

## EXECUTIVE COUNSEL



Meg Bonighton

ANZ head of broker distribution, Meg Bonighton, shares with *Australian Broker* the approach to business that propelled her to the top – and where she is going from here.

### Name a business leader you admire. Why?

Anita Roddick, founder of The Body Shop, who led from a view of both profit and principle.

### What main goal/s got you to where you are?

My main goal has always been to seek opportunities that challenge me and that I'm passionate about. The combination of the two usually gets you well on your way to success.

### Is success due to talent, hard work, or luck?

Probably sounds cliché, but success always involves all three. Luck may place you in the right place at the right time, but the other two will ensure your success when you are there.

### What character trait has helped you the most in business?

Actually there are probably two – resilience and a sense of humour. One of the key things I've learnt is that things won't always go your way, but as long as you 'don't sweat the small stuff' and you persevere on matters of substance, things will fall into place.

### What is the key to great business relationships?

Mutual understanding – about what creates value in each business, as well as what the risks and challenges are. Once you have understanding as a foundation, you can work together better on that next crucial stage – mutual benefit.

### What's the first thing to look at when growing a business?

You can't be all things to all people. Pick your market and make sure your finger is on the pulse.

### What's the best piece of advice you've ever received?

Pick your battles, save your energy for the things you can change and are worth changing.

### What trend are you currently watching?

Over and above the commercial trends in our industry... olive boots with all black outfits. Get on board...

### What is your next big ambition?

Considering the imminent addition to my family, my lofty ambition is to create a happy healthy family, and to get an occasional good nights' sleep!



# Investing in the new investors

**With first homebuyers now struggling to get a foothold in the market, investors are stepping in to take their place. How can brokers tap this lucrative market?**  
*Ben Abbott investigates*

**T**he Australian Bureau of Statistics released housing finance figures in June showing investors are the market's new driving force, taking the place of beleaguered first homebuyers.

Increased activity by investors was the impetus for a 2.6% growth in seasonally-adjusted finance commitments in May this year, while first-time buyers – who once boasted a 28% slice of the market – accounted for just 16% of all new commitments.

The statistics only confirm what brokers already know. The paring back of incentives for first homebuyers mean the first-time market segment is back to more normal levels. The question, then, is should brokers realign their businesses to take advantage of investor activity?

Smartline mortgage advisor Kevin Lee says investors are a key to his success. Fifty per cent of his clients are investors, and over half of these own multiple properties. "First homebuyers and the homebuyer segment is obviously extremely important, but I think the icing on the cake is really the investment market," Lee says. In a market downturn, Lee argues an investor clientele will galvanise a business, as they see "opportunities, not problems".

So how can brokers look to tap into this growing portion of the market?

## Understanding investors

Investors take a different approach to procuring finance than the typical homebuyer – and particularly first-time buyer – according to Lee.

"A smart investor client is not looking at it from an emotional point of view," Lee says. "With most homebuyers, first and foremost their emotions and heart are going into the purchase, whereas investors primarily see it as a means to an end – part of the wealth creation process – and buy investment property with a calculator, pen, pad and their brain."

As a result, investors can be "quite broker friendly", according to FrontRunner Consulting Group's Doug Mathlin. "They have borrowed money plenty of times before," he says.

The most broker-savvy investors aren't likely to be Baby Boomers, who primarily prefer to deal directly with banks. Instead, Mathlin says the likes of older Gen Ys have been a witness to the growth of Aussie Home Loans



Doug Mathlin

“ Investors want proof that you'll look after them – then they'll be loyal to you ”

and Mortgage Choice, and are more used to brokers.

However, while more comfortable using the third party channel, investors also make for a much more sophisticated client – and are more demanding when it comes to advice.

“They are harder to win over in the first place,” Mathlin explains. “They want to know who you are, how much experience you have with investors, and proof that you’ll look after them – then they’ll be as loyal as the day is long.” This involves some measure of patience and often repeated meetings, as Mathlin says these relationships take more time to build.

Lee is able to meet higher client demands by “walking the walk”. A property investor himself, Lee says investors want to be able to talk about investment strategies, and benefit from knowledge the broker has picked up from personal experience. “I do a lot of research and reading for myself, and that helps so many of our clients,” he says.

