

As home tax break expires, mad dash for a deal

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AL DIAZ / MIAMI HERALD STAFF

Benjamin and Samira Kaskel check out a home they're considering in Miami on Thursday April 29, 2010.

Benjamin Kaskel, a would-be first-time home buyer, hasn't been sleeping much lately.

He and his wife, Samira, have to move out of their rented home -- and they want to find a house to buy.

By Friday.

That's when the sun sets on a discount for the proverbial American dream, an \$8,000 tax credit to first-time home buyers who have a contract signed by Friday and close by June 30. Repeat home buyers can claim a \$6,500 credit under the same deadline.

``We have to act quickly," said Kaskel, 31, a guitar teacher. ``And so we definitely haven't been resting a lot."

Neither have real estate agents, who have been working long past dark and fielding middle-of-the-night e-mails from buyers desperate to get their share of the billions of dollars doled out nationwide.

``I feel like there's a big clock," said agent Lisa Dority, who has been working with a couple for the past two weeks to find the perfect home in time for the deadline. ``Tick tick."

No one can say how much of the recent increases in home sales can be traced to the credit, but everyone agrees there has been some effect. Likewise, it's hard to predict what will happen once the credit disappears.

Analysts say the credit has, at the least, prompted potential buyers to make a move earlier than they might have otherwise.

``Did we stimulate overall demand or did we just move it around? We don't know yet," said William Hardin, professor of finance and real estate at Florida International University. ``We know we've had a lot of first-time home buyers in the market. We know that that's helped. The question is: Is anybody left?"

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The National Association of Realtors projects that two million buyers will qualify for the credit in 2009 and another 900,000 in 2010. Another 1.5 million are anticipated to qualify for the \$6,500

credit for repeat home buyers.

Spokesman Walter Molony said sales are expected to drop in July after the credit expires, but the association still expects levels to be above the previous year's as the market continues to balance out.

Skeptics of government aid to buyers, including the credit, say that these measures are an attempt to manipulate market forces and that they are leaving housing vulnerable to a dangerous double dip.

Already extended once, the credit has been dangled in some form since 2008 as an incentive to prop up the nation's deflated real estate market. Combined with low interest rates and a glut of low-priced property on the market, the incentive seems to be doing its job.

Existing home sales in Miami-Dade jumped 17 percent in March compared with the previous year; in Broward, sales were up 8 percent. Prices are still creeping down as analysts predict a tumultuous real estate landscape is starting to stabilize. With one in 46 homes in South Florida in some stage of foreclosure, deals abound.

The Internal Revenue Service says that in tax returns processed through late February, 128,517 filers in Florida had qualified for more than \$936 million in credits on homes bought in 2008 and 2009. Nationwide, nearly 1.8 million returns had claimed almost \$12.7 billion.

A 2008 version of the credit was essentially a \$7,500 loan. By 2009, that turned into a credit of 10 percent of the purchase price of the home up to \$8,000. The deadline was extended last year to April 30.

Ellen Tremper, sales manager at Century 21 Tenace Realty in Coral Springs, said the office has been busy for the last few months. She said she wasn't sure how much of that could be linked to the credit.

"Part of me is a little nervous as to see what happens after April 30," she said. "That'll really be the telltale everything."

In the meantime, says agent Zoila Zamora-Cruz, "I'm like crazy looking for properties."

Zamora-Cruz, who works in Miami-Dade and Broward, said this week that she had four or five people searching for homes by Friday.

'AMERICAN DREAM'

Her clients José Gutierrez and Blanca Norda got in on time; they are scheduled to close on their \$107,000 Kendall area home Friday.

Gutierrez, 46, said they have been waiting for the right time to buy since the couple and their two kids moved from Cuba in 2002.

"That's the American dream when you get over here, to own a house," he said. The tax credit, plus lower prices and an affordable mortgage made 2010 the best time for the family to buy.

"There's a moment for everything," Gutierrez said. "The opportunity, you have to wait for it."

Good properties that are priced right -- around \$200,000 -- are "like gold right now," said

Anthony Askowitz, a broker and owner of two Re/Max offices.

Askowitz showed the Kaskels a home listed for \$299,000 in Kendall Thursday. He brought a contract along just in case.

After seeing the home, the couple signed an offer for more than the asking price. The seller verbally accepted late Thursday. All that's left to do is get the contract in hand.

"I feel great about it," Benjamin Kaskel said. "It's just very stressful. A lot to do all at once."

This report was supplemented with material from The Associated Press.