



National Housing Climate Benefits Home Buyers

By Marty Coates, President
Home Builders Association of Dayton

This past week a few senior leaders of our Association traveled to Washington D.C. to participate in the National Association of Home Builder's 2009 Legislative Conference. It was considered very successful with over 1,000 attendees participating in hundreds of Capitol Hill meetings. In addition, over a thousand builders back home placed phone calls into Congressional offices re-enforcing NAHB's legislative message. The annual meetings are always very critical to the health of the home building industry and this year, it was never more important. The message was very simple...the housing industry has always played a critical role in the nation's economy and it is what will pull our country out of these troubling times.

The concerning economy is hurting hard-working families across our community. Soaring cost of living is pinching pocketbooks and the financing crisis is hitting consumers and the housing industry very hard. At a time when affordable housing is a crucial piece of a recovery equation, the members of our association went into the meetings to explain to the members of Congress, that the home builders are the strongest advocates for buyers of new homes.

One encouraging recent action should lay the groundwork for a housing comeback. Many potential buyers of new homes have been nervous about selling their existing home before they make the commitment to build a new one. 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. This combined with unheard of low mortgage interest rates, a large selection of homes to choose from and competitive home prices will provide great incentives for the first time home buyers that will allow the move-up buyers to sell their home and build a new one, releasing the logjam that has slowed the residential real estate process. There may never be a better time to buy a new home.

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.

House hunters will also find that many Dayton area builders have inventory that is "move-in ready," and may offer incentives to seal the deal. Or they would be very accommodating by building the dream home of your desire. Also, owners of existing homes who are looking to move-up or relocate are ready to bargain. And, as a long-term investment, homeownership still remains a solid investment for Americans.

Its best you hurry, this opportunity won't be around forever. Keep in mind that you have to purchase your house on or before Nov. 30.