

navigating these times as a business owner in real estate

WEBINAR
20 JUN 2020



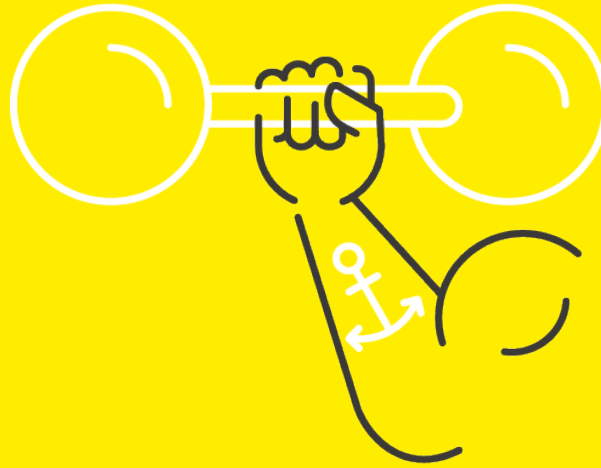
this is getting
real, real fast

[business
DEPOT]

our industry is going to
be affected and
**you need to act to
protect you, your family
and your business**

[business
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let's get ready for
whatever
lies ahead



1.
calculate
cash + profit
breakeven point

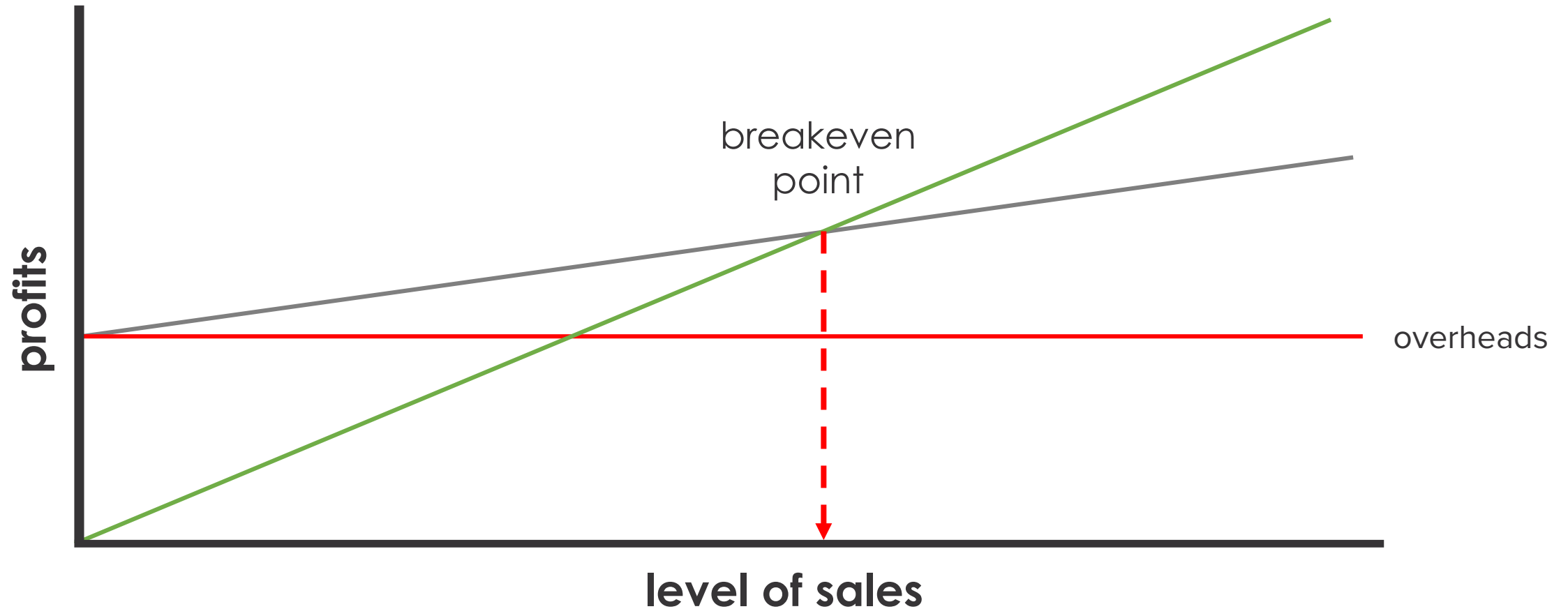
breakeven



- + reduce fixed costs
- + revert to some higher margin work
- + grow your rent roll
- + buy an additional rent roll
- + revert to interest-only
- + renegotiate loan repayments
- + defer some tax payments
- + focus on staff mix

breakeven analysis

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2.

**review your
costs + cut
some if you can**

cut costs



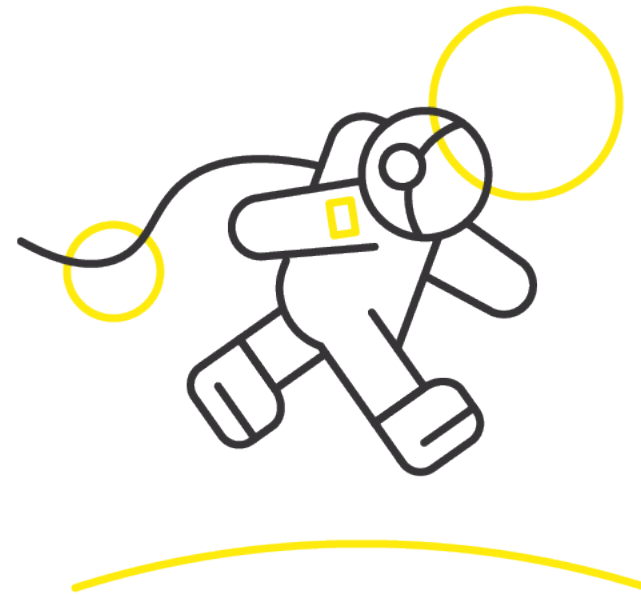
- + casual wages
- + permanent team wages and salaries
- + non-performing salespeople
- + subscriptions you are not using
- + don't fund advertising for others
- + growth costs like BDM or sponsorships
- + try and get out of the lease or get a subtenant

