandmother) that have sentimental value. Re-reading a handwritten note from a loved one can help you relive precious memories years later. To preserve these papers for years to come, store them in a box with a lid to prevent them from gathering dust, or consider turning that special note or recipe card into a personalized keepsake like a printed tea towel or engraved cutting board.

### Photographs

Scrolling through your phone's camera roll just isn't the same as holding a treasured memory in your hands. Even if you have digital copies, you may want to keep those printed photographs (especially of family members, pets, or favorite vacations) to flip back through later. Be sure to organize the photos in albums, photo boxes, or frames for safekeeping.

### Unworn T-shirts

During a closet purge, that stack of t-shirts you never wear is probably one of the first things to go, but these shirts can still serve a purpose, even if they're stained, ripped, or otherwise unwearable. Keep a few tees around to reuse as cleaning rags in place of paper towels. Cut them into squares for tidying up the kitchen, bathroom, and more. Old t-shirts also come in handy when you're working on particularly messy DIY or crafting projects.

### Books

Once you've finished up your reading list, don't just toss those volumes out. Use books to accessorize and add color to built-ins, open shelves, and coffee tables. You can also use the pages for a variety of clever book crafts. If you're really looking to purge your hardcover collection, consider dropping them off at your local library or a book donation dropbox.

### Heirloom Furniture

That coffee table or wingback from your grandmother holds a lot of family history that can be passed down to future generations. But if it's not quite your style, ask if another family member wants it before you resell or donate it. Or, if the piece doesn't hold too much sentimental value, try refreshing an old piece of furniture with fresh paint or new hardware. Otherwise, consider renting a storage unit to get unwanted heirloom furniture out of your house while still keeping it in the family.

Courtesy of BHG.com