

## Raising Business Capital Through Refinancing

By Paul Surtees

### **Every business will experience at least one period of limited working capital.**

Whether you're a fledgling business with limited working capital or an established SME looking to grow, there will always be times when additional funds are needed to make the most of new opportunities.

[Refinancing](#) is an easily accessible way for businesses to raise capital, helping to lessen the strain on cash flow and provide some much needed funds to keep your company moving in the right direction.

### **REFINANCING EXISTING DEBT**

If you already have finance agreements in place then a great place to start is by looking to consolidate these outstanding amounts. Rather than simply taking out an additional business loan to cover the extra capital that you need, you can combine your debts under one umbrella, increase your total borrowing, and potentially get a better rate as a result.

Using your [Capitalise profile](#), you'll be able to apply to multiple lenders simultaneously and receive offer letters online, giving you the chance to assess all of the options in one place before finalising your consolidation.

Refinancing credit cards is another worthy avenue to explore. With so many companies competing for your business, there's every chance that you'll be able to transfer your balance to a more competitive interest rate whilst increasing your credit limit in the process.

### **REFINANCING BUSINESS ASSETS**

If you own assets such as plant machinery, agricultural equipment, tools, vehicles or even IT equipment, you can use their value to your advantage by refinancing them with an industry-specific lender.

Rather than having to raise business capital through the permanent sale of your equipment, you can sign over ownership of these assets to a finance partner who will then lease it back to you under an [asset finance](#) style agreement. This will give you the capital you need as well as allowing you to retain complete control of your equipment, tools and machinery.

Depending on the assets that you choose to refinance, this could include a hire purchase, contract hire, finance lease or operating lease agreement.

It's a fantastic solution for businesses in need of quick capital as you won't need to spend time replacing sold equipment, retraining staff, or embarking on a lengthy and often fruitless process of applying for a business bank loan.

## **REFINANCING COMMERCIAL PROPERTY**

If you already have debt secured against your commercial property then consider releasing capital from any remaining equity by refinancing to another mortgage lender.