

Great time to buy a new home

Incentives piquing interest of first-time buyers

You've probably heard it more than a few times in the last few weeks, but now is a really good time to buy a new home.

The skeptics may disagree, but it's hard to argue the facts: Sales are picking up in the MLS market and new homes market as buyers — primarily first-time buyers — are taking advantage of an entire suite of financial incentives

that has put homeownership back within reach for thousands.

At the top of the incentives list are the historically low mortgage rates, influenced by the Bank of Canada's cut of its overnight rate to 0.25% in April, which means qualified borrowers could get a variable rate in the 3.3% to 3.8% range.

That alone over the course of a 25- or 30-year mortgage will save hundreds of thousands of dollars in interest payments.

All three levels of government, recognizing how important the housing industry is to the economy, are offering incentives, as well.

The federal government is offering first-time buyers a tax credit of up to \$750 when purchasing a new home to assist with closing costs.

The feds have also increased the amount of money first-timers can borrow from their RRSP for a down payment from \$20,000 to \$25,000.

The Alberta government is encouraging you

to buy **Built Green** by offering an incentive of \$10,000 to purchase a home with an EnerGuide rating of 80 or higher.

It would appear the early birds, er, buyers are getting the deals — sales of single-family homes on MLS in April were close to 1,300, the highest since last July and traffic through new showhomes has picked up dramatically.

"There's been a lot more traffic in most areas and I have to say the last two months have been pretty decent," says Ryan Hall, vice-president of marketing at BayWest Homes.

"There is real momentum picking up, which I think is a combination of things. Low interest rates are a factor and clients are seeing activity on the MLS, offers coming in are better now and they have confidence they can sell their houses and buy a new one."

Larry Fan, president of Sabal Homes, agrees.

"Our traffic is up in Copperfield, is very good in Mahogany and in Reunion in Airdrie," says Fan. "We're seeing a lot of first-time buyers, people coming out of renting, because prices are low and interest rates are fantastic."

One thing is certain — all the incentives cannot, and will not, last forever and if you're even just thinking about buying, you should talk to a real estate agent or new home builder representative about how you can take advantage of the incentives before they go away.

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