

# Rapid City Real Estate Update

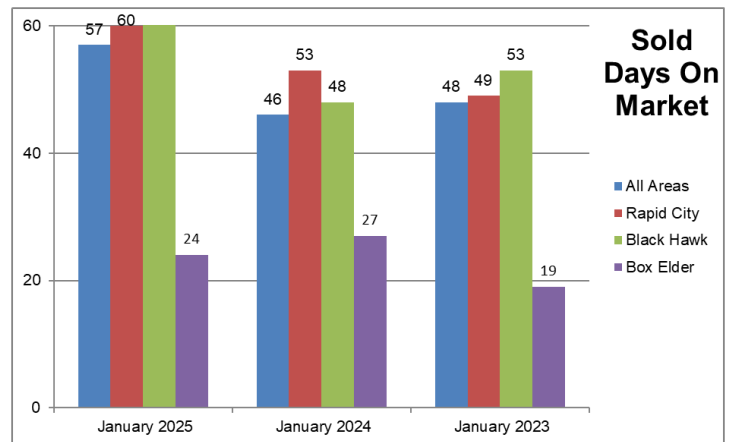
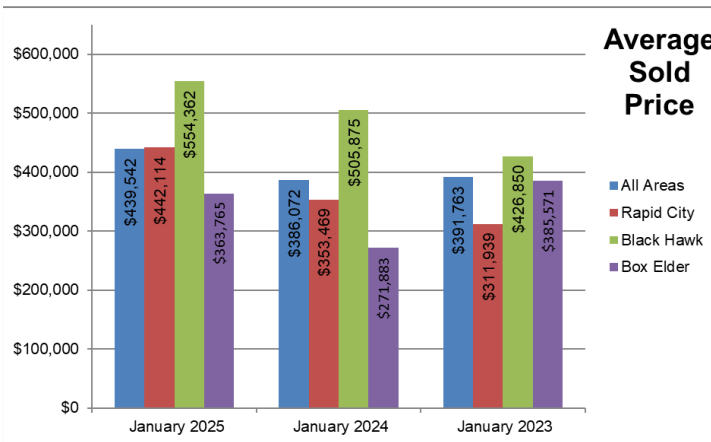
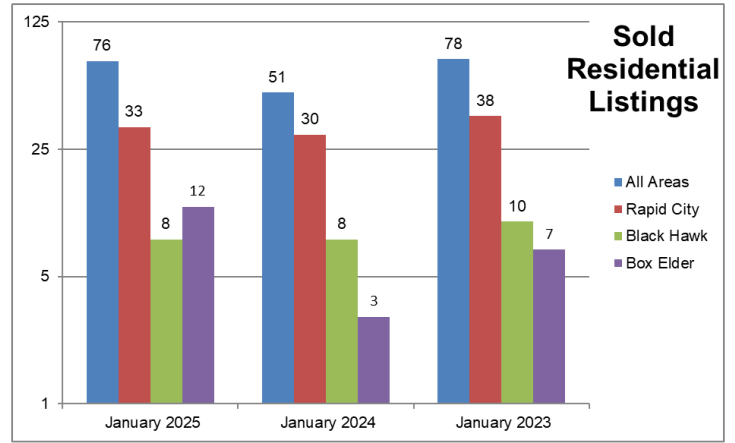
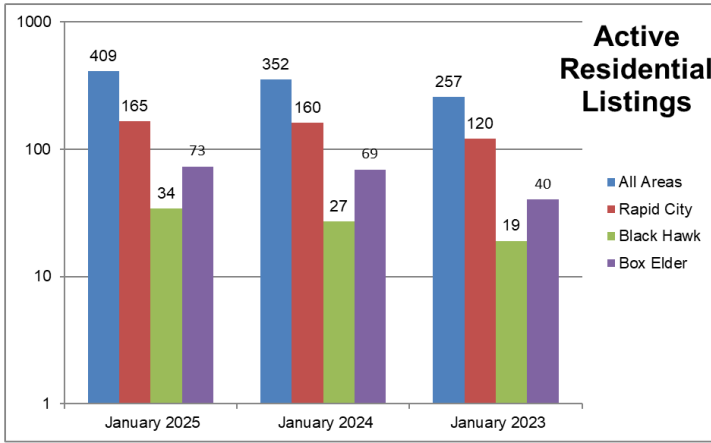


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# Rapid City & Area Market Conditions For January 2025



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## Tips For Designing Your Dream Kitchen Island

With coronavirus continuing to be an issue this winter, the only island you might see is in your kitchen, so why not make it great?

A spacious, functional kitchen island is the centerpiece of any space, and it's something you might be dreaming of. So, if you're in the process of designing or just playing around with the idea in your head, the following are tips for island design.

