

# Real Estate Guide



The Huron Daily  
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**Winter 2025**

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# Closing out on 2024 and looking ahead to 2025

**A**s we close the chapter on 2024 and look ahead to a promising 2025, it is my honor to serve as the 2025 President of the Huron Board of Realtors.

For 2024, the average list price for homes reached \$209,797, while the average sale price was \$190,813, reflecting a slight gap that underscores the importance of pricing strategies in today's market and is indicative of the push back we saw from buyers reluctant to pay the higher prices.

Homes spent an average of 82 days on the market. 2024 was not without its hurdles. One of the most significant developments was the impact of the National Association of Realtors (NAR) lawsuit, which



**Mary Neugebauer**  
HBOR President

brought about changes in how commissions are structured and negotiated. These shifts required adaptation from both agents and clients as we navigated new norms in the industry.

Interest rates continued to challenge affordability for many buyers, with rates climbing to levels not seen in over a decade. Coupled with persistently low inventory, these factors created a competitive environment for buyers and put additional pressure on sellers to make their properties stand out.

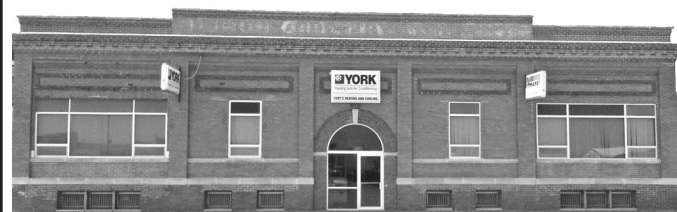
As we turn our focus to 2025, the real estate market in Huron is poised for another dynamic year. Interest rates and inventory will remain key factors shaping the landscape. With rates projected to stay elevated, affordability will continue to be a concern, and creative solutions will be necessary to help clients achieve their homeownership goals.

Inventory challenges are expected to persist, making it critical for Realtors to work closely with clients to navigate a competitive market. Our role as trusted advisors has never been more important.

As we embark on this new year, I want to say thank you to my fellow Realtors, our clients, and the Huron community. Your resilience and adaptability inspire me, and I am confident that together, we will continue to thrive in the face of challenges. Here's to a successful and collaborative 2025.

*Mary Neugebauer*  
HBOR 2025 President

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# Steps to take before applying for a mortgage

A home is the single biggest purchase most people will ever make. That's perhaps become even more true in recent years, when the cost of homes has increased dramatically.

The sticker price of a home may come as a shock to first-time buyers, but few homeowners purchase their homes in cash. Mortgages are a vital component of home ownership for the vast majority of buyers. Mortgages are loans obtained through the conveyance of property as security. When homeowners pay off their mortgages, the title of the property officially transfers to them from their lenders.

Though most homeowners utilize mortgages to



buy their homes, that does not mean the process is the same for everyone. A host of factors affect mortgage terms, and there's much prospective homeowners can do to secure the best

agreement possible.

- Recognize why a low interest rate is important. Mortgage interest rates have drawn considerable attention in recent years, as rising inflation has led

to rates that have reached their highest point in more than a decade. Even a seemingly small difference in interest rates can save or cost homeowners thousands of dollars, if not tens of thousands, over the course of a loan. For example, the financial experts at Bankrate.com note that the difference between a 5.5 percent interest rate and a 6 percent interest rate on a \$200,000 mortgage is roughly \$64 per month. That might not seem like a lot, but over the course of a 30-mortgage the borrower who gets the 6 percent loan will pay in excess of \$23,000 more in interest than the borrower who secures the 5.5 percent loan.

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## How to determine if the time is right to downsize

The phrase "bigger is better" has endured for quite some time. Though it may be impossible to pinpoint precisely who coined the phrase, its lesson that larger things tend to be more valuable than smaller alternatives is applicable in numerous situations. But no adage is applicable to every situation, and in some instances people may find that bigger is not better.

Downsizing is an approach many individuals consider after turning 50. Parents who are empty nesters and others nearing retirement may wonder if the time is right to downsize from their current homes. Though that's a strategy millions of people have adopted over time, the decision is not always so simple. Individuals over 50 who are trying to determine if downsizing is right for them can consider a host of factors before making a decision.

