



HOME BUILDERS ASSOCIATION
of Dayton

An Unprecedented Window of Opportunity – Part One

By Jenny Diorio, President
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For those whose homeownership aspirations have been dampened or temporarily derailed by the housing and economic downturn—the people wondering if this is a good time to buy—the answer is simple: Yes. It's a good time to buy.

Today's market, coupled with a temporary tax credit for first-time home buyers and near-record low mortgage interest rates, provides an unprecedented window of opportunity for prospective home buyers.

In fact, there may never be another buyer's market as good as today's.

Opportunity of a Lifetime for First-Time Buyers

Even Congress thinks it's a good time to buy a home as it demonstrated with enactment of a \$7,500 federal tax credit for first-time home buyers. Single taxpayers with incomes up to \$75,000 and married couples with incomes up to \$150,000 qualify for the full tax credit. Partial credits of less than \$7,500 are available for individual taxpayers with incomes up to \$95,000 and for married taxpayers with incomes up to \$170,000.

But like so many of the good things in life, time is of the essence. Only homes purchased on or after April 9, 2008 and before July 1, 2009 are eligible for the tax credit, which works like an interest-free loan and must be repaid over a 15-year period. Detailed information about how the tax credit works is available at FederalHousingTaxCredit.com.

Ample Choices

An outstanding selection is another reason that it's a good time to buy. Available inventory is probably the best it will ever be, providing buyers with a great choice of homes.

Many local builders have inventory that is “move-in ready,” and they may offer upgrades or other incentives to seal the deal. Likewise, owners of existing homes who are looking to trade-up or relocate are ready to bargain.

Attractive Pricing

If there's a silver lining to the housing downturn, it's that homes are more affordable. In the Dayton region, prices have not declined as much, but for the most part, they didn't rise as high or as fast as prices in the hottest markets. Prices have moderated significantly in many other areas especially the high-flying major markets such as Florida, California, and Nevada, where they increased the most during the boom that recently occurred in many parts of the country.

Low Interest Rates

Like inventory and pricing, mortgage interest rates are at favorable levels. And even though lenders are looking more closely at buyers than in recent years, qualified buyers should not have trouble getting financing. For several years, mortgage rates have been near record lows. But rates can, and do, change.

No one is predicting that rates will suddenly surge upward, but they don't have to increase much for monthly mortgage payments to rise from affordable to prohibitive.

Greener and Better

With high energy costs near the top of consumer concerns, it's good to know that new homes today are more energy and resource-efficient than ever before. Through the use of new materials and construction techniques, today's homes are built twice as energy efficient as new homes a generation ago, making them more affordable to own and operate.

What's Next...

Check back next week as I present the favorable economics of homeownership such as tax benefits, the power of leveraging, building personal wealth and what about the what ifs?