

Builder in Perth: “Act Now While Interest Rates are at Record Lows.”

Provider of home improvements in Perth reveals why it is important to start home renovations now.

Perth, WA, 5 June 2015 - The RBA decision to cut its cash interest rate to 2.0% has many economists and bankers believing that the economy may finally be ready to turn around. Though none of them are using the expression, comments by many WA business leaders indicate that they think the current interest rate cut may be the tipping point at which the rate cuts finally begin to have the desired effect: stimulating the economy.

David Airey, President of the Real Estate Institute of Western Australia (REIWA), feels that the current interest rate cut will cause the Perth real estate market to rise. He feels that both investors and owner-occupiers will benefit from the current rate enough to stop putting off buying decisions.

Gavin Hegney, who is the Managing Director of Hegney Property Group, also feels that all segments of the housing market will benefit. He is especially optimistic for investors because lower interest rates can help provide a positive cash flow.

Travis Coleman and Shane Kempton, CEO's of Acton WA and Professionals WA respectively, also feel strongly that interest rates are making housing much more affordable. Mr Kempton believes that investors from stronger markets such as Melbourne and Sydney may decide to invest in WA property.

What it Means to Home Renovations

Home renovations can be paid for via a home renovation loan or by refinancing a home loan and incorporating the renovation. The math is simple: the higher the interest rate, the more it costs to renovate a home.

Those who borrow when the rates are at their lowest pay the smallest amount of money for their home renovations. For many, the current interest rate can even be the difference between being able to afford the renovation and not being able to afford it.

Craig Johns, Director of Next Level Extensions, has been in more than one Perth “property cycle.” According to Mr Johns:

“Many people don’t understand how the interest rate cycle works. When the economy is too active, rates are raised to inhibit borrowing and keep inflation at a manageable level. When the economy becomes stagnant or in a recession, rates are lowered to stimulate buying. The idea is to strike a balance in which everyone prospers.”

Mr Johns continued: “The current RBA cash interest rate, as most people know, is at an all time record low. If there’s one thing history and a historic statistical analysis of RBA interest rates will show us, it’s that interest rates don’t remain at record highs or record lows for very long. If the economists and business professionals are right and the market is about to get a boost, it won’t be long before interest rates rise to the midline again.”

Mr Johns concluded: “If you are playing the waiting game and expecting interest rates to go even lower before starting your home renovation or addition, you may cost yourself thousands of dollars. If you are thinking of renovating your home, do it now before the rates go back up.”

Next Level Extensions is a builder specialising in home improvements and renovations. They offer home extensions, second storey additions and new homes from their office in Perth. They have a combined 70 years of industry experience and an unflinching commitment to high quality workmanship and customer service. To learn more, call 1300 948 094 or visit their website: <http://www.nextlevelextensions.com.au/>.

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