

**- INTEREST RATES AT HISTORIC LOWS -**

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With interest rates remaining at historic lows, now is possibly the time to research what lending institutions have on offer for your investment property loan. In refinancing, many investors accept the reduced offer from their lending institution, however it is wise to shop around.

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In the first instance, get all rate offers in writing including any terms or special conditions. This way you can make an informed of comparison of the deals on offer. You will be amazed at the variances once you put the offers side by side. Investors often make the mistake of not taking into account additional or hidden fees that may negate the interest rate being offered. Ensure that all associated costs such as establishment fees and stamp duty are taken into account when making your decision.

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It is wise to review your financial position annually rather than leaving it to your lender or broker who may not be in a position to take your personal situation into account. Don't forget to take into account that once the *honeymoon* deal is over, the rate may revert to the original rate or even a higher rate!

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Before you make the choice to refinance or move lenders, always check if any exit fees apply. Sometimes exit fees may apply even if you remain with the same lender!

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Finally, be wary of taking money from your home loan line of credit to pay off other debt. This may assist in reducing short term financial issues but this also reduces the equity that you have in your own home.

As you can see, there are many things to take into account when considering the refinance of your property investment loan. Follow some of the steps above, be analytical in your approach and take the time to check all fees and costs in making an informed decision to refinance.

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**- THOUGHTS ON SELLING A TENANTED PROPERTY -**

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Investors are often confused when selling as to whether their investment property should be vacant or tenanted when selling. If you elect to have the property vacant, you have flexible access to allow open for inspections and you don't have to worry about the tidiness of the property for inspections either.

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On the downside you are not receiving rental income during the marketing and sales period. By allowing tenants to remain in the property you improve the scope for another investor to purchase it as they can see that a lease is in place and that it is a current investment option.

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