



REAL ESTATE AGENT TRIES ITS HAND AT LENDING TO HOME BUYERS

Hooker muscles in on loans

KATHERINE JIMENEZ

AUSTRALIA'S second-biggest real estate agency, LJ Hooker, will enter the \$860 million home loan market in what it is expected to be the first phase of a wider assault on the financial services sector.

LJ Hooker, in partnership with specialist mortgage and financial services distribution group Firstfolio, yesterday launched its LJ Hooker Classic Home Loan, a product it claims is in direct competition to loans offered by the major banks.

The Classic offers a standard variable rate of 6.65 per cent and will be accessible to all prospective home buyers.

"The launch of the LJ Hooker Classic Home Loan is a leading step in the real estate finance process and integral to our plan of being at the fore of new innovations in the market," said LJ Hooker executive chairman Janusz Hooker.

"Our long-term goal is to increase our market position, and we believe offering home buyers and property investors new prod-

ucts such as home loans at a competitive rate and with more features than the big banks offer will help us achieve that."

Other real estate agents are already in the home loan market; Century 21 offers loans in a joint venture with Macquarie Bank.

LJ Hooker's shift into the home lending market comes less than a year after Mr Hooker, the grandson of the founder, Leslie Hooker, bought the business back from Suncorp for \$67m.

It also represents a new chapter in the company's history, as Mr Hooker and his senior management team position it as a one-stop shop for property and related financial services products.

Eighty-two years after it was founded in the Sydney suburb of Maroubra, LJ Hooker is today an international business with more than 650 real estate franchises across Australia and New Zealand, and it has a growing platform in the Asia-Pacific region.

In the last financial year, the company sold more than \$17 billion worth of Australian real estate.

LJ Hooker general manager of financial services Peter Bromley said the company would introduce a fixed-rate mortgage offering within the next 12 months. It was also looking at commercial lending, he said.

The launch of the home loan product follows a two-month pilot program in which the company wrote more than \$30m in home loans.

"We're very confident about coming back into the market with our own branded product, which offers one of the most competitive rates available, low entry and exit fees, and one of the fastest turn-around times in the business," said Mr Hooker.

In addition, he said, there was no application fee, no valuation fee, no redraw fee and no ongoing annual fee, and that the business would be supported by 150 consultants across Australia.

A settlement fee applies only to loans of \$500,000 or less. However, until October 31, that settlement fee will be waived as a special introductory offer.



SEAN MIDDLETON

Janusz Hooker says the long-term goal is to increase market share by offering buyers and investors competitive home loans