Tax credit falls by wayside



JESSICA NELMS | THE JOURNAL

The $8,000 first-time homebuyers tax credit will expire on Friday. Locally, many people are not able to take advantage of the savings due to high unemployment, according to real estate agent Bob Hill.

Response from first-time homebuyers weakens as deadline looms

BY JESSICA SIBLEY
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SENECA — For those looking to purchase their first home with some help from the government, the deadline to do so is fast approaching.

Friday marks the end of the $8,000 first-time homebuyer's tax credit, and local realtors aren't surprised at the lack of interest concerning the offer.

Because of high unemployment, young couples are not able to take advantage of the program, said Bob Hill, a real estate agent in Seneca.

'Overall, the real estate market is picking up, but this tax credit hasn't had an overwhelming response," he said. "The people who would normally be buying these homes are now unemployed or are too nervous that their job isn't secure."

Hill added that these potential buyers are not willing to enter into a long-term loan commitment or are simply unable to qualify.

"The same thing is happening nationally," he added. "You can draw a direct parallel to areas where unemployment is high and where these numbers are low."

Before the announcement of the tax credit's extension in 2009, Hill said that the response was strong.

"That was when people thought they wouldn't get another chance at the credit," he said. "They weren't waiting around to lose out on the opportunity. But after the extension, things really dropped."

Matt and Stacy Thompson, newlyweds who bought their first home in August 2009, said the program was too good to pass up.

"Luckily, we were in a position to take advantage of the free money," Stacy said. "We just didn't want to get in over our heads. The incentive is nice, but if you run yourself ragged trying to make other monthly payments, we'll be in the same mess we were before."

Hill encourages the curious to look into buying a home before the deadline hits.

"There will not be another extension," he said. "Really, there is no merit for it. People just aren't using enough of it. Until Friday, you're in the driver's seat. Get out there, and make an offer."

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