Homebuyer credit may stay

Local agents ponder possible tweaks

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Local real estate agents are optimistic that the federal homebuyer tax credit, which has boosted the market, will be extended.

The unknown, they said, is what the final version of that bill that will be.

The credit, which provides up to $8,000 to first-time homebuyers, will expire Nov. 30.

Senators are considering extending it for homebuyers who sign sales contracts by the end of April and close by the end of June.

They've also proposed offering a reduced credit for up to $6,500 to buyers who have owned their current homes for at least five years.

That version would be "pretty significant to the local housing market" because it would include more buyers who meet certain qualifications and income limits, said Nick Kremydas, executive director of the South Carolina Association of Realtors.

Dan Rigby of Allen Tate Realtors said including folks who are moving up in their home purchases should "help break up that logjam of those properties that aren't quite in the reach of first-time homebuyers but certainly on the market with people needing and wanting to move."

C. Dan Joyner, president of Prudential C. Dan Joyner Real Estate, said there also are still plenty of people who want to take advantage of the first-time homebuyer tax credit.

Nearly 22,000 people in

South Carolina and 1.4 million nationwide had claimed the first-time homebuyer tax credit by August, the Internal Revenue Service said.

Walter Molony, spokesman for the National Association of Realtors (NAR), said the tax credit has had a considerable impact.

"We think the existing home sales this year are

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And, she fears that some people buying homes for the first time might not be in the best position to do so, "since they're still leveraging their money a little bit more than maybe they need to."

Kremydas said debates in Congress include whether the credit is artificially spurring the market and whether the markets should be allowed to correct themselves.

"On the flip side is housing is such a vital element to the nation's economy that not to extend the credit and to allow a soft landing for the rebounds, as opposed to letting it crash, has a lot of merit," he said.

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going to be up one-and-a-half percent. Without the credit, sales would have declined about six percent, we'd have a big inventory overhang, and prices would not be showing signs of stabilizing," he said.

Adair Smith-Senn, an agent with Prudential C. Dan Joyner, said when houses are sold, the economy prospers "because there are so many components that go with homeownership and the purchase of a home."

Brad Halter, president and general manager of Coldwell Banker Caine, said every time a home is sold, it trickles $63,000 in the local economy because of all of the ancillary services that come with it.

The credit has been the impetus that caused people who otherwise lacked confidence to buy a home, said Fritzi Barbour, president of the Greater Greenville Association of Realtors.

"I think there's a lot of concern in the selling community as to whether or not lacking that impetus, it will it be a cold dark winter," Barbour said. "Without those buyers, will we revert to the same kind of lack in consumer confidence that we had before the first-time tax bill was in place?"

Real estate agent Lauren Briles of Briles Co. Inc. has mixed feelings about the credit.

She likes that some first-time homebuyers were able to take advantage of it but worries whether continuing to give tax credit money is "kind of band-aiding our issue on the housing market versus letting the cards fall where they may and coming out of it on that side of it."