3.
**focus on
incremental
profits**

incremental profits



- + Sales
- + PM
- + Principals
- + Admin / Shared services
- + other specialist divisions



focus on
incremental profits

income

- expenses

= profit contribution

- net shared services

= operating profit

sales	pm	principals	total
\$	\$	\$	\$
\$	\$	\$	\$
\$	\$	\$	\$
			\$
			\$

\$ and %'s

income

- expenses

= profit contribution

- net shared services

= operating profit

sales	pm	principals	total
%	%	%	\$
%	%	%	%
%	%	%	%

%

%

4.

**be prepared
for emotional
stress**

emotional stress



- ✏ not only may your team have their own financial stresses, you need to also consider their emotional stresses
- + **personal financial stresses**
maybe their partner or extended family have lost their job
- + **different personality types**
react differently to different situations
- + **prepare a coronavirus policy**
or update and review your leave policies

5.

**review your
supplier
arrangements**

supplier arrangements



- + be upfront with your creditors
- + asking providers to defer the payment of upfront costs into the future
- + recovering VPA upfront is critical to the success of your business

6.

invest in technology

technology



- + change how we work and make flexible/remote working
- + adoption is much more successful because you NEED the change to work
- + talk to someone else who has already implemented the technology you are looking at

7.

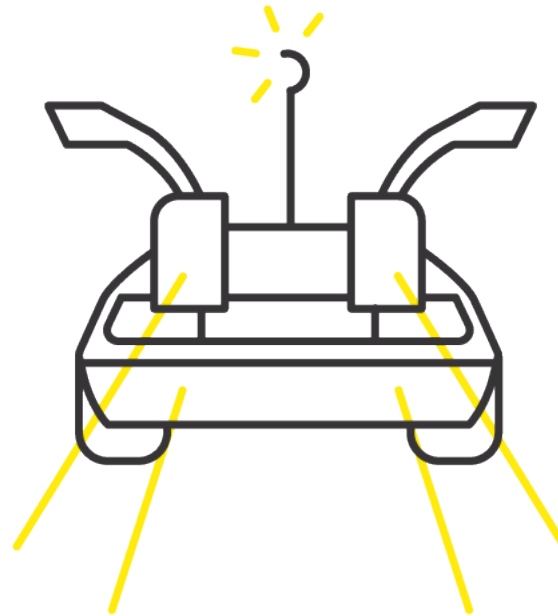
time for a merger or exit

merger or exit



1+1=3 result

- + buy a rent roll
- + good time to sell



8.

be

human

be human



1. Audit
2. Review
3. Setup
4. Test
5. Do



everyone on the bus
everyone facing the front
somewhere to drive
someone at the wheel



9.

**get some
accountabilty**

**the most
important part of
accountability is
the discussion**





who's sleeping on
your couch?

[business
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10.
**tip some
money in**

money \$\$\$



you may need to

- + track down some personal cash to tip into the business
- + track down some personal cash to tip into the business
- + talk to the banks or your friendly broker now

get on the
front foot

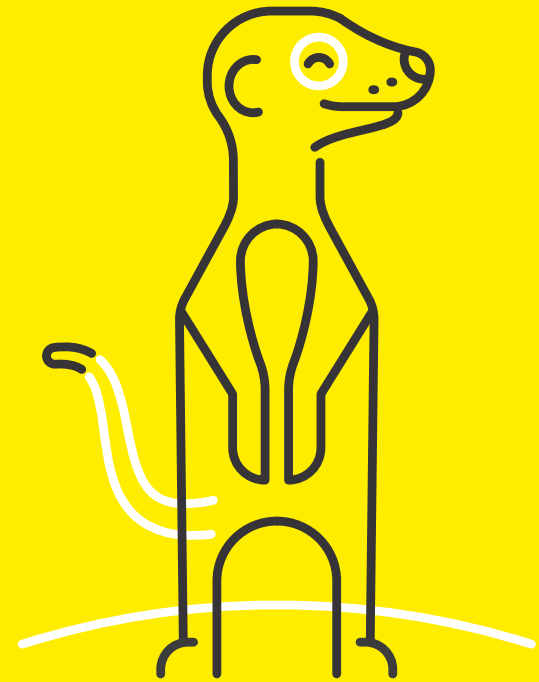


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<https://www.youtube.com/watch?v=SSUXxzN26zg>

**watch out
for squirrels**



[business
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66

[business
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**sales are vanity
profit is sanity
cash is reality**

99

+ payroll tax

QLD government has also come out and provided some deferrals of payroll tax lodgements and payments

+ economic stimulus package

QLD government will also be offering loans for up to \$250,000 to eligible businesses, with a 12-month interest free period

+ other support

Federal government is getting out the cheque book to stimulate the economy as a result of the impact of the Coronavirus

want to know more?



✚ get some insight @ businessdepot.com.au/blog/

- + <https://businessdepot.com.au/blog/government-cheque-book-to-ease-pressure-on-coronavirus-economy/>
- + <https://businessdepot.com.au/blog/coronavirus-what-to-do-in-real-estate-business>
- + <https://businessdepot.com.au/blog/queensland-government-coronavirus-stimulus-package/>



any questions? just ask!



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