

# 8 Ways To Finance Your Summer Holiday.....

Outdoor Living Room,  
Pool Or Other  
Big-Ticket Items



**Do you want to take a summer holiday in your new motorhome or caravan or create your own backyard oasis but just can't figure out how to pay for it?**

There are many ways we can finance our dreams – some better than others. Some could end up costing you way more than you might realise.

Here are 8 common ways you can pay for your summer holiday, starting with the most obvious:

## **Savings**

### **1. Save for it!**

At this stage in the season if you haven't already done so, it may be too late to set up a budget and save for this holiday so keep this in mind for your next one!

This option is of course the safest method of purchasing a big ticket item. Set up a budget and start putting a little extra aside until you have saved enough. It will not cost you more than the holiday or outdoor renovation, but the downside is that you are going to have to wait - a lot of delayed gratification.

Need help? If you would like to get a little help with a budget ask us for our free budget planner.

## **Un-secured finance solutions**

- 2. Put it on the credit card**
- 3. Buy now and pay later (some providers offer payment plans for items up to \$20,000)**
- 4. Take out a personal loan**

You could access these three options straight away but, unless you pay them off on time or within the interest free period, the cost is going to end up being much more in the long run as well as potentially negatively affecting your credit file.

Some credit cards and buy now and pay later agreements have an interest rate of more than 20%. Unless you are preparing to repay the loan in a short period of time, the holiday could be costing you a lot more than first thought.

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## Secured finance solutions

5. Use a redraw facility
6. Use the funds sitting in an offset account
7. Use the existing equity in your home
8. Refinance all debts and home loan to include the cost of your holiday or outdoor oasis

Topping up your home loan to fund a big ticket item is likely to give you the lowest interest rate available as the additional funds are secured against your home.

The downside to this method is that if you do not make additional repayments to cover the extra amount added to your loan, it may take significantly longer to repay the loan. This could cost you more than first thought.

Before you use any of these common finance methods, we recommend that you call us so that we may assist you in calculating the respective costs of each option. You may then be in a better position to determine your preferred funding option.