



## Property Investor Report

# REPRICING VS REFINANCING:

Could you save money in a rising-rate environment?

From May until September, property owners on variable-rate loans could have seen interest rate hikes of around 2.5 percentage points, depending on their loan. What does this look like in repayments?

If you had a \$500,000 loan with monthly principal and interest repayments over a 30-year term and your interest rate increased from 3% p.a. to 5.5% p.a., your repayments would have increased from \$2,108 to \$2,839 - an increase of \$731. If that loan was \$1 million, repayments would have increased from \$4,216 to \$5,678 - an increase of \$1,462.

### So what difference can negotiating a lower interest rate make to your repayments?

Decreasing interest rates from 5.5% p.a. to 5.25% p.a. would reduce monthly repayments by:

\$500,000 loan: \$78

\$1 million loan: \$156

Decreasing interest rates from 5.5% p.a. to 5.0% p.a. would reduce monthly repayments by:

\$500,000 loan: \$155

\$1 million loan: \$310

When a broker looks to get you onto a better rate, there are a number of ways they can go about it. First, they can look to negotiate with your current lender. Alternatively, they can look at the broader market at over 60 lenders to see if you could be better served elsewhere. This is repricing or refinancing.

### Repricing versus refinancing

When you negotiate with your current lender to get you on a better deal, that is called repricing. This can be a straightforward process and your interest rate or fees change, but the lender remains the same.

If you find a better deal with a different lender and move across, it is called refinancing. Many lenders offer lower interest rates to new customers, and/or cashback incentives where they could offer \$2,000 or more for you to move your loan to them. This will need to be weighed up with any potential fees charged in the change, so a broker will run the calculation for you and let you know if it would be beneficial for you over the longer term.

### Beyond interest rates

Another thing to keep in mind is that interest rates aren't the only way you can look to save money. Lenders also charge fees depending on your deal. A broker can evaluate the current loan you are on and assess whether the features are still serving you.

### Ready to find out if you could be saving money?

For a no-obligation chat reach out to Finance Broker, Mark Mollenhauer from Loan Market on 0413 003 622 or email

[mark.mollenhauer@loanmarket.com.au](mailto:mark.mollenhauer@loanmarket.com.au)

### Article provided by Loan Market

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# Christmas Trading Hours

We would like to advise that our office will remain trading throughout the Christmas break, except on public holidays (see right).

As many of our team members will be taking a break over the Christmas/New Year period, we will be operating on reduced staffing levels. Therefore, if you have an urgent matter to discuss with your property manager please contact us in the weeks before Christmas.

We wish you a happy and safe Christmas season!



## INDUSTRY NEWS

### Laura re-elected to the REIQ Board

We are proud to announce that Laura Valenti, our Managing Director, has secured another 3-year term as a Board Director of the REIQ.

This position was decided by member vote, and announced at the AGM held at REIQ headquarters on 28th October.

Laura's trademark diligence and passion for improving the standards of our industry (particularly property management) has been a positive influence at Board level, and she is excited for the opportunity to continue this important work.



*Laura Valenti with Peter Brewer, Chairman of the Board, at the recent REIQ AGM.*

## IMPORTANT DATES

### DECEMBER

#### DISBURSEMENTS

Wed 7th Dec  
Wed 14th Dec  
Wed 21st Dec  
Wed 28th Dec

#### STATEMENT

Tues 3rd Jan

### JANUARY

#### DISBURSEMENTS

Wed 4th Jan  
Wed 11th Jan  
Wed 18th Jan  
Wed 25th Jan

#### STATEMENT

Wed 1st Feb

### OFFICE HOLIDAYS

**Boxing Day**  
Mon 26th Dec

**Christmas Day**  
Tue 27th Dec

**New Year's Day**  
Mon 2nd Jan

**Australia Day**  
Thurs 26th Jan