

Evidence builds in defense of housing

By John Cunniff
special writer

(AP) — When housing prices are falling and investment analysts are frothing about a collapse of the real estate market, there still is no safer place for your money than the home in which you live.

The truth of the statement lies in the historical evidence. It shows that while price declines do occur they are rare and relatively short-lived, and that housing prices recover with the economy and often grow faster than it.

Still, you would have to be hard of hearing not to detect the shrieking of the sirens, the screeching of the alarmists, the blare of the headlines. Houses unsold after 12 months on the market! Sellers cutting prices \$50,000!

So what? Homeowners know that no matter what the market analysts say, they do not lose money on their houses until they choose to sell or have to sell.

Some of the bearish comments come from academe, some from writers seeking to cash in on homeowner fears, some from brokerage house analysts who tend to view a house solely as an investment rather than a place in which to live.

This week a brokerage house analyst commented sagely that thousands of people who purchased houses three years ago have a loss on their investment, a statement that bears little resemblance to facts or reality.

Most of the people who live in those homes would, in fact, be surprised and mystified to hear that they had lost money, since nowhere in their checking accounts or tax records is there any evidence of such losses.

The tendency to view housing solely as an investment, and to measure its value by the month and year rather than by the decade, is reflective more of a Wall Street trader's mentality than that of a homeowner.

Traders constantly price their portfolios, homeowners do not. Traders live day to day, homeowners live for long-term goals. Traders can do little to

analysis

improve the value of their shares, homeowners constantly make improvements.

Moreover, homeowners are constantly paying down the mortgage, obtaining tax benefits and enjoying the kind of physical protection for one's head that no stock, bond or other security can provide.

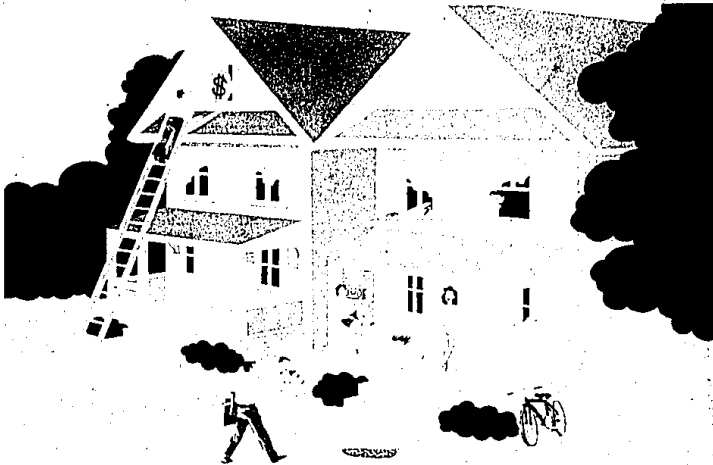
After examining the claims of housing doom-sayers, Harvard University's Joint Center for Housing Studies, an impartial assessor, offered this reassurance:

"Contrary to popular reports about the impending home price crash, today's homeowners have little reason to worry." They backed it with statistics showing that, except for brief periods, housing keeps pace with the economy.

"While it may be necessary to ride out a short-term down cycle, over time home prices tend to rise at or above the general rate of inflation, making financing a solid investment and key component in the housing security of the current and future generations of elderly Americans."

They offered the hypothetical example of a householder that in 1974 bought a typical single-family home in Boston for \$99,144 (1989 dollars).

Assuming the buyers had a 30-year, fixed-rate mortgage and still owned the home in 1989, the paydown of the mortgage principal and appreciation in prices would have boosted equity in the home by \$140,192.



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A defense against cancer can be cooked up in your kitchen.



There is evidence that diet and cancer are related. Some foods may promote cancer, while others may protect you from it.

Foods related to lowering the risk of cancer of the larynx and esophagus all have high amounts of carotene, a form of Vitamin A which is in cantaloupes, peaches, broccoli, spinach, all dark green leafy vegetables, sweet potatoes, carrots, pumpkin, winter squash and tomatoes, citrus fruits and brussels sprouts.

Foods that may help reduce the risk of gastrointestinal and respiratory tract cancer are cabbage, broccoli, brussels sprouts, kohlrabi, cauliflower.



Fruits, vegetables, and whole-grain cereals such as oatmeal, bran and wheat may help lower the risk of colorectal cancer.

Foods high in fats, salt- or nitrite-cured foods like ham, and



fish and types of sausages smoked by traditional methods should be eaten in moderation.

Be moderate in consumption of alcohol also.

A good rule of thumb is cut down on fat and don't be fat.

Weight reduction may lower cancer risk. Our 12-year study of nearly a million Americans uncovered high cancer risks particularly among people 40% or more overweight.

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