- Monthly housing expenses: Before downsizing their homes, individuals should determine just how much they're currently spending on housing. Individuals who have fixed rate mortgages likely know the amount of their monthly mortgage payment, but what about maintenance? Home maintenance expenses fluctuate, but a

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# DOWNSIZE:

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careful examination of the previous 12 months' expenditures can give homeowners an idea of just how much they're spending to maintain their properties. The number may be eye-opening, as Thumbtack's "Home Care Price Index" released in the third quarter of 2024 revealed that the average annual cost to maintain a single family home reached an all-time high of \$10,433. If such expenses are preventing homeowners from building their retirement nest eggs, then it might be time to seek alternative housing.

- Real estate prices: Real estate prices have skyrocketed in recent years, which can be both good and bad for current homeowners considering downsizing.

Many people who downsize look to move from a single-family home into a condominium, where maintenance tasks are typically handled by a homeowners' association (HOA). Such communities typically charge HOA fees, which can be minimal or considerable. In addition, the price of condominiums has risen in recent years, with the lender New American Funding reporting in early 2024 that the median sale price of a condo reached \$341,000. So homeowners who want to downsize their homes may end up taking most of the profit from selling their current properties and reinvesting it in a costly condo. Some may deem that worthwhile, while others

may find the cost savings of downsizing in the current market are negligible.

- Emotional attachment: Downsizing may be considered with cost savings in mind, but it's important to consider your emotional attachment to your current home. Many homeowners over 50 raised their families in their current homes, and letting go of a property where so many memories were made can be difficult.

Homeowners who are not prepared to move on from properties that are meaningful to them and their families can consider additional ways to downsize their financial obligations.

Downsizing is something many homeowners over 50 consider. Any decision regarding downsizing is best made after considering a range of variables

# MORTGAGE:

From Page 4

Recognition of the benefits of securing the lowest interest rate possible can motivate prospective buyers to do everything in their power to get a low rate.

- Work on your credit score. So how can borrowers get the best possible rate? One way to go about it is to improve credit scores.

Average mortgage interest rates vary significantly by credit score, with higher scores earning borrowers significantly lower rates.

According to data from FICO, as of mid-February 2023 borrowers with a FICO score of 760+ earned an average interest rate of 6.06 percent, while those with scores between 620-639 secured an average rate of 7.65 percent. By bolstering their credit scores before applying for a mortgage, prospective homeowners can improve their standing in the eyes of mortgage lenders, which can potentially save them tens of thousands of dollars over the life of the loan.

- Identify how much you want to spend. Prospective home buyers may be approved to borrow much more money than they think they will qualify for. That's because lenders do not consider factors like utilities, insurance, day care, or other expenses everyone has. That means it's up to borrowers to determine how much those expenses will be, and how much they should be spending on a home.

Though it might be tempting to borrow up to the amount lenders approve you for, in general it's best to stay below that amount so you can capably meet all of your additional obligations.

Mortgages enable millions of people to buy homes each year. Some simple steps before applying for a mortgage can help prospective homeowners secure the best terms.

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# How to navigate a costly real estate market

Real estate has long been touted as a worthy investment. Home values historically appreciate over time, making real estate a desirable investment opportunity and one that simultaneously fulfills an investor's need for a place to live. That sounds like a win-win for those with the means of purchasing a home. But in recent years, many people have found themselves priced out of the real estate market due to a number of variables beyond their control.

It's no secret that home prices have been on the rise in recent years.

According to the National Association of Realtors, the median sale price for a home in the United States reached \$419,300 in May 2024.

Such high prices, coupled with decreasing yet still high interest rates, has made homeownership as expensive as ever and left many aspiring home buyers to wonder what they can do as they seek to buy a property to call their own.

Though there's no foolproof way to navigate the current real estate market to a satisfying end, the following are some strategies buyers can consider as they begin searching for a home.

- Be patient. Patience is a virtue prospective home buyers will need to embrace. The NAR reported a 3.7-month supply of housing inventory in May, which is low and suggestive of a seller's market.

Buyers confronting a low inventory market must remain patient if they hope to find a house that checks all their boxes. Such a house may not be on the current market, and might not be for some time.

But forecasters predict the interest rate reduction announced by the Federal Reserve in September will lead to a higher inventory, even if real estate sales tend to be lower in winter than spring and summer. As indicators like lower interest rates gradually point to a higher inventory, buyers may benefit by remaining patient.

- Be ready to pounce. Of course, a market characterized by limited inventory is typically competitive, and the real estate market in recent years has certainly played out that way.

Real estate markets can vary considerably, even within the same country, but an analysis from the New Jersey Real Estate Network indicated the average time homes in the Garden State were on the market decreased from 39 days in 2023 to 35 days in 2024. Patience is important when buying a home, as buyers don't want to act too fast and then end up living in a home they don't like. But it's equally important that buyers be ready to pounce if they see a property they like. Limited inventory means sellers are likely to receive multiple offers, and hesitancy on the part of buyers could prevent them from finding a new home.