### Which Appliances Should Go in Your Island?

You probably want to put at least a few of the more functional things in your kitchen in your island. It will save space, and it just makes things easier as you're designing the rest of the kitchen.

Adding your sink to your island is probably where you should start. It's not exactly an appliance, but it's certainly something you use, probably every time you're in your kitchen. If you're using your island for a lot of food prep, you want your sink right there.

With that in mind, it's always a good idea to have your sink next to your dishwasher, so you might also include that in your island.

Two optional but nice-to-have items in your island are a wine or beverage cooler and a microwave. Some islands even have pull-out refrigerator drawers.

You can add your cooktop to your island, but you might need to think about venting, which is why some people don't prefer that.

### How Much Storage Do You Want?

When you have an idea of the appliances that will go in your island, then you can move on to start thinking about storage. At a minimum, if you're using the island for food prep, you want to have at least a few pullout drawers and a place to put things like cutting boards.

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## What You Need To Know About Closing Costs



When you're planning to buy a house, you don't just need upfront cash for a down payment as part of the transaction. It would be best to remember that you will have to pay closing costs. Closing costs are what you pay to a mortgage lender in exchange for the services related to your loan.

A big issue many less experienced home buyers face is that they don't know how much they'll have to pay in closing costs, or perhaps they don't anticipate this expense at all.

Closing costs can also be described as processing fees that go to your lender in exchange for creating your loan. Closing costs can cover your home's appraisal and title searches. The particular types of closing costs you'll be responsible for paying vary depending on where you live and the type of loan. You'll have to pay these when you go to your closing meeting most of the time.

### How Much Are Closing Costs?

Closing costs can be anywhere from 3% on the low end to 6% on the high end of the price of your home. If you get a mortgage for \$200,000, for example, your closing costs might be \$6,000 to \$12,000.

### Closing costs are not inclusive of your down payment.

You might be able to negotiate with a seller to pay some or all of your closing costs. Both buyers and sellers will pay closing costs, but usually, the buyer pays the majority. If a seller does agree to cover some or all of the costs, it's known as a seller concession.

If sellers agree to this concession, they can only contribute up to a certain percentage of the mortgage value, depending on the loan type, down payment, and occupancy.

In 2019, the average paid for closing costs in the U.S. was \$5,749, including taxes.

The highest closing costs on average are in parts of the Northeast, including Washington D.C., Delaware, New York, Maryland, and Pennsylvania. Washington State also has some of the highest closing costs in the nation.

States with the lowest average closing costs include Indiana, Montana, South Dakota, Iowa, and Kentucky.

### Types of Fees

Your loan estimate and closing disclosure should have an itemized breakdown of all of the closing

costs you're going to be responsible for. Some of the items you might see include:

- A loan application fee, which is charged by your lender to process your application for a mortgage.
- Attorney fees cover the cost to have a real estate attorney prepare and review any contracts and agreements.
- Closing fees are also known as escrow fees and are paid to the party handling the closing.
- FHA loans require an upfront mortgage premium or UPMP of 1.75% of the base amount of a loan to be paid at closing, or it can otherwise be rolled into your mortgage.
- If you buy a property that's part of a homeowner's association, you may have to pay a transfer fee that covers the costs of switching ownership.
- A lender will typically require you to prepay your first year of homeowners insurance at the closing.
- An origination fee covers the administration costs of the lender to process your fee. The origination fee is usually 1% of your loan amount. If a lender doesn't charge an origination fee, they'll usually charge a higher interest rate.
- If you make a down payment of less than 20%, the mortgage lender may require you to have private mortgage insurance or PMI. You could have to make the first month's payment for PMI at closing.
- During closing, you'll pay any pro-rata property taxes that are due from the date you close to the end of the tax year.

These aren't the only fees that are part of closing costs but are some of the major ones.

### How to Lower Closing Costs

There are some closing costs you can't do much about, but there are also things you can do to lower them somewhat.

One of the best ways to save on closing costs potentially is to shop around when you're choosing a mortgage company to work with. Choose a lender that offers the most competitive terms overall because closing costs won't necessarily be the same across lenders.

Finally, you might also negotiate with the seller to have them contribute, especially if you're in a buyer's market.

*Courtesy of Realty Times*



## Paying Down Credit Card Balances vs. Closing the Accounts

There are two primary types of debt, installment and revolving. Installment debt is where one loan is taken out and paid back over time with regular monthly payments until the balance is paid off. Think of an automobile loan, for example. Revolving debt is debt where the balances can rise and fall over time as new charges are made while making payments against the debt each month.

