

## **Loan from Lannock**

The interest rate on the loan from Lannock has now increased to 10.8% from Friday 9<sup>th</sup> December 2022 and the outstanding loan balance is \$64.8m.

From the special levies paid by owners we have been able to pay down approximately \$10m of the loan. We have parked the majority of the proceeds from the sale of the vacant block against the loan to reduce the interest we are all paying.

Should you wish to understand what the balance of your outstanding special levy is, please contact Milly Cavaleri via email on [millysp1731@gmail.com](mailto:millysp1731@gmail.com) including your apartment number in the email and Milly will provide you with the details.

## **Interest payments on your special levy**

We note at the AGM, a motion was passed in relation to the owners commencing contributing to the interest payments on their own special levies outstanding from 1 February 2023.

We have not yet established a robust process on the Strata Logic systems to issue the interest payment notice and on this basis we won't be issuing individual payment notices.

As discussed at the AGM, we do not have sufficient funds to continue to pay the interest owing by individual owners special levies. I have calculated below, based on the current interest rate of 10.8%, an estimate of interest that will accrue for owners who have not paid their special levies for the months on February, March and April 2023. This is only an estimate as Lannock has the right at any point in time to change the interest rate.

	Days	28	31	30			Days	28	31	30
Special levy #1	Interest rate <sup>1</sup>	10.80%	10.80%	10.80%		Special levy #2	Interest rate <sup>1</sup>	10.80%	10.80%	10.80%
Unit Entitlement	Special levy O/S	Feb 2023 estimated interest accrual	Mar 2023 estimated interest accrual	Apr 2023 estimated interest accrual		Unit Entitlement	Special levy O/S	Feb 2023 estimated interest accrual	Mar 2023 estimated interest accrual	Apr 2023 estimated interest accrual
9	\$206,896.55	\$ 1,714.12	\$ 1,897.78	\$ 1,836.56		9	\$ 62,283.74	\$ 516.02	\$ 571.30	\$ 552.87
10	\$229,885.06	\$ 1,904.58	\$ 2,108.64	\$ 2,040.62		10	\$ 69,204.15	\$ 573.35	\$ 634.78	\$ 614.31
12	\$275,862.07	\$ 2,285.50	\$ 2,530.37	\$ 2,448.75		12	\$ 83,044.98	\$ 688.02	\$ 761.74	\$ 737.17
15	\$344,827.59	\$ 2,856.87	\$ 3,162.97	\$ 3,060.94		15	\$103,806.23	\$ 860.03	\$ 952.17	\$ 921.46
19	\$436,781.61	\$ 3,618.71	\$ 4,006.42	\$ 3,877.18		19	\$131,487.89	\$1,089.37	\$1,206.09	\$1,167.18

<sup>1</sup> As you are aware the interest rate we pay to Lannock is variable and can change at any time. 10.8% is the interest rate effective from 9-Dec-22

If you have paid down part of your special levy and want to understand the interest that will accrue from 1<sup>st</sup> February on your special levy please contact Milly Cavaleri via email on [millysp1731@gmail.com](mailto:millysp1731@gmail.com) and she will assist you.

We strongly encourage owners, as a minimum to start paying the interest component on your own special levy so your special levy outstanding doesn't continue to grow.

We strongly encourage all owners to seek financial advice around the payment of their outstanding special levies as the interest rate we are being charged at 10.8% is **significantly higher** than the interest rate you would be charged if took the loan out in your own name.

We have included again the details of the brokers you had the opportunity to meet virtually on Wednesday 2<sup>nd</sup> November as well as another broker referred by one of the owners. You are under no obligation to use any of these brokers but they are just here as contacts in case you want to speak to someone.

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