

Now is a great time to get a loan to buy a home

By **Mark Deutschmann**

Knowing when to step into the real estate market is a challenging and difficult decision for many buyers. The market constantly shifts and many wait until interest rates and home prices are at an all-time low.



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How do you know when the market is at the bottom? Did you know that 22 percent of our buyer pool has been waiting on the sidelines, trying to make the perfect guess. You probably can't time it perfectly, but that's okay. In fact, you might have already missed it! Many buyers are now on the move.

As you know, all real estate is local. Prices in many of our core neighborhoods have remained flat for the past couple of years. Some neighborhoods which have been overbuilt have experienced a decline

in value. Given that inventory is up, the selection is as good as it gets. We have experienced a 35 percent increase in home showings in the past month, and it seems that formerly sidelined Nashvillians are out to make a deal.

The best news is that the interest rates are as low as they've been in the past 30 years. If you need a loan to purchase, getting a low long-term mortgage rate is even better than a low price. That said, the combo of great prices and low interest rates makes this the best time to buy in many, many years.

Our market is well-balanced and offers great options for people to consider. The urban core provides a variety of inventory options from mixed-use communities, to urban infill, to condos with green features. Dwellers in the core have the advantage of convenience, while maintaining a low carbon footprint and living minutes away from great restaurants, the Nashville Sym-

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phony, the Sommet Center, the riverfront and TPAC.

But home prices, the quality of inventory and great interest rates are not the only reasons to consider buying a home. Recent legislation passed by Congress gives first-time homebuyers a tax credit of up to \$8,000 toward their new home. The government defines a first-time homebuyer as someone who has not owned a principal residence in the last three years. The best part is that the credit does not have to be repaid. To qualify, homes must be purchased during the 2009 calendar year. Find more information at <http://www.federalhousingtaxcredit.com/2009/home2.html>.

In addition to the credit, the American Recovery and Reinvestment Act of 2009 allows state finance agencies to help buyers at closing by using proceeds from tax-

exempt bonds to advance credit as a loan. Visit <http://www.federalhousingtaxcredit.com/2009/how.php> to learn about the legislation.

For those happy with their current home, there is new legislation which increased tax incentives through 2010 for green-living improvements and purchases. TVA and NES are now offering a \$150 home energy evaluation, which is rebated if you actually do energy saving work on the home. Benefits of greening your home include reduced energy bills and increased home value.

Lower home prices, available tax credits, legislation and incentives make this the perfect time to consider purchasing a new home in Nashville. Talk to your financial institution to find out for which loans and credits you qualify.

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