

Speaker 1: Welcome to Elite Broker with your host Alex Whitlock.

Alex: Welcome to Elite Broker. My name's Alex Whitlock. I'm your host. Joining me today is my colleague James Mitchell. He's the editor-at-large on The Adviser and Mortgage Business. Today, I'd like you to welcome back a young, very successful broker from Brisbane. His name is George Samios and he heads up Madd Loans. We've got George joining us on the line in just a couple of minutes. We talked to him a few weeks ago about how he establishes businesses and some of the things that he is doing at the moment. I'd now like to have a look and see, perhaps, what George has got lined up for the future.

Okay, quick snapshot again, you're doing circa one hundred fifty mil in residential, you're doing circa forty, fifty mil in commercial, I'd like to now look towards the future.

George: By the start of next year I want to open a second location in Brisbane, so I want to go on the north side, so I'm currently looking for for an office in the areas of Nundah, Asply and those sort of areas because we're on the south side and I believe there's a different market completely on the north side, probably like Sydney where the north and south is very separate, so I want to market that area, sponsor local communities and stuff like that. I want to start doing more cool stuff around that area so we get well-known.

Alex: George, that sounds like a good plan. In terms of who would run that, would you look to recruit a broker, would you take somebody out of your existing team and put them in there? At the moment you're doing the brokering yourself. How's that going to work logistically?

George: I'm training my current staff now with the intention of making them mortgage brokers. In the past I had brokers working for me. Unfortunately that didn't work out. I believe now with the new angle, I've grabbed people from the bank. I'm training them my way, which is the correct way of doing it, which is absolute customer satisfaction. Then we've got our own core values which I believe in completely and I'm making them, mold them to how I see my staff to be. Almost like, if a client comes to myself or one of my staff they're going to be exactly the same experience because they've been taught my way. I expect to leave my staff there. Then I'm going to, what I'm going to do I've got two separate offices. Does that make sense? Long story short, I'm currently going to knock down my office because we're building a bit of a development here.

Alex: Okay.

George: While the development is being built, I'm going to move my office. Once my development is finished I'll come back and bring in my old office again and I'm actually going to leave the one in Nundah, so it's like an organic growth if that makes sense.

Alex: Yeah, no absolutely.

James: Sure. I just wanted to ask a quick question George, before we let you go about your staff and that transition of taking people from the bank, putting them into a growing mortgage brokerage such as yours. Is there any resistance in terms of leaving a safe harbor, working at a big bank and joining a

smaller company, or are they pretty enthusiastic about working with you and the potential to become a broker? What's the dynamic there?

George: Both my staff had long-term jobs in major banks in Australia. One of them was with a major bank for sixteen years and it was a pretty tough call for her to make to move to my small business, but she reckons she's learned more in eight months than she learned in sixteen years from a major bank. The other staff member worked six years for a major bank. Again, he's learned more in the last eight months than he's ever learned in six years. I believe I'm really value-adding. I'm putting a lot of my time and effort and knowledge into my staff and they appreciate it. Every month we have meetings. We want to see how they're going, what their action plans is for where they want to be in one, two and three years. They both want to be mortgage brokers which is fantastic. I'm not holding them back, but what while I want them to be a mortgage broker, I don't want them to be a one, two mil a month mortgage broker. I want them ten to fifteen mil a month mortgage broker. So when they're ready, then I'll make them mortgage brokers.

Alex: So George, just to give me - and not just myself but also our listeners who may be at a similar stage to you or looking how to grow their businesses moving forwards. It's a big step to start opening up operations, so what sort of planning and structure have you put into this? And also what sort of help are you getting externally, be that from your aggregator or from friends and mentors?

George: I do regular training for my processes and procedures. I have got mentors. For example, the owners of Connective have been fantastic with me as well, and have given me a lot of wisdom and expertise in where I want to be and how I'm going to get there. But I sort of have gone the approach of organic growth. I could definitely go and open up ten offices right now. However, I don't want to put myself under the pressure for no necessary reason. I'm very happy with the way things are going now.

I would like to open a second office, and it sort of worked timely well because we need to develop my building because I want to put some shops in and so on where I currently am. So we're doing that while that's being built, which is a six month build. I'm going to set up my second office in Nundah. I'm going to run from that one for six months, and at six months' time I'm going to leave my staff there as mortgage brokers, employ one more analyst - there will be two brokers and one analyst - and then I'll come back to Seven Hills, employ two more analysts, and do it all again. That's what my prediction is, and that's how I want to do it. Earlier on when I was a bit immature, I wanted to open up five, I wanted to get it out there as fast as possible, but I sort of want to do it slowly if that makes sense. Slowly, and see how the first one goes because this is new to me and once the first one is done then hopefully the second, third and fourth is easier.

