



Realtors: Tax credit not creating significant sales

By: Christian Moises, News Editor February 4, 2010 0

Despite the first-time homebuyer's tax credit being expanded and extended, real estate professionals still aren't seeing a huge difference.

And the numbers support their claim.

Home sales in the New Orleans area, comprised of Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John and St. Tammany parishes, were down 2.5 percent in 2009 compared with 2008 despite the \$8,000 credit.

Joe Ory, president of the New Orleans Metropolitan Association of Realtors, said the credit has weighted home sales toward the low end and toward first-time homebuyers. But a lot of those buyers bought foreclosures and properties that were renovated by speculators.

"They bought a vacant home, so you didn't see that second tier of buying come out of that," Ory said. "What they were buying didn't cause any other buyers to go out and buy."

Ory also said that 2009 was tough on the repeat homebuyers, which took people out of the market.

"They were losing their home ... or selling and not buying a home and moving to the rental market because they couldn't afford the note," he said, which balanced out the market of first-time buyers with people getting out of the market.

Tom Giroir, president and owner of ReMax Real Estate Partners, said his company isn't seeing as much going on right now, but is hopeful they'll get some revamped traffic as the new deadline approaches.

"I've talked with brokers in other parts the country who experienced some pretty good volume because of it. But talking to local Realtors, a few said they had a dozen sales or so spurred by it, but most of them said they didn't see a lot of traffic because of it," Giroir said.

Giroir said the lack of sales could be tied the fact agents didn't mention it to the public as much or because of concerns over employment and people wanting to stay on the sidelines right now.

"I'm not sure what the answer is," he said.

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