

# INDUSTRY SPOTLIGHT

## A BIG DEAL

With the Australian Mortgage Awards around the corner, there's no better time to hear from some of this year's finalists. *Australian Broker* asked six top Broker of the Year nominees to reveal their most memorable deals, and what they had to do to get them across the line

### DAVID KIMMORLEY - BALMAIN COMMERCIAL CANBERRA



Finalist: Broker of the Year - Commercial

#### The scenario

A client wanted to buy a multimillion-dollar luxury interstate property at extremely short notice – there was only one week to do due diligence, exchange, value, document and book settlement, plus arrange funds transfers and settle.

The client was getting it at a significant discount (\$1m plus) as the vendor had had multiple loan issues, and a friend had agreed to buy it at a good price but couldn't arrange funding.

#### The solution

To make this deal work, I had to agree with the client on some collateral security to get the LVR to an acceptable level, and then negotiate with the lender. As it was under a tight timeframe, there were limited lenders available who could arrange approval, valuations, documents and settlement.

A solid credit paper was prepared so that there would be few questions on financials to speed up the process. Thankfully, the lender agreed to fly to Canberra to meet the buyer prior to valuations being received, which saved a valuable day.

There were multiple outgoing mortgagees and caveats to be addressed and the client deduced that there may be another buyer in the wings. Therefore late settlement was not an option.

I arranged a consultant to fly to Sydney with critical documents on the day of settlement, rather than trust a same-day courier, just to be safe. The deal settled on the same day and the client was very happy.

Since then, I've assisted the same client with more of their business, so getting this tough deal over the line enabled me to secure a long-term, loyal client.

In commercial broking it is important to consider the overall transaction when designing a competitive, deliverable package. A 'cheap' deal is no good if your client loses their deposit. Having a knowledge base and good reference points to consult broadens your ability to deliver good-value solutions.

### DANIEL O'BRIEN - PFS FINANCIAL SERVICES



Finalist: Broker of the Year - Commercial

#### The scenario

The most challenging loan I've written this year was a \$4.75m land subdivision loan. The client is a builder and this year alone I have settled \$9.2m (23 loans) for him – he has complex financials spread across over a dozen companies and so definitely keeps me on my toes.

For this particular land subdivision loan it was particularly challenging given that commercial development finance isn't easy to secure, and even more so after the APRA changes that came into effect last year. It took a lot to get over the line."

#### The solution

One advantage my client had, though, which gave the bank additional comfort, was selling the blocks off with a build attached to them. So not only did my client have 100% debt cover (covered by presales), and good profit on the overall land project (25%); he then made a further 20-25% profit via the builds.

Normally the banks want to see a minimum of around 20% profit for a deal of this nature. Being that my client showed 50%-plus profit, it understandably made the deal much more palatable for the lender, especially considering we were borrowing \$4.75m at 80% of the land value and hard costs.

The process of securing this client was a long one – I met him when I was a client of his two years earlier, and after he referred me several clients. Off the feedback of these clients he was then comfortable switching brokers, and consequently to date we have settled \$21.3m (56 loans) for this one client, covering almost every type of finance imaginable: residential loans, car loans, boat loans, equipment finance, commercial loans, commercial development finance (for land subdivisions and multidwelling housing).

I think this story highlights the beauty of the industry, and also the importance of patience and perseverance.

### ANDREW MIRIAMS - INTUITIVE FINANCE



Finalist: Broker of the Year - Independent

#### The scenario

The standout deal that comes to mind was completed over the past 12 months. The client is an experienced and astute investor that wanted to buy an apartment block of 12 units in Sydney on the one title.

Although this is not uncommon, only really high net worth individuals can complete these kinds of deals, and what made it unique was that our client found the property only the weekend before it went to auction. This meant we only had five days to coordinate the deal and make it happen.

#### The solution

On the following Monday I flew to Sydney to meet with the client and establish the deal. There I completed the application and notes and then that afternoon presented them to a bank for consideration.

Two days later I again flew to Sydney to workshop the deal with the lender and ensure that we had approval in principle before the client went to auction, and to get further information from the client. Not only was the approval granted on Friday; the client successfully purchased the apartment block the following day for \$5.6m and we settled it 42 days later.

I think this was the most outstanding result I've had over the past year, and one we are very proud to have made happen. We were able to go above and beyond to work through this deal, with the multiple trips to Sydney, speaking with the decision-makers, negotiating on what was acceptable and then agreeing to approval terms to ensure the outcome.

This client has subsequently referred me three new clients, which validates the success of the story and the fact that we got this deal done because we went the extra mile.