

Those on the MPA Top Commercial Brokers list are providing finance for the businesses that build our economy

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**T**he predictions out there for commercial finance look pretty dour. Recent figures from the Australian Bureau of Statistics showed commercial lending plunging more than 12% in a month, while a study by BIS Shrapnel forecast weak growth in commercial finance as a result of tough times faced by retailers. While some industry pundits have predicted commercial lending is due for a resurgence, the stats have yet to bear out any kind of major recovery for the sector.

But no one told Australia's commercial brokers that the sector was doomed. The entries for this year's MPA Top Commercial Brokers' list paint a very different picture for commercial lending and broking. Brokers have continued to see strong volumes, with many hitting record settlements over the past year.

We received a variety of worthy entries for this year's list, and have highlighted Australia's Top Commercial Brokers. Many have appeared on the list before, but saw an incredible spike in their business over the past year. Impressively, six of the top 10 are first time entrants to the list, and two entered commercial broking only a year ago.

Read on to see how MPA's Top Commercial Brokers achieved their success, and how they intend to keep building the businesses that build Australia.

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**Daryl Currie**  
**10**  
**Company:** Commercial One Pty Ltd  
**Total Value of Settlements:** \$17,318,846  
**Number of Commercial Loans Settled:** 19  
**Years as a Commercial Broker:** 4

**Congratulations on being named one of MPA's Top Commercial Brokers. What kind of changes have you made to your business over the past year, which have led to your success?**

What we've really been concentrating on is more focus on non-conforming lenders. The banks are very tight and choosy, and they cherry pick the deals they want. There's still a need out there, so we've spent a fair bit more time investing in the private funding market. That made a difference to our business last year and it's made an enormous difference this year.

**What advice would you give to residential brokers looking to expand into the commercial market?**

If brokers put it out there that they'll do commercial, when they come across a straightforward, small commercial deal, they won't have much trouble handling it. The problem is when you say you do commercial funding, you're likely to attract all sorts. You can get into some really complex areas and you need to be able to cater for it. A busy residential broker really needs to align with someone to handle more complex deals.



**Simon Chesson**  
**9**  
**Company:** Austasia Finance Brokers  
**Total Value of Settlements:** \$18,341,166  
**Number of Commercial Loans Settled:** 73  
**Years as a Commercial Broker:** 18

**You've had a strong showing on MPA's Top Commercial Brokers list. To what do you attribute your success?**


Client focus and looking after the client's overall finance requirements.

**There's been some talk that commercial lending may be the next area of credit advice to fall under the NCCP microscope. How do you think commercial broking would be impacted if commercial lending fell under NCCP guidelines?**

As I am a financial planner, CPA, tax agent and finance broker for residential and commercial, we are not concerned with regulation if that is the way the industry goes. We do not see why it should be regulated, as the regulations and compliance are more designed to protect people from themselves. However, if more regulation is brought in, then we will comply, and will look at it as an opportunity to explain what we do for clients, and the benefits of using a broker rather than going direct.

**What disadvantages does commercial broking have over residential broking?**

It's more transactionally focused, so the deals are bigger and lumpier, but not as frequent.



**Scott Woodhouse**  
**8**  
**Company:** Woodhouse Consulting (Trading as Healthy Lending)  
**Total Value of Settlements:** \$25,000,000  
**Number of Commercial Loans Settled:** 15  
**Years as a Commercial Broker:** 8

**To what do you attribute your success?**

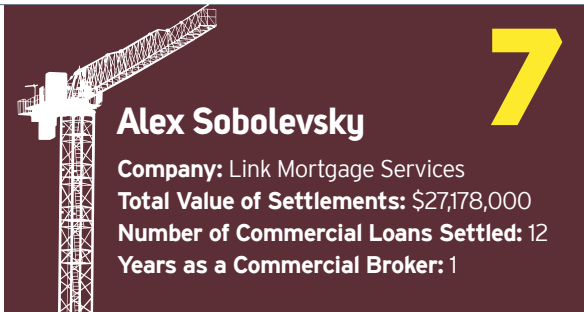
A lot of hard work and persistence. Spending a lot of time with each client and also referral sources.

**What area of commercial lending do you tend to focus on, and why?**

I specialise in pharmacy lending, which I have been doing for the past 15 years. It's a great segment to be involved in. I see a lot of passionate professionals who are making a difference to their local communities.

**What advantages does commercial broking have over residential broking?**

For me, it's a lot more rewarding as I see the business and client grow over time. I have to think a lot further outside the square to make the deals fit into the banks' requirements.



