

# REAL ESTATE

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## Homeowners: Refinancing in volatile economic times

UNIVERSAL UCLICK

To say the U.S. economy has been in turmoil lately is an understatement. Incalculable hours of sleep have been lost by people worried about family finances. Yet if you're seeking to refinance your home mortgage and can meet the lending industry's challenging standards, economic turbulence might work in your favor.

SMART  
MOVES



ELLEN JAMES  
MARTIN

"Because of what's going on in the economy, refinance opportunities are now excellent," says Keith Gumbinger, a vice president at HSH Associates, (www.hsh.com), a firm that tracks mortgage rates throughout the country.

As Gumbinger notes, prevailing home loan rates are now in the vicinity of the 55-year low to which they fell in the fall of 2010. But he adds that homeowners seeking to refinance can expect to pay slightly more than those seeking a loan in order to buy a place.

During the last three years, the mortgage lending industry has become increasingly regulated, making it harder for borrowers to meet its borrowing requirements. At the same time, lenders have to meet tighter government paperwork and disclosure standards.

Consumers now face greater paperwork burdens when applying. Before approving a loan, the bank must verify an applicant's employment, income, assets and credit history. Also, the bank wants to know, in the event of default, that the market value of the property would be sufficiently high to protect its interests. And that requires an appraisal.

Unfortunately, there are many would-be refinancers who can't take advantage of low mortgage rates because they have little or no equity in their property. But for those who have a positive stake, here are a few pointers:

■ Do plenty of comparison-shopping before committing to any one lender.

Since the financial downturn started, the federal government has become increasingly involved in the mortgage market. The result is that government-backed mortgages now represent the lion's share of all home loans made in the U.S. Meanwhile, there's been a decline in the number of mortgage brokers — intermediaries between banks and consumers — operating in the field.

"But more of the brokers and lenders who are left are real pros in their field," says Guy Cecala, who heads Inside Mortgage Finance, which publishes industry newsletters and reports (www.insidemortgagefinance.com).

More stringent lending standards mean that homeowners face a greater risk that their mortgage application will be denied, thereby costing them the chance to take advantage of the lowest possible rates. To lessen your susceptibility to rejection, Cecala urges you to choose your lender carefully.

"You always want to shop around, not only for the best pos-

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This demonstration kitchen at Pittsboro's Cassedy & Fahrbach Designers includes Denver stainless steel cabinetry.

PHOTOS BY HARRY LYNCH

# Take it outside

An outdoor kitchen can increase your cooking options

BY CATHERINE WRIGHT  
CORRESPONDENT

If you enjoy grilling or entertaining outdoors, an outdoor kitchen may be just for you.

This year's "House Beautiful" kitchen of the year, created with celebrity chef Tyler Florence, takes the heart of the home outside in a kitchen that extends outdoors in a big way. The U-shaped outdoor kitchen — set up in Manhattan's Rockefeller Center this summer — boasts a design that rivals most indoor kitchens, with its fireplace, brick oven and stainless steel appliances, all held together in gray, stacked stone.

Ruth Ann Taylor, a certified kitchen and bath designer with the Pittsboro-based Cassedy & Fahrbach Design Partners, expects the magazine's 2011 kitchen to spur a trend for more outdoor kitchens. She says she's seen some easing off due to the economy, but outdoor kitchens actually can increase a home's value and create differentiation in the current real estate market.

To add a unique element to the kitchen, designers often will suggest auxiliary areas, like a desk; wine, wet or dry bar; or baking, laundry or media center.

"Having the ability to cook outdoors is definitely a value add," Taylor says. "I think everyone should have a grill outside at least. If they've got space — even if just around a grill — it's a great, inexpensive way to increase your cooking ability in your home."



Left to right: Linda Batley, Ed Fahrbach, Ruth Ann Taylor and Pierce Cassedy, members of the Cassedy & Fahrbach Design Partners team, on the company's patio with their demonstration outdoor kitchen.

### So What's an Outdoor Kitchen?

• An outdoor kitchen is any type of food preparation space outside. It can be as simple as a grill with table space around it or as elaborate as a full interior kitchen with a grill, cooktop, sink, refrigerator and pull-out garbage can. It can be as small as 5 or 6 feet or as large as an interior kitchen — as large as you want it to be.

• An outdoor kitchen can be exposed completely or placed partially or fully under a covered space. If it's under a covered area, it will require proper ventilation.

• Outdoor kitchens can be as inexpensive as \$2,000 or as high as \$30,000 or more. It all depends on how elaborate you want your outdoor kitchen to be. "A lot of times, people will build stonework to surround a kitchen," Taylor says. "You have to factor in that cost. It can get pretty costly."

### To Build or Not to Build?

Besides adding value to a house, people choose to build outdoor kitchens for a number of reasons:

• The ability to cook outdoors more conveniently. A well-planned outdoor kitchen can prevent the need to run in and out of the house with clean or dirty platters or utensils.



When planning for an outdoor kitchen, don't forget to include some sort of drawer to hold cutting boards and grill tools, such as this pullout drawer in the demonstration kitchen at Pittsboro's Cassedy & Fahrbach Designers.

• Ease of entertaining. Even with little space, outdoor kitchens can provide a place for guests to sit around and talk with the hosts as they grill.

• Al fresco dining. Dining outdoors can be even simpler when all the preparation and cooking is done outside as well.

### Take Inventory of What You Need

If you're planning an outdoor kitchen, it's important to take inventory of just what you need:

• Do you want a simple extension of your indoor kitchen? Perhaps a grill, counterspace and outdoor garbage can would be enough.

• Do you want to entertain and have full meals outside?

• Are outdoor entertaining spaces already available?

• Do you want any or all food preparation to be done outside?

• How much cooking do you want to do outside?

### Choose Your Materials Carefully

In addition to planning the space, think carefully about the materials you want to use and be aware that outdoor kitchens tend to take a beating even if under covered areas.

• When selecting a countertop, consider the

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