

Americans say buying home makes dollars and sense

There are as many reasons to buy a home as there are homeowners and potential owners. Many people cite the security, stability and enhanced quality of life that owning a home provides, while others view a home as a good investment. Some want the freedom to personalize their living environment, and others seek relief from periodic rent increases.

"No matter what the individual reason for purchasing a home may be, most people agree that financial benefits are among the most compelling," said Janet L. Compo, president of the Builders Association of Southeastern Michigan and chief executive officer of James D. Compo Inc. of Farmington Hills. "For most families in most markets, a home is a sensible, stable investment that increases in value at, or slightly above, the inflation rate, allowing the owners to build a nest egg for college costs, retirement or other needs."

In fact, the home accounts for almost 60 percent of the typical American homeowner's net wealth, according to the Joint Center for Housing Studies at Harvard University. In "The State of the Nation's Housing 1993," the Joint Center reported that the median net wealth for homeowners was \$78,403. Of that net wealth, just over \$46,000 consisted of home equity and slightly more than \$32,000 was in other assets.

Consistent with that finding, 7.6 percent of the homeowners surveyed in a recent National Association of Home Builders (NAHB) poll said that a home is one of the best hedges against inflation. Almost as many (73 percent) said that a home's value as an investment was one of the primary reasons that they decided to become a homeowner. Sixty-eight percent cited the desire to provide security, stability and a positive living environment for their families, while 52 percent wanted the freedom to renovate, improve and personalize their living environment. Half also said that tax benefits, particularly the mortgage interest deduction, were important factors in the initial decision to become a home owner.

"A cornerstone of the nation's housing policy for decades, the mortgage interest deduction has helped millions of American families achieve homeownership since it first came into common use about 50 years ago," Compo added.

Basically, mortgage interest and property taxes are deductible from federal and state taxes, making homeownership more affordable and easier to achieve. In fact, 63 percent of those polled in the NAHB survey said that the mortgage interest deduction is very important to them and 21 percent said that it is somewhat important, giving it an overall rating of 4.3 on a scale of 1 to 5.

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foods.

Frank's Demonstration Booth noon, 3 and 5 p.m. — Frank's will conduct seminars.

Community Theater in the Garden Area

noon — Cut flower arrangements
1 p.m. — Home Buyers Clinic sponsored by Observer & Eccentric.
2 p.m. — Cut flower arrangements.
3 p.m. — Home Buyers Clinic noon-

sored by Temo Spas.

4 p.m. — Home Buyers Clinic sponsored by Standard Federal.

Entertainment Stage in Detroit Hall

11:30 — Dance Palace.
12:30 — Henderson Dance Academy.
1:30 — Dancers Studio.
2 p.m. — Meet Frank's experts.
3:30 — Linda's Dance Works.
4:30 — Square Eight Dancers.

New houses cost more but offer contemporary features

Shopping for a home involves a lot of decisions.

Should you buy a traditional single-family home or a condominium-style townhouse or apartment? Do you want to live in the city or the suburbs? How many bathrooms and bedrooms do you need?

Another key question involves whether you should buy a new home or an existing one. New homes cost more on average, but they have numerous advantages. Among these are:

- Better designed kitchens with new appliances.
- More energy efficient heating and cooling systems, resulting in lower monthly energy bills.
- Better insulation.
- More electrical outlets.

- Safety glass in safety-critical areas.
- Warranty protection on the house itself and the appliances and goods within the house.

"Many features of today's new homes were either rare or unheard of a few decades ago," said Janet L. Compo, president of the Builders Association of Southeastern Michigan and chief executive officer of James D. Compo Inc. in Farmington Hills.

"Tastes and needs of homeowners change over time," she added. "Successful builders study changes in consumer lifestyle and incorporate features into their new homes which accommodate the changes."

Each year about six times as many existing homes are sold than new homes.

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HOW TO USE THE BATHROOM.

Do you know that you use up to 55 gallons of water a day in the bathroom? It's true. So here's some simple bathroom training to help conserve water. Turn off the faucet while brushing your teeth. Take shorter showers. Put a weighted pail in your toilet tank. It'll cut water loss by 15%.

And if you can't remember these tips, take this paper with you the next time you go. **LAO-MY-SHARE**

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