- Line up your finances. Mortgage preapproval and a solid nest egg have long been vital when buying a home,

and that remains true in the current market.

The competitive nature of the current market might make mortgage preapproval more important than ever. A preapproval indicates to sellers that a buyer has already arranged financing and been approved to purchase a home for the amount of their offer. Buyers without a preapproval might be seen as more risky to sellers, some of whom may want to sell their homes as quickly as possible.

Sellers in a competitive market may feel they need not wait around for a buyer to be approved, so it's best to line up finances before beginning a home search. Lining up finances includes building a substantial nest egg that demonstrates an ability to make a sizable down payment as part of your offer.

The real estate market has been tough on buyers in recent years.

A successful navigation of the current market may require some patience, a readiness to pounce and some conventional financial wisdom.

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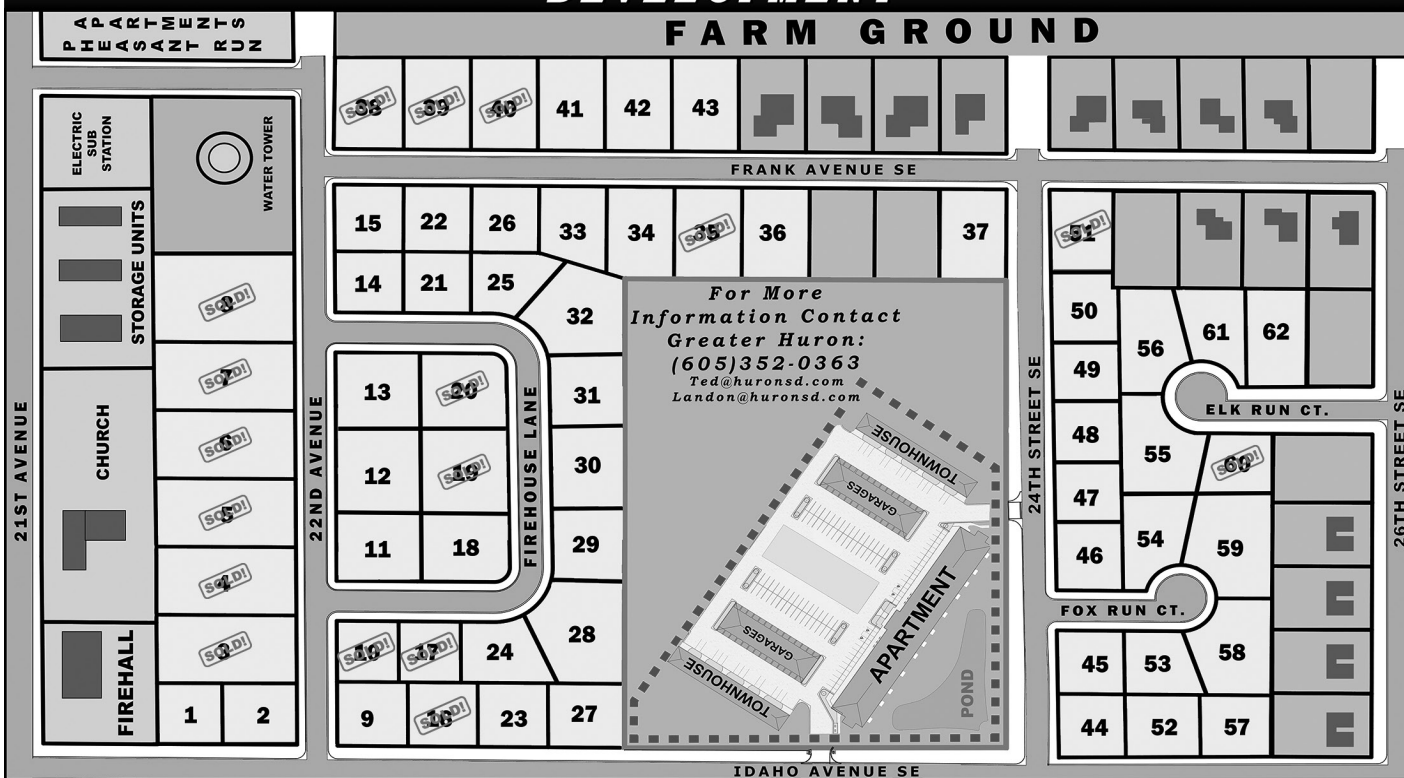
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