Alex: Now George, I've just got a question for you. I've worked in publishing for mortgage brokers for about fifteen years now. I launched the first Australian mortgage broker magazine when I came to Australia from Hong Kong and I've run The Adviser since 2007. When I first started out in publishing, I reckon mortgage brokers had about twenty three percent of the market, and the brokers I used to speak to in 2001 really talked about winning business from the banks. We're now in a marketplace where you've got an excess of loans now. Fifty percent of them are written by brokers. Looking at how you're

going to grow your business, do you think you're going to take business off other brokers or do you think you're going to grow your business by still taking clients and customers from the banks?

George: I don't ever take clients from brokers. I believe in industry. I've now been in the industry for nearly five years in January, 2017. Every time a client comes to me, if they're literally pre-approved with a mortgage broker I will tell them to go back to their mortgage broker because I believe in ethics and I believe in the industry and I want us to support each other.

Alex: Very solid.

George: I don't mind taking business from the banks at all, because I believe in our industry completely and I believe that in the future that percentage will go from fifty to sixty, sixty to seventy, and seventy to eighty, because you'd be crazy not to go to a mortgage broker.

Alex: In the UK you're looking at in excess of seventy percent of loans in the UK written by brokers, so it's certainly possible and it's certainly happening right now.

George: [inaudible 00:07:05] My business just keeps growing and growing, and the reason is we actually really care about our clients. I review my clients one to two years maximum, and we make sure that their rates are still competitive and we go back to the bank and renegotiate on every single client I have which is nearly four hundred million dollars acquired. So, that's the difference. We have the ability to do that as mortgage brokers. You don't just write a loan and forget about them. You need to keep in contact with them and review them, and you will get twice as many referrals as you ever got because they love that. Tell me one bank that does that? What bank goes back and calls their clients and offers them better deals?

Alex: You make a good point for sure. Is there any sort of challenges on the horizon, or any fears you've got about the market becoming crowded with the number of brokers that are in there at the moment and competitive tensions? Is it getting harder to get the customers in or is it, as you say, happy days at the moment?

George: I haven't seen any of that at the moment. Again, a record month is upon me this month of September. I think the market is strong-

Alex: Things are going good out there, aren't they? You've got plenty of growth still left in the market out there?

George: I don't know what's happening in Sydney and Melbourne, there's a lot of units in the market which could potentially be some sort of oversupply, but I'm not too concerned about that.

Alex: The market's still tipping along here quite nicely, but it's really driven by low rates, low supply, but just look at the kind of growth figures for Sydney. Compared to Brisbane there's a lot of upside, you would say, in terms of [crosstalk 00:08:37] growth and so forth. I think you've got a switch of investors who had been putting their money into the bigger capital cities and now looking very much at the Brisbane market, so it feels like there's good growth there from my perspective.

George: Market's doing extremely well here. A lot of my referrers are real estate agents and accountants, and everyone seems to be reinvesting in property units. Again [crosstalk 00:09:00] because I think there's probably an oversupply even in Brisbane. God knows what Sydney and Melbourne is like, but in Brisbane there's a lot of units on the market and they're giving massive incentives to get them rented, like one month free. A free iPad I saw the other day just to rent a unit.

Not many of my clients thankfully are buying units, they're buying houses close to the city because that's the sort of clients we attract in our little tight area. Besides that, mortgage brokers - I think we've got good times ahead of us. Rates are all-time low, banks are doing great deals. I mean really I've got nothing to complain about. We should just make sure that we do the right thing, do your compliance, do your checks on your clients, make sure that everything is up to scratch. Do the right thing and you can't go wrong, really. I can't see any risk if you do the right thing by your clients, the right thing by the banks, and you write good business there's a good future in mortgage brokering.

Alex: Sound advice, George. We really are going to let you go. I've just got a couple more things to ask you. One very quick one - what do you do to ensure you get a good work-life balance at the moment whilst you're building a business?

George: I'm from a Greek background so I do Greek school once a week every Thursday night which is fantastic, gets my brain thinking about something else. I regularly spend time with my partner. We do [inaudible 00:10:18] and stuff like that. We go for walks and all that sort of stuff.

