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First-time homebuyers in Ark. rush for tax credit [SHARE](#)   

Kelly MacNeil (2009-10-28)

(UALR PUBLIC RADIO) - Kelly Rigby and her realtor are doing a final walk-through of the home she's decided will be her first. It's a two-bedroom bungalow in Little Rock's Hillcrest neighborhood. A contractor's dusty boom box still sits in a corner from the recent refurbishment. The only thing that hasn't been redone is the bathroom tile.



"The pink and black - isn't it cool? When we walked in and I saw the bathroom, I was like, I love it!"

Rigby is moving back home to Arkansas from out West. She still hasn't unpacked her winter clothes - which is why she's wearing cowboy boots and a sundress.

"I was living in Wyoming, in a resort town where things are just astronomical. And I wanted to be able to afford a home one day. I lived there five years, and that's one of the reasons I did come home, because you can afford to be a single woman in your thirties, work, and own your own home."

Rigby is taking advantage of the eight thousand dollar tax credit for first-time homebuyers. The federal government is offering the credit this year in an effort to stimulate home sales. It expires November 30th. Rigby's realtor, Linda Green, says in order to close on a house in time, she needed to find a place by the end of October.

We were getting scared. Yeah. two things that didn't work out, and so I was really really really discouraged Yeah. Because of the timeline. And we were making offers, but people weren't working with us.

Green thinks competition was tougher because so many first-time homebuyers are looking right now.

Green: That's probably been about seventy-five percent of my business in the last three months. Activity's changed quite a bit as far as who's buying houses right now.

The Arkansas Realtors Association says the tax credit has had a real effect on the housing markets here. Spokesperson Ethan Nobles says that lower-priced homes are now what's keeping the market in motion.

Nobles: What we have seen - we've seen inventories fall throughout the year. We have seen average prices, actually list prices go up a little bit. And that tells us that a lot of the higher-priced homes are staying in inventory, while the less-expensive homes are selling.

But some are concerned the credit won't have long-term benefits. Like "Cash for Clunkers", it may just be encouraging people who would've bought anyway to buy now. That's the opinion of Kathy Deck, the director of the University of Arkansas's Center for Business and Economic Research.

Deck: But the idea of that was to stabilize the housing market at a time when it wasn't stable at all