

THE WORD

With lenders changing their policies and adjusting interest rates, we wanted to know if brokers had seen a change in business coming through their doors. This month we ask...



What kinds of business are you typically seeing at the moment?

First home buyers for the first time

Three or four years ago, the median house price [in Roxby Downs] was around \$400,000. Now we are looking at it being around \$250,000. So, there has been a huge drop and we are making our way back. But it is a very different market.

Four years ago, it was a heavily investor market, with rents being extremely high. It attracted a lot of investors wanting to jump in and jump on the mining boom, as it were. Now that the crash has been [and gone] and we are in recovery mode, I'd say a good 80 to 85 per cent of the houses being sold in town are being sold to owner-occupiers, and a lot of these are second-generation Roxby. These are kids that were born when I first moved here [in the late '80s] and are now adults, starting their own families and wanting to call Roxby home. So, it's a big shift to owner-occupiers wanting to actually make this home for the next five to 10 years and raise their families here.



Joanne Dillon
Smartline Roxby Downs

First home buyers and SMEs

It's a big mixture of clients. Yes, there's first-time buyers, [but] we're also finding that the Gold Coast has a fair few self-employed people, and it's [about] trying to understand financials and trying to understand how they work. You'll find a lot of brokers don't take the time to understand how the accountants work the financials, and realistically what the accountants are trying to do in understanding the balance sheet and understanding all those parts of a self-employed person's business. We do get a fair few self-employed people. We also get referrals in Sydney.

For example, I have a customer from LinkedIn that came to me. They hadn't dealt with me for 12 years, and had been to a couple of brokers in Sydney buying in Balmain, and she was getting nowhere. It made no sense at all. So, we met at the airport at Kingsford Smith, and we helped her.



James Hasselle
Mortgage Choice Miami and Burleigh

A bit of everything

We do a lot of your standard residential home lending, so a lot of unoccupied, a lot of investment, etc. But we do have the other services, too – car loans, any equipment for business. So, if you've got trucks, trailers, depending on what field you're working in, there's things like debtor finance. There's trade finance, if you've got clients that are bringing things in from overseas and they need to get it across.

There's lots of different finance that we can offer. The business is very diversified in that aspect. We have two other brokers in the business that do both residential and the commercial and equipment finance piece.

So, part of our strategy moving forward will be to have someone specialised that just looks after that, because when you're writing a lot of things in one space, it's hard. The equipment and car [loans] are very quick transactions. You need to get them through quickly because they need to be financed within a couple of days generally.



Josh Egan
Astute Melbourne City South

Writing more business despite tighter criteria

Anything that requires borrowing money. Whether it's for buying a business, equipment finance, car finance, rent roll finance for real estate agents... [but] there has been a lot of changes [from lenders], and I think, compared to two years ago, especially in the residential space, borrowing capacities are probably (depending on the person) 20 to 30 per cent lower than it was a few years ago, especially for investors.

The biggest impact on our business is that it's made us busier. It does take more time and effort to get a loan approved now than in past years. But I thought we were going to slow up and do less business as a result, because it slowed the property market a little bit [and] people's borrowing capacities are less, so they're borrowing less. But it's actually had the opposite effect, where we're writing more business... Although it's harder to get money, I think it's made any decent broker, that's experienced, more relevant.



Daniel O'Brien
PFS Financial Services