



Lexington-Bluegrass Association of REALTORS®  
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## **Housing bill provides tax credit for first-time homebuyers—now an even better time to buy in Central Kentucky**

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While the Bluegrass has been spared from housing crises occurring in pockets across America, the Housing and Economic Recovery Act of 2008 signed by President Bush on July 30 will create an even better climate for local home buyers and sellers. Lexington-Bluegrass Association of REALTORS® President Judy Craft says, “This bill, while critical for many markets across the U.S., enhances the real estate market in Central Kentucky—again adding to the fact that it is a great time to buy.”

The bill addresses many issues such as GSE/FHA reform and foreclosure rescue; however, a key provision of the bill provides a homebuyer tax credit. The \$7,500 tax credit would be available for any qualified purchase between April 8, 2008 and June 30, 2009. The credit is repayable over 15 years, making it, in effect, an interest free loan.

As the LBAR statistics have shown, the Central Kentucky market remains stable and affordable. Locally, we have not seen foreclosures impacting the local market as much as has been reported nationally. According a national report from Realty Trac®, Kentucky was ranked 42 out of 50 (1 being the state with the most foreclosures) on their U.S. Foreclosure Market Data by State for the second quarter of 2008.

Additionally, the Housing Affordability Index (HAI) for the Bluegrass was 164 for May 2008, while the nation’s HAI was only 125.4. An HAI of 164 means the median family income is 164% of the necessary income to qualify for the median priced home using 20% down, 30-year fixed rate mortgage. Central Kentucky also outpaces the nation in regard to existing home sale median sales prices. According to NAR, the nation saw a drop of 6.1% in June 2008 for existing home sale median sale prices, while local that figure dropped only 2.1%. In May 2008, NAR reported a drop of 6.3% and locally there was no change in median sales price for the same time period.

As the region’s leading advocate for homeownership, Lexington-Bluegrass Association of REALTORS® (LBAR) understands the value and joy of owning a home. LBAR represents more than 2,300 REALTORS® living and working in Anderson, Bourbon, Boyle, Clark, Fayette, Franklin, Garrard, Harrison, Jessamine, Madison, Mercer, Montgomery, Scott and Woodford Counties. Visit [www.lbar.com](http://www.lbar.com) or call 859-276-3503 for buying and selling resources and real estate listings.

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