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Barrows is one of hundreds of thousands of new homeowners across the country helping to revive the stalled economy and a down housing market, and the government is rewarding their moves with an expensive and popular tax credit program for first-time buyers.

Barrows, 25, was able to cover a down payment on a 43-year-old two-bedroom raised ranch near 132nd Street and West Center Road. After she amends her tax return, she'll have a ready-made home improvement fund to pump back into the economy.

"I just got \$8,000 handed to me," Barrows said.

By many accounts, the tax credit -- one of the programs created by the government's \$787 billion economic stimulus bill -- has been a boost to the housing market, helping to jump-start sales nationally and pulling the Omaha area's real estate market out of its downturn.

So far, more than 19,000 home buyers in Nebraska and 16,000 in Iowa have claimed the credit or an earlier version it replaced.

By Dec. 1, when the program is supposed to expire, the tax credit will have been responsible for nearly 400,000 sales of new and existing homes nationally, out of total sales of 1.4 million, according to one analyst.

Still, the tax credit hasn't solved the nation's housing troubles.

Economists are looking for more stability in home values, something they say is essential for sustaining economic growth. The credit for first-time buyers also had a more limited ripple effect than expected on sales of step-up homes, which some in the local real estate business call a disappointment.

But now, the program's future is uncertain.

The tax credit still has support among even many spend-weary members of Congress, including four members of Nebraska's delegation.

But as health care dominates the congressional agenda, any extension of the home-buyer program could be stuck at the back of the line of priorities. Still, discussions among lawmakers are active, and the real estate and home building industries are lobbying hard for an extension.

Local industry officials say buyers and sellers should not assume the tax credit will continue.

"They really better move and get off the dime," said Bruce Kevil, executive vice president of the Nebraska State Home Builders Association. "I don't see anything sure on the horizon. They need to act."

With no extension on the books, time is running short for people to use the program -- and essentially has run out for some.

Deals must be signed and closed -- not just in the works -- by Nov. 30. If a contract comes in Monday and can close in what had been the typical 45 days, that would seal the deal by the day before Thanksgiving.

But as lending and appraisal standards tighten, deals now can take 60 days to close.

Omaha's busiest builder, HearthStone Homes, says it can't get new buyers in on that timeline.

Celebrity Homes' situation is different, with a few dozen homes under construction and available to close by the end of November, said Shawn McGuire, the company's sales and marketing director.

Omaha's two dominant builders are seeing their own payoff from the tax credit.

"It fueled our sales through the summer months," said Neil Smith, HearthStone's director of community development.

He said the company has sold more than 550 homes this year and figures about 60 percent of those buyers were encouraged to buy by the tax credit. This month, HearthStone will close on a record number of homes.

Across the Omaha market, the tax credit fueled a turnaround from a down 2008. Single-family home sales through this September were up 8 percent over last year, according to statistics from the Omaha Area Board of Realtors.

Activity in the starter-home sector dominated the market. The statistics through September show that sales up to \$160,000 rose by 602 homes over last year and nearly returned to 2007 levels.

But those sales didn't light up the move-up market, because many first-time buyers built new homes or bought foreclosed homes whose residents ended up renting rather than buying.

The sales slide in the \$160,000-to-\$250,000 range halted, even turning up slightly from 2008. But sales in that price range remain below the 2007 level.

When weighing the credit's ripple effect, "it's clearly been a disappointment," said Vince Leisey, president of the Nebraska Realtors Association and president of Omaha's Prudential Ambassador Real Estate.

Mike Riedmann, president of residential sales for NP Dodge Real Estate, sees the situation differently. He said the activity spurred by the tax credit has brought confidence back across the market.

"There's a new optimism out there in the marketplace," Riedmann said.

The recovery has come at a steep cost to the federal government: about \$1 billion a month in lost tax revenue, according to congressional analysts.

But the program has earned support because of the spinoff effect -- from jobs to furniture sales and home improvement projects -- that home sales have on the economy. The National Association of Realtors says each house sale on average yielded \$63,000 spent on goods and services, such as moving vans and furniture.

The tax credit also is meant to help all homeowners by stabilizing property values.

In Washington, Democratic congressional leaders have been working with the White House to extend the credit and possibly expand it to current homeowners. The program is high among options for further stimulating the economy and creating jobs, congressional aides said.

As those discussions continue, the arguments in the program's favor carry weight with Nebraska's congressional delegation.

Nebraska Republican Reps. Lee Terry and Adrian Smith and Sen. Mike Johanns and Democratic Sen. Ben Nelson all endorse an extension. Terry and Smith say they are even open to expanding the credit, and Johanns is co-sponsoring different bills to extend the credit and to

increase the amount to \$15,000 and make it available to more than first-time buyers.

A spokesman for Iowa Rep. Steve King, a Republican, said he had not yet taken a position on extending the credit.

Rep. Jeff Fortenberry, R-Neb., praised the program but said he would have to weigh the economic benefits against the cost if a specific extension proposal arises.

Terry, however, said a major sector of the economy still needs help from the tax credit.

"This is one thing that goes to the heart of our community and creates jobs and empowers families," he said.

Two weeks after moving in, Barrows has her home-improvement list ready: first the kitchen, which could use a dishwasher and garbage disposal; then the carpeting; then the bathroom, which has mint-green fixtures.

Barrows figures she can tighten her spending to afford the extra \$100 a month that her mortgage will cost over renting. The \$8,000 tax credit will go toward her home projects.

"I'll just put it right back into the house -- and maybe go shopping a little."

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