



HOME BUILDERS ASSOCIATION
of Dayton

New Home Buyer Tax Credit is Bigger and Better

By Walt Hibner, Executive Director
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On Feb. 17, President Obama signed the American Recovery and Reinvestment Act of 2009 into law. As part of \$787 billion in economic stimulus measures, the legislation created a home buyer tax credit that is bigger and better than the previous credit that was implemented in July 2008.

The Web site www.FederalHousingTaxCredit.com explains in detail the provisions of the new tax credit. In a nutshell, it:

- Provides a tax credit equal to 10 percent of the sale price of the home, up to an \$8,000 maximum. Is a true tax credit. It does not need to be repaid, unless the home owner sells the home within three years of the purchase.
- Can only be used with the purchase of a home that will be the buyer's principal residence. It cannot be claimed for the purchase of a vacation home or property to be used as a rental.
- Available to first-time home buyers only. A first-time home buyer is defined as someone who has not owned a principal residence for three years or more.
- Applies to homes purchased by qualified buyers between Jan. 1 and Nov. 30, 2009. The purchase date is the date when closing occurs and the title transfers.

This new tax credit provides an unprecedented opportunity for people looking to buy their first home. Not only will they receive an \$8,000 tax credit, they also will be taking advantage of record-low interest rates, a large selection of homes to choose from and competitive home prices.

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

House hunters will also find that many builders have inventory that is “move-in ready,” and may offer upgrades or other incentives to seal the deal. Also, owners of existing homes who are looking to trade-up or relocate are ready to bargain. And, as a long-term investment, homeownership still remains a solid investment for Americans.

If there's a silver lining to the housing downturn, it's that homes are more affordable. In the Dayton region, prices have not have 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 Arizona, California, and Nevada, where they increased the most during the boom that recently occurred in many parts of the country.

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.

With 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.

This opportunity won't be around forever. Keep in mind that you have to purchase your house on or before Nov. 30.

For more resources to help you understand the process of financing and buying a home, visit www.nahb.org/forconsumers today. Find a builder for your new home by visiting www.HBADayton.com .