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Economic policies boost house sales

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KUALA LUMPUR, Sat. - The upsurge in sales of houses over the last few days is due to the Government's economic policies, especially the lowering of interest rates, and this augurs well for the economy as a whole.

SungeiWay Construction Berhad sales and marketing manager Roland Lim said the lowering of Bank Negara's Base Lending Rate which in turn resulted in lower interest rates at commercial banks had given buyers the confidence to look for new homes.

"Malaysians actually have money, even when the economy was at its worst a few months ago. It's just that they were cautious about spending especially when the country was on an austerity drive which saw high interest rates and tight liquidity.

"However, this changed when the Government lowered the interest rate. First, loans became cheaper. Then people found that their savings were earning less interest, hence it was better to spend and what better to buy than homes," he told the New Sunday Times at Menara SungeiWay.

On complaints that it was hard to get bank loans, Lim said the banks had always been willing to lend money to buy homes but there was virtually no one asking for it as people had been too cautious to buy.

Asked why the home-buying activities did not start earlier as the interest rate dropped significantly more than three months ago, he said people have been shopping for houses but this only became visible with the recent new initiatives.

Lim attributed this to the well-publicised build-up to the current month-long Home Ownership Campaign which was launched by Prime Minister Datuk Seri Dr Mahathir Mohamad last Saturday.

With more than 22,000 housing units offered, the campaign which is publicised in major newspapers, offered buyers 10 per cent off normal house prices and financing of up to 95 per cent.

Sales of houses appeared to have picked up briskly although no official figures have been released yet.

Lim said the discounts offered also encouraged more people to buy houses, adding that the Sunway Group had offered housing discounts even before the campaign begun.

"Sunway City offered a discount of 20 per cent for its Sunway Damansara houses four months ago. Only five units are left from the total 129 units offered since last year."

Sunway City is holding a property exhibition at Menara SungeiWay until 6pm tomorrow.

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