

PACKAGER POWER



By **Bill Dudgeon**

How will automated valuation models affect the role of packagers? Is the AVM process only suitable for direct to lender business? Will packagers offer AVM solutions to their broker clients? How will the market look in 18 months' time? *Bill Dudgeon is managing director of DB Mortgages*

The panel



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The advent of automated valuation models has again raised the question about whether the demise of packagers is on the horizon. So, is it time to hold a wake? No. AVMs are just another technological development which, while designed to make brokers' lives easier, are not dominant enough to cause packagers to lose sleep just yet.

We knew AVMs would eventually arrive and lenders would embrace them. They are cheap, reasonably accurate and they speed up the offer process.

AVMs are part of the mortgage process and inevitably most lenders will take them up. But they are not only the domain of lenders - savvy brokers will already have arrangements underway to integrate them into their processes, just as packagers should be doing.

Packagers worried about the loss of administration fees should concentrate on making more use of staff previously bogged down with the valuation instruction process.

Don't forget, an AVM can cost as little as £15, provide instant results and so save brokers time and money working on futile deals. Moreover, AVMs offer an electronic identity facility and scanned imaging, allowing same-day offers.

All this means there's no point in packagers dismissing them being a threat. Rather they should concentrate on maximising the efficiencies of their present service system to ensure client retention.