**Alex Sobolevsky**

**Company:** Link Mortgage Services  
**Total Value of Settlements:** \$27,178,000  
**Number of Commercial Loans Settled:** 12  
**Years as a Commercial Broker:** 1



**In your first year as a commercial broker, you've already managed to crack the MPA Top Commercial Brokers list. What's been the key to your success?**

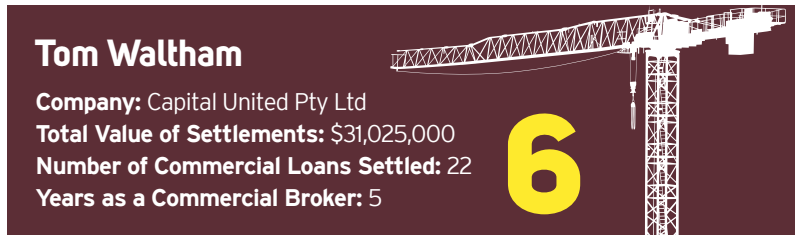
Our success has been a result of building strong relationships with our referral partners and clients. We believe that our value proposition is to have deep understanding of the clients' financial requirements and work collaboratively to achieve a common goal.

**What prompted you to launch into commercial broking?**

I was a banker for 10 years, and a friend of mine kept saying, 'You've got to get into this. You'd do really well.'

**What advice would you give residential brokers looking to diversify into commercial finance?**

I strongly encourage mortgage brokers to diversify into commercial lending on the provision that they either already understand commercial lending, or obtain education to add value to the industry. Commercial lending has a lot of variables that impact the outcome.



**Tom Waltham**

**Company:** Capital United Pty Ltd  
**Total Value of Settlements:** \$31,025,000  
**Number of Commercial Loans Settled:** 22  
**Years as a Commercial Broker:** 5



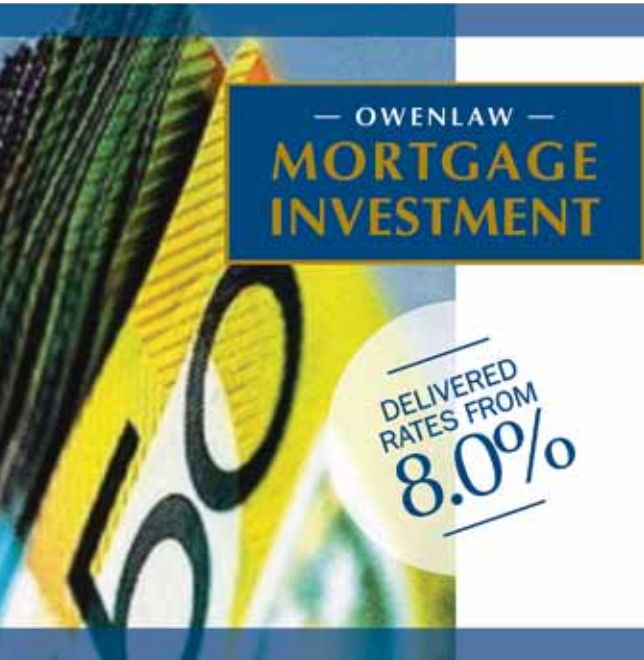
**What kinds of challenges has your business faced over the past year?**

The three main challenges have been:

- Time: over the past year I have found that the time it takes from client engagement to actual settlement for certain transactions has increased significantly.
- Valuations: clients' expectations on values versus actual values can be the difference between getting an approval or not. For certain transactions, I have found it increasingly important to obtain valuations upfront.
- Client expectations: prior to being engaged by a client, I often find that one of the challenges is communicating/explaining the difference between their expectations of credit appetite and the actual appetite of credit. This can take some time, but once understood it is easier to find the right solution for the client and move forward in a productive and positive manner.

**Have you made any changes in your business over the past year?**

I have focused more on targeted messages to my referrer networks over the past year.



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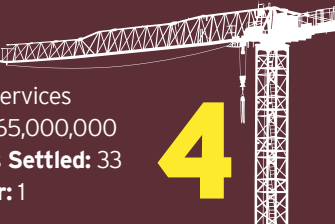
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**Daniel Zadnik** **5**

**Company:** Hawthorn Finance Pty Ltd  
**Total Value of Settlements:** \$57,300,000  
**Number of Commercial Loans Settled:** 36  
**Years as a Commercial Broker:** 4



**Mark Churchill** **4**

**Company:** Churchill Financial Services  
**Total Value of Settlements:** \$65,000,000  
**Number of Commercial Loans Settled:** 33  
**Years as a Commercial Broker:** 1



**You've had a strong showing on MPA's Top Commercial Brokers list. To what do you attribute your success?**

I think the simple thing is that we work hard on behalf of our clients to get them a commercial outcome, and that in turn leads to repeat business and

ongoing word-of-mouth referrals. On the flipside, our lending partners have also been very supportive and work hard when provided the opportunity to work with us to try and achieve that outcome.

**Have you made any changes in your business over the past year?**

I think one thing not reflected in the settlement numbers is that we've actually done quite a lot of consulting work over the past financial year. We work with the existing lender to get a more favourable outcome, and we've worked with some fairly significant companies in that regard.

**Is this kind of consulting a growth area in the commercial lending industry?**

We have done it in the past, but it's more a reflection of lenders working a lot harder to retain clients. There were periods like the GFC where banks didn't work as hard to retain clients. Now we're in a highly competitive market and banks are working a lot harder with the customer and broker for a better outcome.



**You've had a strong showing on MPA's Top Commercial Brokers list. To what do you attribute your success?**

We focus fairly specifically on one industry, which makes it easy to work to our strengths. Both my business partner and I have very specific banking backgrounds in healthcare, and

[are] even more specialised in pharmacy lending.

