

4D

## REAL ESTATE

A&amp;E 1D

## How much house?



ROLAND HAWKINS

How much is too much house?

A home purchase is usually one of the largest investments most of us will undertake. That is why a home purchase intimidates most first time homebuyers.

There are a number of ways to determine if the contemplated acquisition is too much for you. A lender's pre-qualification process is the most recognizable way to identify a buyer's maximum purchasing limit.

Lenders use two formulas to determine a buyer's maximum mortgage qualification. The first ratio is the income-to-mortgage payment ratio. Most lenders like the buyers' debts percentage to be 28 percent or less of the buyers' monthly income. For example, if your monthly gross income is \$4,000, you would qualify for a maximum mortgage payment in the amount of \$1,120, which is 28 percent of \$4,000.

In addition to the principal and interest payment this \$1,120 monthly mortgage payment normally includes your monthly taxes, insurance and PMI/MIP (if applicable) fees.

Principal and Interest payments are determined by multiplying the loan amount by the interest rate. For example a \$100,000 loan amount with a 7 percent loan rate would give you a \$667 principal and interest payment.

Let's say you are able to get a 6 percent rate, your principal and interest payment would be \$1,200. The lower the interest rate you can secure the more house you can afford. This is one of the reasons why the current real estate market is so appealing to anyone who is interested in property ownership.

The second qualifying ratio considers the percentage of your total consumer debts to your income. A good number of mortgage programs requires the buyers 2nd ratio to be 41 percent or less.

Using the same \$4,000 income scenario, a potential homebuyer's total monthly debts cannot exceed \$1,640 or 41 percent of \$4,000. This \$1,640 includes a potential homebuyer's monthly mortgage payment. Therefore an individual with a mortgage payment in the amount of \$1,120 cannot have consumer debts that exceed \$520.

There is a large array of mortgage programs on the market today. Under some mortgage programs these qualifying ratios could go higher than the standard 28/41. With a good credit record some lenders may offer more ratio flexibility.

Most buyers have an idea of how much home they can afford. You do not need to understand qualifying ratios to know if a mortgage payment is too much.

If you provide a lender with a home loan payment range they can determine how much of a home you can consider. Once again interest rates influence the maximum amount of money a lender will finance to purchase a home. As interest rates increase, your purchasing power decreases and vice versa.

A home purchase is too much when you can't afford to make the monthly mortgage payment and live comfortably.

Please see FIGURING/5D

## Casual trends leads to quality comfort



PHOTO/ARA CONTENT

## Sectional sofas make a comeback to make more liveable, less formal space

ARTICLE RESOURCE ASSOCIATION

Ladies and men alike don't flip-flops at the White House and the office, where casual Fridays have turned into casual everyday. J.Crew, Banana Republic and Ann Taylor are selling wedding and bridesmaid gowns to women looking for simplicity and style at reasonable prices.

Homeowners don't want formal living rooms; instead, they want rooms they can live in. Entertaining is relaxed, designed around friends helping to prepare the meal, not just consuming it. This trend of "Casual Living" is translating to home décor. Folks are bringing their sectional sofas out of the basement and into what was the formal living room — finally a livable space. But that doesn't mean these rooms are lacking in style. "Casual rooms have simple details, textured elements in fabrics and accessories, restful horizontal lines, soft upholstery, low-luster surfaces and arrangements that avoid perfect symmetry. "Rectangular and softly curved elements contribute to the casual feel," says Glenna Morton of About.com's Guide to Interior Decorating. Coupled with flooring, rugs, tabletops and accessories, using low-sheen finishes in colors and textures found on the Mediterranean coast, low horizontal lines and simple, unfussy details lend a homey feel to an unpretentious interior.

Blending different fibers and leather for a soft, tone-on-tone look in warm sun-drenched colors like mustard and lilac, paired with sea-inspired blues and greens or pinks and apricots pulled from summer sunsets evokes thoughts of relaxed spaces and embodies the casual spirit. Natuzzi, the Italian designer and maker of sofas that comprise comfort and affordable luxury, has designed seating to accommodate this trend of "Casual Living" with two sectional sofa models, the Ernest sofa and the Domino model. The Ernest is distinctly urban — both eclectic and metropolitan. Yet it's filled with comfort with style. Design elements such as the rectangular shape and horizontal lines are coupled with customized comfort of adjustable pillows and unique arm details.

"Today, consumers look for both flexibility and style when it comes to their living rooms. At Natuzzi, we deliver both. We understand elegance and comfort," said designer and CEO, Pasquale Natuzzi. Domino takes Natuzzi's commitment to flexibility through modularity to a whole new level.

Each section, including the asymmetrical arms, can stand alone, or together. Domino can expand and contract for endless macro- and micro-configuration possibilities. Macro Domino is perfect for entertaining a crowd, by using every module, especially appropriate for the burgeoning interest in home theater rooms and open-plan loft settings. Micro Domino uses selective components to create an understated look, ideal for apartment living or more intimate gatherings.

In either instance, the Domino model suits the casual lifestyle of today. Domino is more than just a sofa or a sectional. Broad, rectangular-shaped, arms offer extra seating. Add the slender Lucite sleeves, and these arms become tables. Behind each back pillow sits a lumbar cushion that can roll down for better lower-back support and to shorten the depth of the seat.



PHOTO/ARA CONTENT

## Environmentally friendly painting tips for winter

ARTICLE RESOURCE ASSOCIATION

If you plan to paint your home's interior this winter, make sure the experience is a safe one. "Many people forget or simply aren't aware of important preparations or products when it comes to

painting their homes," says Ed Waller, founder of CertaPro Painters. "By taking extra measures to ensure the process is done correctly you can ensure an environmentally safe experience while painting."

The best quality acrylic-latex

paints these days are products that contain low- or no-volatile organic compounds. These new high-tech products reduce the emissions of VOCs into the home, thereby improving indoor air quality and reducing the formation of urban smog.

Please see PAINTING/5D

## Fireplaces a focal point

## Indoors and outside

ARTICLE RESOURCE ASSOCIATION

Even though fireplaces have long since been replaced as the main source of heat in today's home, they are still one of the most popular options in existing homes and new construction.

Fireplaces have even moved out of the home into the backyard. With the trend toward outdoor kitchens and entertaining areas, fireplaces aren't just for the living room any more. In addition to a cozy way to take the chill off the evening while enjoying an outdoor get together, they are being used as pizza or tandoori ovens outside. Fireplaces add warmth to your home both figuratively and literally. They also can add a big dash of

Please see FIREPLACES/5D



PHOTO/ARA CONTENT