Affordability is viewed as a percentage of gross monthly income. This percentage is referred to as a debt ratio. If a loan program suggests a ratio of say 30, that means the mortgage payment including principal and interest, taxes, insurance and mortgage insurance (when required) must be 30% of the gross monthly income for all borrowers on the loan application.

With installment debt, consumers can pay off the entire balance in order to help qualify for the selected mortgage loan. Further, because lenders know the installment loan will soon vanish, lenders can ignore completely a monthly amount if there are less than 10 months remaining on the note. With revolving debt, it's a little different. With a loan, the consumer owns the car while the lender has an active interest in the car. When the loan is paid off, the lender releases its interest and the consumer owns the car outright.

Consumers can pay a credit card balance down to zero. In this instance, there won't be any minimum required payment shown on the credit report. But the lender knows the consumer can

charge things on that same card the following day, even up to the maximum credit card limit. For example, let's say there is a credit card balance of \$5,000. This balance and minimum monthly payment however push the debt ratios above the guidelines.

The consumer can then pay off the credit card balance entirely in order to get debt ratios at acceptable levels. But if the consumer's ratios are too high before paying down any credit card, the lender may ask the consumer to not only pay off the credit card, but to close it down. This isn't a common occurrence but if an applicant is just barely qualifying as it were, the lender can make that request.

When paying down debt or paying an account off completely, a paper trail must be kept and provided to the lender showing the account has been settled if required. Someone can pay off a car loan today, but the monthly payments can still show up on a credit report for up to another 30 days. Documentation showing this transaction will prove the debt is paid down to zero or otherwise closed down completely. If someone wants to pay off a credit account to help qualify, having a paper trail is key.

Finally, mortgage lending guidelines have both strict requirements and also a bit of leeway. Lenders must follow the strict guidelines if they want to be able to sell the loan. The 'leeway' part is up to the individual underwriter at the lender's office. In this fashion, an underwriter can decline the loan based upon recent and previous credit history patterns.

Courtesy of Realty Times

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### Counter Height

To determine your counter height, you want to think about who will be sitting there and how they'll sit. If you're going to have barstools, you'll either likely have them be 36 or 42 inches. You can also design an island so that it's two levels. One level might be higher for barstools, and the other might be lower so you can do prep.

If you have a 36-inch bar, it's seating that's somewhere between a typical barstool and a table.

### Island Size

When you're deciding on a size for the island, you have to think about not only what you want it to achieve but also the open area around it. You need at least three feet of floor space on the ends of the island. For your working and seating sides, you need at least 42 inches.

If you have enough room, the ideal width for an island is usually three feet.

Proportion is really important when you design an island.

You want to make sure that it works well with the rest of your kitchen and maintains a good sense of flow.

Finally, once you have all the basics above taken care of, you can start deciding on the more fun elements. For example, what countertop material will you use? One of the most beautiful island design options is a waterfall countertop, with stone or another solid surface cascading seamlessly to each side.

You can also start thinking about lighting. Pendant lights are always a good way to make a statement above your island.

If you have an open-concept layout, your island design is even more important because it's likely the focal point of your entire living space. Focus on function, but then have fun with your design as well.

Courtesy of Realty Times

## January Real Estate Roundup

Freddie Mac's results of its Primary Mortgage Market Survey® shows that "The 30-year fixed-rate has hovered between 6% and 7% for most of the last two and a half years. That trend continued this week, with the average rate remaining essentially flat at 6.95%. Driven by these higher rates and a persistent supply shortage, affordability hurdles still exist for many homebuyers and a significant number of them remain on the sidelines."

- 30-year fixed-rate mortgage (FRM) averaged 6.95 percent for the week ending January 30, 2025 up from last month when it averaged 6.85 percent. A year ago, at this time, the 30-year FRM averaged 6.63 percent.
- 15-year FRM this week averaged 6.12 percent, up from last month when it averaged 6 percent. A year ago, at this time, the 15-year FRM averaged 5.94 percent.

Courtesy Of Realty Times



Courtesy of:

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# Black Hills Events

## **Counts Car Show**

February 21 - 23  
The Monument

## **SDHSAA State Wrestling Tournament**

February 27 & 28, March 1  
The Monument

## **Mardi Gras Weekend**

February 28 & March 1  
Deadwood

## **Mountain West Whiskey Festival**

March 8  
The Rushmore Hotel & Suites

## **Road 2 Destruction**

March 8  
The Monument

## **State AA Girls Basketball Tournament**

March 13 - 15  
The Monument

## **St Patrick's Day Weekend**

March 14 & 15  
Deadwood

## **State AA Boys Basketball Tournament**

March 20 - 22  
The Monument