

Increased Affordability Making Homeownership a Reality

Nationwide, housing affordability is at the highest level in at least five years. In fact, the National Association of Home Builders (NAHB) estimates that 55 million American households have the ability to make their dream of homeownership a reality today — up from 38 million two years ago.

In Fort Myers, 79.4 percent of all homes that were sold in the fourth quarter of 2008 were affordable to families earning the median income of \$60,700, compared to 34.2 percent at the end of 2007.

This is an unprecedented opportunity for anyone who is considering buying a home. Interest rates are historically low and there is still a great selection of homes on the market to choose from.

Another incentive that is driving home buyers back into the marketplace is the \$8,000 first-time home buyer tax credit which was included in the recently enacted economic stimulus package. The Treasury Inspector General for Tax Administration, which audits the IRS, reports that nearly 568,000 tax returns claimed a first-time home buyer tax credit as of March 6.

The tax credit is available to first-time home buyers —defined as anyone who has not owned a primary residence in the past three years — who meet the income limit requirements and purchase their home on or after January 1, 2009, but before December 1, 2009. The tax credit is equal to 10 percent of the home price up to a maximum amount of \$8,000.

More information about the tax credit, including eligibility requirements and the answers to frequently asked questions, can be found on the National Association of Home Builders' tax credit consumer Web site www.federalhousingtaxcredit.com.

The choices for home shoppers, however, may start to narrow soon. Sales of both new and resale homes increased in February. This could be an indication that the housing market is reaching a bottom.

This is the perfect storm of benefits for anyone who is still trying to decide whether or not they want to make the leap from renter to home owner. Don't lose out and take the chance of looking back years from now regretting that you didn't take advantage of this great opportunity.