

'Problem of confidence' for buyers

(AP) — Construction of single-family homes and apartments fell 2.8 percent in July, the government said Tuesday, but analysts predicted that the lowest mortgage rates in nearly two decades will halt any further erosion.

Robert Villanueva, an economist for the National Association of Home Builders, said surveys of the organization's membership early this month showed that builders plan to boost construction modestly.

"Not a surge," he said, "but certainly a solid increase."

In July, however, housing starts fell in every region except the South, which posted a slight gain.

Many analysts had expected construction to rise last month following the sharp drop in mortgage rates after the Federal Reserve slashed two short-term interest rates on July 2. Fixed-rate, 30-year mortgages now are below 8 percent for the first time in nearly 20 years.

Instead, the Commerce Department reported, housing starts dropped to 1.12 million at a seasonally adjusted annual rate, down from a 1.16 million rate in June, when they fell 3.8 percent.

"It really does show how cautious builders are," said economist David Berson of the Federal National Mortgage Association. But he said the low rates and an increase in new home sales in June, the first in five months, should improve confidence.

An increase in the number of applications for building permits in July also suggested renewed housing activity. Applications, often a barometer of future construction, rose 3.7 percent for the first advance in five months.

Still, most analysts expect housing activity to remain muted this year, although improved over last year, when starts fell to 1.01 million, the lowest since 1945. So far, starts are 21 percent above the first seven months of 1991.

"People are still worried about jobs and incomes," Berson continued. "It's really a problem of confidence."

David Lereah, an economist with the Mortgage

Bankers Association, agreed that growth in residential construction will be modest.

"Low interest rates have done all they could for the housing market," he said. "We need help from other sectors of the economy."

The commerce department report showed that single-family housing starts dropped 4.1 percent to a 959,000 annual rate after falling 1.9 percent in June.

But apartment construction rose 6 percent, to 160,000 units, after declining 14.7 percent a month earlier.

Regionally, starts were up only in the South, a slight 0.4 percent advance to a 457,000 rate.

They plunged 7.7 percent, to 275,000, units in the West and 5.5 percent, to 120,000 units, in the Northeast and were off 1.5 percent, to 267,000, in the Midwest.

TLC for decks

(AP) — Whispering breezes and the tangy scent of barbecue can make life on your deck seem heaven-sent. But a few splashes of rotten wood or a few niches carved by hungry termites can cloud your sunny perceptions in a hurry.

Here's how to plan to save your deck:

- Sketch your plan of attack by first determining what wood species was used in your deck. Most common are redwood, Western red cedar, and cypress heartwood — all possess tremendous natural resistance to rot. Other untreated woods are easy prey for decay. Softer pines — fir, spruce, and hemlock — are usually pressure-treated with preservatives for an added injection of strength.

- But all decking needs backup protection. Heartwoods and other finished woods require immediate treatment. Pressure-treated lumber can also be treated immediately.

- Liquid protection is easy to use but tough to select. There are many water coats, sealers, repellents, and preservatives to choose from.

- Water-repellents prevent moisture from penetrating and causing mildew, warping, and decay. Experts suggest oil-base products, and some companies also offer alkylid stains.

- Mildewcides, or wood preservatives, guard against mildew fungi. The mildew, usually gray or black, thrives in moist, shaded areas.

- Pigmented sealants reflect sizzling ultraviolet rays, which can crack your deck and sap the color. Protectants include colored or semi-transparent stains, bleaching stains for a weathered look, or clear natural-wood products that show off the grain.

- Insecticidal additives can quash bug woes. Specific termite-control products may be needed in severe cases. Most homeowners can defeat pests by maintaining good airflow around the lumber, keeping the deck clear of standing water and debris, and not letting vegetation or the ground stay in contact with the wood.

- If you need only water protection, an all-purpose product may not work as efficiently as one specifically designed for that problem. Otherwise, choose a product that covers all of your needs.

Prepare the deck surface before applying a protectant: Sweep it, wash it, and let it dry thoroughly. Scrub away most discolorations with a household cleaner or bleach. To keep your deck fresh, reapply protective coats every year or two.



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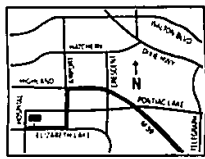
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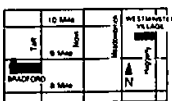
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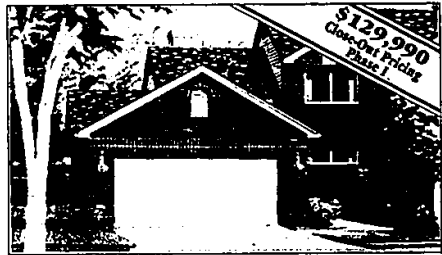


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