Brokers may also have to counter negative perceptions held by some investors about brokers. “As some brokers have provided a negative service proposition to investors in the past, these investors have had a poor experience – so they’ll ask more questions,” Mathlin says.

### The power of referral

The most effective way to source business from investors, experts agree, is through referrals.

Based in Pennant Hills in Sydney, Lee’s business is built on word-of-mouth recommendation. The result is an eclectic business that services clients in every state of Australia, and 14 other countries. In fact, Lee handled a recent purchase in Melbourne out of his Sydney office, for a client that is based in Chennai, India. “Thankfully, I’ve learned that if you build rapport and trust with people they will deliver. I don’t advertise at all,” he says.

Mathlin says an obvious way to generate a referral base is to partner with real estate agents and other professionals to produce property investment seminars, as “birds of a feather flock together”. A good credibility-builder, the seminars are a magnet for investors, who generally revel in networking and gaining new insights into the property market. However, Mathlin says brokers are better off doing investment seminars with the likes of accountants and real estate agents, rather than by themselves, so that they can field technical questions. “If you are going to have a seminar and educate people, you need the right people presenting,” he says.

Advertising in investment magazines is another path likely to generate business. While “not cheap”, Mathlin argues the investment in this form of marketing will help with credibility and branding.

Brokers also need to let their clients know about their specialty. “If you want to be an investment expert, you’ve got to communicate that – there’s no point just sending birthday cards out,” Mathlin says. By leveraging CRM software and tailoring communications to investment clients, it is likely that insights from a broker can find themselves the topic of discussion at the next barbeque – destined to result in new lead generation.

First homebuyers should not be forgotten though – they may be the next investors.

### Finding a focus

Investor clients are looking for brokers who are committed to their market segment, rather than those professionals simply looking to pick the new “low-hanging fruit” to make a quick killing. “There are too many pretenders out there just interested in selling something – they don’t do the homework and haven’t done the research,” Lee says.

If brokers are genuinely interested in becoming investment property finance specialists they should say so in a consistent message sent to their client base, Mathlin says, rather than just chasing the latest trends in finance commitments from one month to the next.

### ► What does a property investor look like?

#### Age group?

36–45 .....	34%
26–35 .....	32%
46–55 .....	19%
18–25 .....	9%
55+ .....	6%

#### Is property investing...

Your retirement plan .....	36%
Your hobby with plan to become main occupation .....	31%
Your hobby .....	14%
I’m a first-time buyer .....	14%
Your main occupation .....	5%

#### Gender?



Source: Your Investment Property Reader Survey

## MY WAY



Business success has never been easy, but as Aussie Home Loans mortgage broker Mike Buchecker tells *Australian Broker*, writing down your goals can help you get there.

Mike Buchecker

#### What is your greatest business achievement?

Settling over 1,000 loans in my first five years as a broker. I reached that goal with two weeks to spare.

#### What’s the key to getting business through the door?

Work hard, treat customers well, ask for the business and ask for referrals.

#### What goal/s got you to where you are?

Having yearly, monthly and weekly goals written down for both personal and business life. Planning three holidays a year well in advance and having the brochures on your desk helps to keep you going. If goals are in writing or can be viewed you will achieve them; if not you are just dreaming.

#### Who has helped you the most, and how?

My secretary Claire. For eight years she has been “the glue” that keeps the whole thing together, especially when I have lost the plot.

#### What character trait do you most value in yourself?

A sense of humour is essential. When all else fails have a laugh and move on.

#### How do you stand out from the crowd/competition?

Having a customer for life mentality. Selling yourself on service and not on price ensures customers last longer. If you are selling purely on price the first chance a customer gets to jump ship they will.

#### What do you tell yourself when the going gets tough?

“Tough times never last, only tough people do”. It does not matter what happens to you, it is how you deal with it that matters. Trying not to listen to the negative media on TV and radio, and limit myself to reading the comics and sporting pages in the newspapers.

#### What is one thing you want to improve in your business?

On-line communications. Our teenage kids leave me scratching my head whilst I struggle with the remote.

#### What piece of advice would you give to an ambitious broker?

Write your goals down, surround yourself with good people and read the policy manuals of the main lenders and mortgage insurers. If you suffer from insomnia this is also ideal reading material for you.

#### What’s your next greatest ambition?

A round-the-world holiday involving some great sporting events; outstanding scenery is optional.