**What advice would you give residential brokers looking to diversify into commercial finance?**

I think if you are looking to diversify you need to really have some strong contacts with the bank in the commercial area, understand the bank's policy and if you don't feel confident about the transaction, walk away.

**What do you think the coming year holds for commercial finance?**

I know this is a growth area and, the harder the times, the more commercial brokers will be in demand. Coming straight out of the banks and knowing what demands are put on bankers for sales results and compliance, it's getting harder for them to keep up with the demand in the market. Professional commercial brokers who can structure transactions and guide clients are going to be sorted out. The experience in the banks is dwindling. During the GFC all of the majors stopped putting on graduation students. This will have a flow on effect in the market.

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## Daniel Green

**Company:** Green Finance Group  
**Total Value of Settlements:** \$70,200,284  
**Number of Commercial Loans Settled:** 93  
**Years as a Commercial Broker:** 2

3



**You've come out of the gates strongly after only two years as a commercial broker. What's been the key to your success so far?**

Definitely my networks and referral sources. I have got strong contacts with accountants, agents, valuers and insurers. The majority of my business comes from referrals.

**What's your advice to residential brokers who may be looking to diversify into commercial lending?**

Pick a specialty. That's the secret with anything. If you can pick a specialised area, you're not competing with as many brokers in that space. If you understand that industry and focus on your contacts in that industry, you've got a better chance than a broad commercial lender.

## Scott Smith

**Company:** Cairns Finance  
**Total Value of Settlements:** \$78,756,270  
**Number of Commercial Loans Settled:** 44  
**Years as a Commercial Broker:** 6

2



**You've hit the MPA Top Commercial Brokers list for the second year in a row. To what do you attribute your continued success?**

Hard work, long hours and strategic planning to ensure efficiencies in business operation are achieved as volumes increase.

**Your ranking improved by two places from last year. What factors led to the improvement?**

It's important to work on your business plan as well as on the setting of new financial arrangements for your clients. The strategy surrounding my business plan has probably led to this improvement.

**Have you made any changes in your business over the past year?**

In particular, I've changed my CRM platform and other technology-lead changes in the past six months and I believe I am benefiting from this.

**What advice would you give residential brokers looking to diversify into commercial finance?**

Align yourself with a quality commercial broker and share the dealing. It is very easy to incorrectly structure a commercial transaction as there are less formalities and a great deal more latitude, this can be a trap for those that are inexperienced as there are fewer guidelines to direct you.

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**1**

**Ranjit Thambyrajah**

**Company:** Acuity Funding  
**Total Value of Settlements:** \$289,260,000  
**Number of Commercial Loans Settled:** 18  
**Years as a Commercial Broker:**  
More than 28 years



**Not only did you top the list, you substantially improved on your 2010/11 settlements. What factors led to the improvement?**

Three factors can be cited as reasons for the increase:

- The largest singular development this year was increased funding sources, which improved our ability to provide solutions for our clients.
- Our increased volumes are also due to more brokers referring their commercial clients to [us].
- Relaxation of lending policies.

**Have you made any changes in your business over the past year?**

We have moved out of the mortgage managed/home loan market and are now focusing on commercial financing. We remain licensed under the NCCP regulations and are always ready to assess home loans, however our primary focus is finding the right funding solutions for our commercial clients.

**What area of commercial lending do you tend to focus on, and why?**

Our current clients consist of service stations, small to large developers ranging from \$1,000,000 developments to \$80,000,000, commercial properties, retirement villages, balance sheet lending and pubs. In certain circumstances, Acuity has been able to assist overcome

some of the pre-sale requirements that hamper many development funding proposals.

Acuity Funding specialises in sourcing funding options for clients who others have been unable to assist due to the complexities of their financing needs. Acuity has been able to organise a cocktail of funding to overcome some complex situations.

Acuity Funding has also been successful in obtaining bank approvals for clients that have been placed under receivership by other banks. This has enabled businesses with a promising future to continue to trade out of temporary short term problems.

**What advice would you give residential brokers looking to diversify into commercial finance?**

It is a must for residential brokers to start becoming better equipped in handling commercial inquiries. The only way for a broker to do so in the commercial arena is to partner with an experienced commercial specialist. Look for a mentor within the commercial finance sector. Seek to enter into a partnership or arrangement whereby you can learn the ropes/learn the workings of commercial finance thoroughly before going out alone. Brokers who refer work to a bank directly for a spotter's fee are generally not delivering a good service to their clients as they are limiting the chance of success to the policy of that one lender.

**What do you think the coming year holds for commercial finance?**

Continuing uncertainty in Europe will continue to spook governments and business worldwide. I have seen the commercial property market more than halve in value since the GFC. It is hard to determine when demand for commercial properties will start to improve as we are still experiencing record vacancies in commercial properties. That said, there are definitely opportunities out there to be had – look around your local area and see what is happening and look into any opportunities that may present themselves. Keep your eyes and ears open for opportunities and investigate any openings. Continue to network with others in the industry – it can be surprising where the next referral comes from. **MPA**