

# The Home Designs Gaining, Losing Popularity

DAILY REAL ESTATE NEWS | MONDAY, AUGUST 07, 2017

Builders are slowly switching focus from the \$500,000-plus luxury market to more moderate price points, particularly when it comes to single-family move-up homes. And the shift is influencing the types of materials and upgrades becoming popular in new homes, according to Home Innovation's 2017 Builder Practices Survey. It turns out that high-end materials aren't limited to construction of luxury real estate.

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- **Crazy for quartz.** Despite being one of the priciest products on Home Innovation's list of building materials, quartz had its best year in 2016. Quartz surfaces in the bathroom appeared in 13 percent of new homes last year, up from 9 percent in 2015. In the kitchen, quartz countertops were even more popular, appearing in 15 percent of new homes last year compared to 9 percent in 2015.
- **Nickel gains ground.** Nickel faucets are also gaining popularity in kitchens, outselling stainless steel, chrome, and bronze. In the bathroom, nickel is also being used more often, though it fell just shy of chrome in popularity.
- **Hardwood, vinyl are tops for floors.** High-end solid hardwood and luxury vinyl tile are popular for kitchen floors. But engineered hardwood and ceramic tile each rose by 3 percentage points in market share.
- **No more bubble baths?** The jetted tub is continuing to lose favor, going from being installed in about 15 percent of new homes in 2015 to 11 percent in 2016.
- **Granite and marble are on the outs.** The share of new homes with natural granite and marble showers and bathtubs dropped from 12 percent to 9 percent last year. High-end enameled cast iron and granite sinks also lost favor. Lower- to mid-range vitreous china and enameled steel sinks each increased in popularity.

Source: "[New Survey Predicts Market Shifts](#)," *BUILDER* (Aug. 4, 2017)

# Lenders Further Relax Standards as Prices Soar

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As home prices continue to rise, some mortgage lenders are loosening their underwriting standards so borrowers can purchase property sooner. “The reality has sunk in that there are buyers out there who will be able to buy homes and make the mortgage payments,” William E. Brown, president of the National Association of REALTORS®, told mortgage industry news website [OriginatorTimes.com](http://OriginatorTimes.com). The industry is “trying to give them more options to buy a house,” he added.

Mortgage giants Freddie Mac and Fannie Mae are rolling out new programs to spur homeownership, and some lenders are moving to relax standards to avoid losing business as home prices and mortgage rates rise, says Guy Cecala, publisher of *Inside Mortgage Finance*. “If your business is going to drop 20 percent, you need to come up with ways to offset that,” he says.

Some analysts caution that this shouldn’t create fear about lenders returning to the lax standards that were commonplace prior to the last housing crash. At that time, some mortgage borrowers didn’t have to put any money down to buy a home. Still, others in the industry warn lenders to be vigilant against creating another unsustainable housing boom by relaxing underwriting rules. “This is what happened last time,” says Edward Pinto, a fellow at conservative think tank American Enterprise Institute.

Underwriting standards still remain stricter than in the past. Though borrowers have more loan options, such as 3 percent down mortgages, they typically must meet credit requirements to qualify. Also, Fannie Mae and Freddie Mac’s 3 percent down loans are capped at \$424,100.

Following the housing crisis, Fannie established a debt-to-income cap of 45 percent, making an exception for borrowers who put at least 20 percent

down and could show they had enough savings to pay their mortgage for 12 months if they lost a job. But last month, Fannie did away with those special requirements and raised its cap to 50 percent. Fannie says borrowers with a debt-to-income ratio between 45 percent and 50 percent still have to prove their creditworthiness in order to get a loan. The Urban Institute called Fannie's new policy "a win for expanding access to credit" and estimated it would lead to the approval of 95,000 new loans annually.

Freddie Mac also recently launched a pilot program to allow borrowers to use income from household members not on the loan. Freddie officials said the move was to help increase opportunities for Latinos, who often live in multigenerational households. Laurie Goodman of the Urban Institute says that, overall, the changes lenders are making are "very marginal." The Urban Institute index shows that loans today are still less risky than they were between 2000 and 2002, a time period when lending standards were considered "reasonable," the institute says.

*Source: "As Prices Rise, Mortgage Lenders Are Making it Easier to Buy a House," [OriginatorTimes.com](#) (Aug. 5, 2017)*

## **Hot Home Trend to Watch: The Two-Toned Kitchen**

Posted in [Home Trends](#), by [Melissa Tracey](#) on July 17, 2017

*By Melissa Dittmann Tracey, REALTOR® Magazine*

Two-toned colored kitchens are gaining popularity this year. White and gray painted cabinets are dominating kitchen color schemes, according to the [2017 Kitchen & Bath Design Trends](#) survey conducted by the National Kitchen and Bath Association.

Particularly gray-toned kitchen cabinets are seeing a surge in popularity lately.



Photo by Shaddock Caldwell Builders & Developers – Browse kitchen ideas

Other colors are getting mixed in too, adding a little more pizzazz to kitchen design. For example, the surrounding kitchen cabinets may be white and then the center island may feature gray cabinets. Or, white cabinets may be on the top and then gray cabinets on the bottom.



Photo by Tobi Brockway Interiors Inc. – Browse kitchen ideas



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Other materials are getting mixed in the kitchen too. The combinations, however, are mostly muted and simple. “Clean lines with no fussy moldings or trims,” one NKBA survey respondent said. “White kitchens are never going away, but I’ve recommended mixed countertop materials, mixed cabinet colors and frequently use lots of light/dark materials for contrast.”



Photo by Mulcahy Ralphs Architects – Discover kitchen design inspiration

That said, for the more daring, blue or black-toned cabinets as well as high-gloss finishes are gaining popularity in kitchen designs too, according to NKBA's survey.



Photo by Ebstone – More kitchen photos