

PROPERTY REFINANCING MADE EASY

The clever investor knows that assessing their investments regularly is the key to identifying opportunities to build wealth. Knowing when to refinance an investment property can be vital to a successful growth strategy. Is now the time for you to consider refinancing? Is your current rate competitive?

Despite recent tightening around investor lending, interest rates are at their lowest in 50 years and there are some great rates available.

Why should I refinance my investment property?

There are generally two main reasons why you may want to refinance your investment property. These are to access your equity or to change to a different loan.

If you would like to expand your investment portfolio, refinancing to access your equity could be a smart move as you can potentially use your equity as a deposit to buy another property or take advantage of an alternate kind of investment opportunity.

Accessing your equity to renovate is also an option to refinance. It could help you add value to your investment property, fast-track its capital growth and perhaps improve the rental value to increase cash-flow. Talking with a financial planner or accountant is a great way to see what strategy is right for you.

Are there fees involved?

Most financiers will have loan borrowing expenses and exit fees or penalties which are usually tax-deductible. In the first five years of owning your investment property you can usually claim borrowing expenses back incrementally and if you refinance within that timeframe, you can claim the remaining tax deductions immediately.

Should I use one lender or multiple lenders?

Professional investors often prefer to use multiple lenders to avoid cross-collateralisation, which is where you secure a loan against two or more properties instead of one. However, this can be inconvenient when the time comes to sell and risky if property prices should fall. If you use one lender, your properties may also be cross-collateralised by default. Overall, it depends on your financial situation, goals and the size of your investment portfolio, whether you choose to go with one lender or several. *We always recommend that you seek professional advice.*

For more information about Property Management?

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