Alex: You get the occasional holiday, which is good.

George: I went on a holiday today. Make sure you go on holidays, regularly. Have to. I train regularly. I believe that you should wake up every morning early, go do a session, whether it's running, whether it's boxing, whether it's doing weights. Just because it's good to spend forty five minutes just getting your head clear. I don't think you can work a lot without training - for me I can't do it, but I don't know what everyone else is like. What else? I mean, you've got to have fun, mate .

Alex: Of course.

George: We're lucky in our industry. We don't have to be on the tools every day.

Alex: Yeah. It becomes a grind.

George: You can make it fun. I'm doing a trade show on Friday, Saturday, Sunday. I'll be giving out free balloons and lollipops, we'll have a little Polaroid machine there where people can take photos and hashtag #nowthatsmadd to get a free photo. Mix it up. If you're bored and it's becoming the same sort of thing every day, just go do something different. There's no correct way of doing your business. If you want to go do open houses on Saturday, if you want to go drive around and give out some free stuff to people - whatever you want to do, just imagine it and do it. Life's about doing it, not thinking about it, do you know what I mean? Whatever you think of, just get it done.

Alex: Get it done. George, can you give us just three pieces of advice to brokers that are entering the market as what they should make a fundamental to their business moving forward?

George: Three things a new mortgage broker should do. They should go meet other like-minded proactive people in relevant industries. They need to go make relationships with a proactive accountant who does the right thing for their clients, a proactive financial planner, a proactive lawyer.

Alex: So one is get solid referral partners that are of high-quality and are going to be good for their business.

George: Yes. And these people need to be long-term people. The accountant you refer your clients to needs to be a long-term accountant to your clients who is going to try and get your clients to the next level buying a different property. The financial planner will make sure that they're contributing enough [inaudible 00:12:24] so that they can retire properly. The lawyer can be there for wills, estate planning, conveyancing, whatever. You refer your clients to these people who you trust and they will refer their clients because they trust you as well. [inaudible 00:12:38] They will look after the clients. There's no financial benefits to referring anyone. Do not pay people for referrals. I think it looks unethical, it looks weird to your clients if you refer someone for a financial benefit. You're not going to resonate properly.

Alex: Okay, that's good George. Sound referral base. What would be advice number two for new to entry brokers?

George: Advice number two would be hustle, hustle, hustle. Work hard. Don't sleep in. Don't have lunch days. Make sure every day you're on the phone, you're calling your clients back, you're trying to find them the best deals. Go out and do trade shows, go to open houses on the weekends, make some relationships. Every day, be hustling. You can't sit there and do nothing and expect any sort of change. You need to work hard. There's no simple answer of being successful besides working really hard. In the first couple of years I worked triple as hard as I'm working now. Now I'm working smarter and getting results. Back then, I was working triple as hard as I'm working now. But I believe that those hours that I put in and all the hard work that I did is still paying off now.

Alex: Absolutely. So advice two, be busy, get out there, hustle, ask for business, do events. Be busy and be industrious. George, what's your final word? What's your final bit of advice to those that are starting out?

George: Be happy. If you don't like what you do, leave the industry. If you're not passionate about being a mortgage broker, if you're not passionate about helping people and you're negative about the whole industry, if you're negative about doing it all, go do something else. You cannot be successful unless you love what you do. I'm more happy when I'm in the boardroom when I'm helping people, explaining this is how home loan works, this is what this works, this is the people you need to speak with, and this is how we're going to get you a [inaudible 00:14:34] I do it because I love it. I don't do it because I'm getting paid to do it and people can see that, and that's why they trust me. That's why they love us, because we genuinely care about what we do and I believe in it completely. So that's my final piece of advice is if you don't have your heart in it, don't do it.

Alex: Good stuff, and I think that's sound advice for new brokers, for existing brokers, and pretty much for just about anyone looking to be at the top of any industry that they're in. I think that's all the questions that we had for you today, George. Thanks very much for being on Elite Broker, for being on the show.

George: My pleasure, brother. Anytime.

Alex: George, once again, it's been great talking to you. You're becoming quite a regular on the show here. I'd like to thank also James, always a pleasure doing this podcast with you, and to everyone listening it's great to connect with you. Keep listening, and don't forget to go and visit theadviser.com.au or mortgagebusiness.com.au. Thanks very much. Bye.