

ISSUE

01

July 2011

# Rapid City Real Estate Update

## Americans Say Buy Now

With dropping home values in many markets mixed with interest rates at historical lows, homes are more affordable now than they've been in the last 35 years, reports Zillow.com.

The average buyer nowadays can expect to spend about 17% of their monthly gross income on a mortgage, which compares to a 25% average since 1975, Zillow reports. With affordability high, Americans seem to be getting the message about the value of home ownership. Nearly 70% of Americans say now is a good time to buy a home, according to a recent Gallup poll.

Men are about 16% more likely to say now is a good time to buy a home than women. And those living in the West are most favorable toward buying (75%), which compares to 64% of those who live in the South who say now is a good time to buy.



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## Avoid Home Flaws Being Uncovered Too Late

Home inspections don't always turn up everything wrong with a home, but unknowing buyers can quickly turn unsatisfied when they move into their new home if they find a bunch of problems.

"The purpose of a home inspection is to look for material defects of a property: things that are unsafe, not working, or that create a hazard," Kurt Salomon, president of the American Society of Home Inspectors, told the Chicago Tribune Newspaper. However, most buyers "think we can see through walls and predict the future."

Home inspections, for example, don't specifically test for environmental safety hazards like lead, asbestos, or radon-- which can be costly to remove. Inspectors also may overlook mold or vermin when its hidden behind floorboards.

As such, buyers also should be on the lookout for common hazards because pinpointing these before closing at least allows them the opportunity to ask sellers to help pay for removal costs.

Experts warn that buyers should take note of homes built prior to 1978, which usually contain lead and possibly asbestos in 9-by-9 floor tiles in basements.

To help avoid post-move-in surprises, buyers also might consider bringing in additional safety inspectors to evaluate the home, such as chimney inspectors, electricians, or experts for leading or radon testing.

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## Choosing Your Neighborhood

Choosing a home is about more than just selecting a house. Every neighborhood offers its own unique set of people, activities, and amenities.

Which neighborhood is the right fit?

Take a moment to review the following factors that can influence your decision on where to live.

The first consideration of many home buyers is the education of their children. From private, charter, and magnet to public school, there are a wide range of options. Public schools dictate enrollment according to school district boundaries. Keep this in mind when looking at new homes. You may be surprised to find where lines are drawn. Are you trying to move into a highly rated district or are you wanting to avoid uprooting your children? You may wish to visit area schools to get a feel for which place is best for your family.

Next, analyze the data on the local economy. Is there a high rate of long-term employment? It's always good news when new industries are moving into town rather than out of town. Home values should rise alongside demand. Dig a little deeper and find out what industries are holding steady, how long homes are sitting on the market, as well as your local unemployment rate.

Homeownership is at least partially about making an investment. Over time you hope to build equity in your

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For many people, finding a new home is more than a matter of personal taste and individual finance – it's a family affair. Purchasing a new home to accommodate a growing family is an exciting step in one's life, but it can also be a balancing act. Communication and planning are key to any successful home-buying experience. Moving to a new home while expecting a child or preparing for a family down the road makes anticipating your future needs all the more important. What may make a perfect starter home for a couple might not work as well when children come into the picture.

A survey released by Coldwell Banker Real Estate LLC found that 65 percent of homeowners who are also parents purchased their first home before becoming pregnant or within one year of their child's birth. For those consumers who are in a similar position, Coldwell Banker offers the following five factors to consider when buying a home with family in mind:

**1. Proximity to family.** Nearly half of the homeowner respondents in a survey from Coldwell Banker Real Estate reported that they live less than 10 minutes from extended family members, with 72 percent choosing to live with-

in 30 minutes. Purchasing a home that is close to family members can provide support, help and guidance that can be a great benefit both emotionally and financially. With extended family nearby, families have the opportunity to spend more time together and even save money on occasion. The cost of babysitters and long distance travel to visit relatives can really add up!

**2. Existing floor plan.** Each family has its own unique dynamic and should take its distinctive needs into consideration when exploring different floor plans. While having a master bedroom upstairs and the other rooms downstairs may work for some families, others may prefer to have all of the bedrooms on the same level.

**3. Surrounding neighborhood.** The neighborhood looks different from the eyes of a parent. It's wise to get an idea of what the neighborhood offers for children, such as local recreational centers, parks or playgrounds as well as the school system, before deciding on an area to live. Coldwell Banker recommends home buyers utilize online tools such as Coldwell Banker On Location that can offer consumers a wealth of local market information.

# COLDWELL BANKER

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## THE MOST IMPORTANT THINGS TO CONSIDER WHEN BUYING A HOME WITH FAMILY IN MIND

