

INFORMATION UPDATE FROM PENNINGTON COUNTY EQUALIZATION



THE HOUSING MARKET

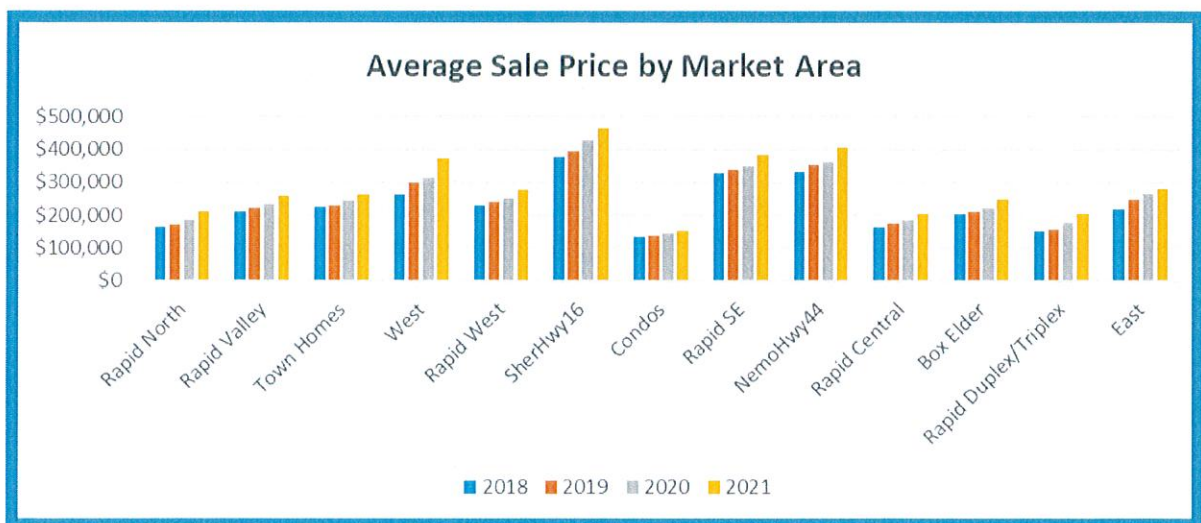
Our local residential real estate market is increasing. Days on the market and the number of listed properties have both declined significantly. The continuing demand for housing is influencing property values, and it appears this trend will continue into the near future.

HOUSING PRICE INDICATOR

The Housing Price Indicator (HPI) for South Dakota shows a one year increase of 15%-20% from November of 2020 to November of 2021. National Association of Realtors (NAR) lists the Rapid City area as 14th in the top 20 Hottest Real Estate Markets in November 2021.

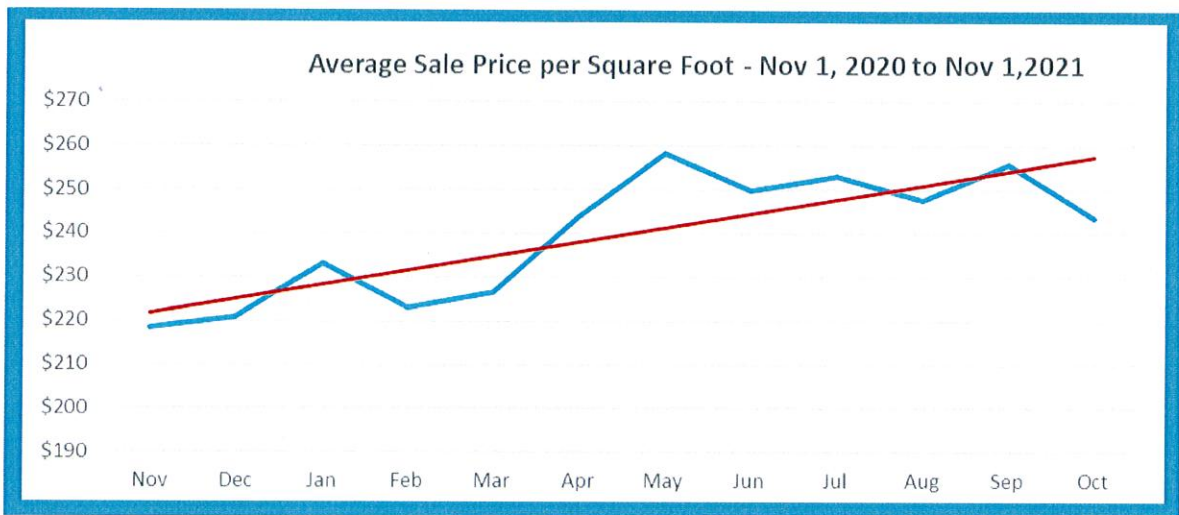
PENNINGTON COUNTY MEDIAN HOME PRICES

The median sale price of homes in Pennington County has increased from \$242,000 in 2020 to \$270,000 in 2021, an increase of almost 12%. Three market areas where home prices typically fall under the \$200,000 mark, show increases of between 10% and 15%. (North Rapid, Central Rapid, and Duplex/Triplex) Four market areas (West, Sheridan Lake/Hwy16, Southeast Rapid City, and Nemo/Hwy 44), where home prices typically fall in the higher price range, are showing increases of between 8% and 19%. Box Elder has experienced an 11% increase.



HOME SALES BY SQUARE FOOTAGE

Another analysis of residential sales in 2021 based on sale price per square foot indicates the same increasing market. The **blue line** represents the median sale price per square foot on a monthly basis, while the **red line** depicts the increasing trend. In our local market, it is typical to see seasonal declines in the coldest winter months and just before the holiday season. The beginning Nov 2020 price of approximately \$218/sf to the ending October 2021 price of \$244/sf depicts the overall gain in value.



INCREASE IN OUR MARKET HOME VALUES

A sale to assessment ratio compares the assessed value of a property to its sale price. A sales ratio study assists in determining the level of assessment within the county and individual market areas. A median level of assessment is calculated for each county by the state of South Dakota using this information. These numbers indicate an increase of 17% in our market, which is supported by other indicators in the local and national market data.

RISING MARKET VS. RISING TAXES

State law requires the county to assess all properties at full market value. The taxing entities set the amount of taxes that will be collected based on the cost of services they provide, and annual increases to those budgets are restricted by state statute. Changes in the real estate market don't determine the amount of taxes collected. Please watch for your assessment notice by mail at the beginning of March and contact the Director of Equalization if you feel that your assessment does not reflect market value. The goals of our office are accurate property data and accurate assessed valuations.

