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New Jersey 101.5 FM

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NJ Real Estate Expert: Homebuyer Tax Credit Program is Really Needed

David Matthau Reporting

Reliable sources tell Millennium Radio News legislative leaders are making progress in their quest to find sufficient funds for the homebuyer tax credit bill sitting on Governor Christie's desk...but the deal isn't done yet.

Christie says he won't sign the legislation until lawmakers identify 100 million dollars to fund it.

Jeff Otteau, the President of the Otteau Valuation Group, says the tax credit measure "is of vital importance to the housing market, and the New Jersey economy, given that since the expiration of the federal homebuyer tax credit - which had a deadline of April 30th - home sales in the state have plunged."



Otteau points out home sales fell 23 percent in May, and 27 percent last month - which is normally a very active time of year for the housing market...and home construction numbers have also plummeted.

He says without the homebuyer tax credit program - or some other stimulus in the housing market - "it appears that we are headed for a double-dip in home prices, which in turn, will pass through into the larger economy."

Otteau adds the credit would definitely result in additional economic activity in Jersey because "when people buy homes, they typically go out and make substantial retail purchases, home furniture, decorating, carpets...and tax revenues would also be generated, both in terms of retail spending sales tax as well as the employment taxes that result from the construction jobs that get created...we have to keep in mind that the economy is 70 percent consumer driven - and housing sales are the primary driver of consumer spending."

For unexplained reasons, the Jersey Association of Realtors declined to comment on the tax credit bill, although they did e-mail a press release from 4 months ago, expressing support for it.

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