

Median price of new houses falls as sales slacken

NEW Sales of new homes plunged 12.5 percent in September, the sharpest drop in 3 1/2 years, the government said in a report casting new doubt on the ability of the housing industry to lead the economy out of the recession.

All regions of the country posted double-digit declines. The report fol-

lowed another last week showing sales of existing homes had fallen in September for the third straight month.

The departments of Commerce and Housing and Urban Development said sales of single-family homes nationally totaled a seasonally adjusted annual rate of 446,000,

down sharply from 512,000 in August.

But the revised 1.8 percent advance in August was much weaker than the 6.7 percent gain originally estimated.

The September decline was just the second since sales dropped to 414,000 last January, considered the

bottom of the housing recession. Still, the sales pace for the first nine months of 1991 was 10.8 percent below that of the same period of last year.

The National Association of Realtors reported last week that sales of existing homes fell 4.3 percent in September to a seasonally adjusted

annual rate of 3.11 million.

THE DROP in existing home sales occurred despite mortgage rates that fell to the lowest level in 14 years. The Realtors attributed the decline, the third straight, to sluggish job growth and consumer uncertainty over the economy.

According to surveys by the Federal Home Loan Mortgage Corp., 30-year, fixed-rate mortgages fell from 9.15 percent at the beginning of September to 8.92 percent at the end of the month.

But the business-sponsored Conference Board in New York reported on Tuesday that consumer confidence tumbled in October to recessionary levels. The survey showed little change in plans to buy homes.

The government report said a seasonally adjusted 295,000 new homes were on the market at the end of September, representing a supply of

6.3 months at the current sales rate. That was up from a 7.1-month supply at the end of August and the highest inventory ratio since a 9.3 reading in January.

Rising inventories often mean a decline in housing starts until the backlog can be sold off. Indeed, housing starts tumbled 2.2 percent in September, the first drop in six months.

The median price of a new home was \$120,000, down from \$122,000 a month earlier, perhaps reflecting the lower demand. The median means half of the homes cost more and half less.

REGIONALLY, the West suffered the biggest loss in new home sales, down 16.7 percent to an annual rate of 120,000. That followed a revised 3.4 percent decline in August, worse than the earlier 2.0 percent estimate.

A guide to non-upholstered furniture

When shopping for case goods (also known as non-upholstered furniture), looks are important, but beauty may be only veneer deep.

According to Better Homes and Gardens' Decorating magazine, it pays to ask questions, examine furniture in several stores and then ask more questions. Generally, salespeople make it their business to know their products. If they can't answer questions, ask to talk to the manager, or check a catalog or brochure.

The following labeling terms have explicit meanings, regulated by the Federal Trade Commission:

- **Solid wood** ("solid oak") means that exposed surfaces should be made of the wood named, without any veneer or plywood. Other woods may be used on hidden areas, such as unfinished backs or the sides of drawers.

- **"Genuine"** used with the name of a wood means that all exposed parts of the piece are made of a veneer of the named wood, set on top of hardwood plywood.

- **"Wood"** means that piece has no major components of plastic, metal, other materials.

- **Man-made materials** refer to plastic laminate panels printed to mimic wood. Case pieces also may include plastic molded to look like

wood carving or trim. Check to make sure that the laminate is securely and smoothly bonded to the material underneath.

BEFORE BUYING, examine the furniture thoroughly. Check for rough spots. Also check that the back panels are inset and screwed into the frame; some high-quality pieces may be latched with T staples (standard staples indicate lower quality). In any high-quality freestanding furniture, backs and undersides are sanded, color-stained, and sometimes even given the same finish as the rest of the piece.

Next, operate all moving parts to ensure they work properly. In drawers, look for center or side guides, as well as automatic stops that will prevent the drawer's spilling. The best drawers have wood side and back panels approximately one-half-inch thick joined by sturdy, tight-fitting joints. Drawer hardware should be bolted from the inside.

Check interiors for areas that may snag clothing, and look for signs of shortcuts in craftsmanship. It's also important that glass, decorative trim, and lights are inspected to ensure they are carefully installed.

Generally, there are five methods of putting furniture together: staples, nails, screws, joints, and

glue. Most pieces use more than one method. Look for the strongest construction where a piece will bear the most weight or receive the most stress (legs, shelf braces, drawers). Joints are the places where one component in a piece of furniture fits into another. Where joints are impractical, screws are the best fasteners; they should be secure and screwed in all the way.

WOODEN CASE GOODS come in all kinds of finishes, each with its own advantages. A painted or lacquered finish, for example, is easy to clean but is hard to touch up if scratched or dented. Oil is a good natural protector of wood when applied every six months or so.

Regardless of the finish, though, a


piece should have smooth, consistent, and attractive surfaces. An excellent way to learn about finishes is to look at both low- and high-priced furniture. Compare the hardness of finishes as well as their smoothness, color and patina.

Poorly finished pieces may have uneven streaks or some finishing material visible in the crevices. Beware of finishes that seem to coat rather than enhance the wood. A fine finish will be clear and deep.

Check the color and grain of the wood. The piece should be uniform, with top, sides, front, and legs all finished in the same tones. The grain should seem to flow from drawer to drawer or from one door to the next on a cabinet.

HOME PRE-VIEW

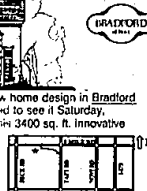
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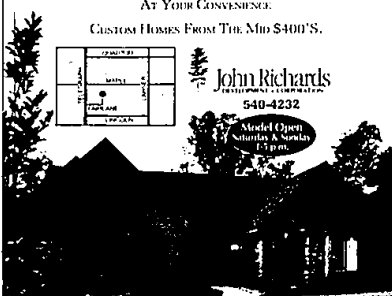



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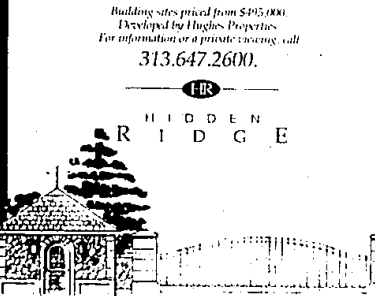


Illustration of a custom home.