

MORTGAGE COMPANIES BLITZ FAST 100



Peter James

Good news for the growth of the mortgage industry came recently when six leading Australian mortgage companies were recognised in the 2005 *Business Review Weekly (BRW)* Fast 100 as being amongst the nation's fastest-growing small and medium-size businesses.

Making it to this year's coveted list was Bluestone Group, National Mortgage Brokers (NMB), Mortgage Ezy, realestate.com.au, Complete Financial Services Australia and Australian Financial Group (AFG).

Bluestone was the leader of the mortgage group pack. After securing first place in the list last year, Bluestone made it into ninth position in 2005, reporting a 2004/05 turnover of over \$56m and growth at an annual average of over 178%.

With a 2004/05 turnover of over \$6.25m and growth at an annual average of 140%, NMB came in at 15th position on the list. Based on previous year's *BRW* Fast 100 results, managing director Gerald Foley said it expected to make the list in 2005.

"It was difficult to gauge where we would end up, but to come in at number 15 was a very pleasing and surprising result," he said. He attributed NMB's success to building a strong business-operating platform, which in turn has created a strong foundation for building revenues.

Another place holder was Mortgage Ezy, which came in at number 53, with a 2004/05 turnover of over \$7.7m and growth by an annual average of over 81%. Executive director Peter James said there was some uncertainty as to Mortgage Ezy's ability to make the list as "the award did not favour us as much as a start-up".

"Mortgage Ezy has been trading for almost five years and much of our revenue and growth was unfortunately not considered under the rules of the *BRW* Fast 100. However, we were certainly hopeful and when we received the result we were thrilled to be recognised," he said.

James said each year Mortgage Ezy has doubled its business, which makes growth from a high base even more challenging.

Slowing market conditions have also caused problems for mortgage groups, with both James and Foley acknowledging the difficulty of setting records while the general market declined. Additionally, in order to stay ahead of the competition both Foley and James said it is important to focus on individual business practices rather than concentrating on other companies.

Foley added that continually improving the offering to mortgage brokers, by implementing practices such as new customer relationship management (CRM) systems and electronic lodgment, also helps a company stay ahead of the competition.

Meanwhile, a number of groups making the list have announced plans to list on the Australian Stock Exchange, including AFG which came in at number 97. AFG recently revealed plans to raise money by becoming a publicly listed company.

Expected to be valued at up to \$250m on listing, AFG's float is likely to raise \$40-\$60m and will give the company the ability to offer scrip as well as cash for any further acquisitions.

Mortgage Ezy also intends to list on the ASX in the medium term, which James noted would allow the company to pursue opportunities in this sector as they arise.

NMB has no plans to list at present, but Foley doesn't deny the possibility that it may happen in the future. "There's certainly no immediate or mid-term plans," he said. "The trick is to operate your business as though listed with all the controls and measures that entails."

The annual *BRW* Fast 100 ranks companies with up to 200 staff according to their average annual turnover over three years. **MPA**



2005
BRW. FAST 100
Award Winner