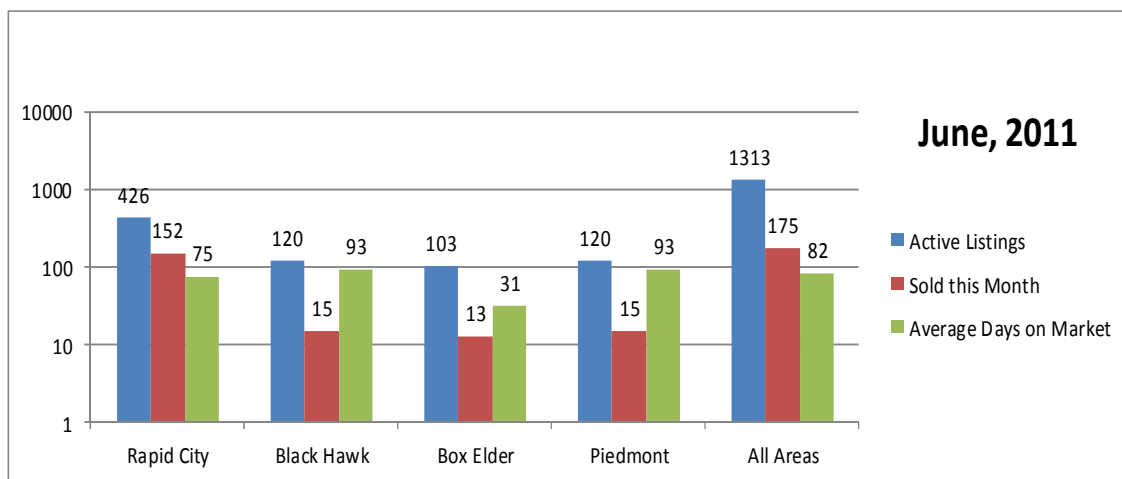
### 4. Future lifestyle needs.

They say children grow up in the blink of an eye. Make sure the home you purchase leaves growing room and will still fit your family's needs a few years down the road, especially if there are plans for more children.

### 5. Budget.

One of the most important things for all potential homeowners to consider is their personal budget. Growing a family and having children usually means a growing list of expenses as well. Estimate monthly expenses along with a mortgage payment to ensure all financial commitments can be reasonably met.

# Rapid City & Area Market Conditions For June, 2011



The average price of a single family home sold in the Rapid City area is \$185,812 which is up from \$177,528, with an average of 82 days on the market which is up from 75 days this time last year. Sellers have been receiving 96.26% of their asking price which is down from 98.10% in June of last year.

## Rapid City, SD

During the month of June, 2011 there were 231 new residential listings in and around the Rapid City area. The total number of homes for sale was 426 as compared to 397 last month. 152 homes have sold or are under contract compared to 63 last month.

## Black Hawk, SD

During the month of June, 2011 there were 31 new residential listings in and around the Black Hawk area. The total number of homes for sale was 120 as compared to 111 last month. 15 homes have sold or are under contract compared to 16 last month.

## Box Elder & EAFB, SD

During the month of June, 2011 there were 14 new residential listings in and around the Box Elder & EAFB area. The total number of homes for sale was 103 as compared to 27 last month. 13 homes have sold or are under contract compared to 10 last month.

## Piedmont, SD

During the month of June, 2011 there were 31 new residential listings in and around the Piedmont area. The total number of homes for sale was 120 as compared to 37 last month. 15 homes have sold or are under contract compared to 16 last month.

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home, allowing you to have not only a large asset, but also the ability to "move up".

Be aware of foreclosed homes in neighborhoods, as they tend to pull values down. And understand that some neighborhoods offer higher rates of appreciation than others.

Are home values on the rise? In today's difficult market, many areas are experiencing depreciation. This is not the normal trend, but rather is the consequence of our recent recession. In general, homes increase in value by about 5 percent per year. Ask your local real estate agent for the stats on past appreciation rates.

An additional factor affecting home values is the condition of the prospective neighborhood. Be sure to drive up and down adjacent streets. Are homes and yards in good repair? You want neighborhoods that reflect care and attention.

Additionally, research the local crime rates. Some neighborhoods experience higher levels of crime, both violent and petty. Safety of you, your person and property are valid considerations when buying a home.

Choose wisely and you'll end up with a home that fits you now and for years to come.

# Black Hills Events

## Tops in Blue Concert

Friday, July 1 - 7:00pm  
Rushmore Plaza Civic Center

## Summer Nights

Thursday, July 7 - September 1  
Every Thursday Night During Summer Months  
5:00pm - 9:00pm  
Downtown Rapid City

## Black Hills Corvette Classic

July 14 - 16  
Various Locations in Spearfish

## Independence Day Celebration

Monday, July 4 - 3:00pm - 10:30pm  
Memorial Park

## Sturgis BAM Festival (Bicycle, Art & Music)

Saturday, July 9  
Sturgis City Park

## 2011 Hills Alive

Sat, July 16 - Sun, July 17  
Memorial Park/South Lawn

## DOOMTREE

Thursday, July 7 - 7pm  
Dublin Square Pub & Grill

## BHSU Summer Stage season presents:

### Peter Pan The Musical

July 14 - 16 & 21 - 23 - 7:30 pm  
July 17 & 24 - 2:30 pm  
Black Hills State University - Spearfish

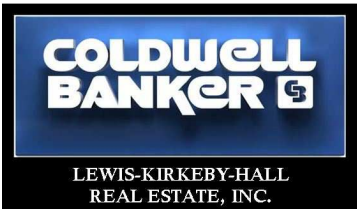
## Cruiser Car Show & Street Fair

Sunday, July 24 - Noon - 7:00pm  
Main, St Joseph & 7th Streets

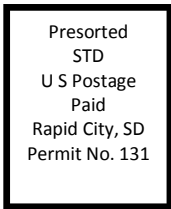
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