

# PLATINUM

March 2019

## Joint Ventures

Mastermind  
Event

Brisbane

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**Tamara Read &  
Nicolle Beer**  
*QLD State Coach*



**I LOVE**  
REAL ESTATE

# Event Outline -

- 6:00 – 6:30 Networking
- 6:30 - Start
- 6:30 – 6:45 Housekeeping
- 6:45 – 8:00 Accountability
- 8:00 – 8:30 Networking Break
- 8:30 – 10:00 Joint Ventures

# Workshop Format

- Use microphone
- Involve everyone in the conversation
- Be supportive
- Feel free to order food and drinks downstairs



# WELCOME NEW PLATINUM'S



# Housekeeping

- Audio Only Files of Monthly Webinars:
- ❖ PA Website / Education / Monthly Webinars / March - Joint Ventures / Read More

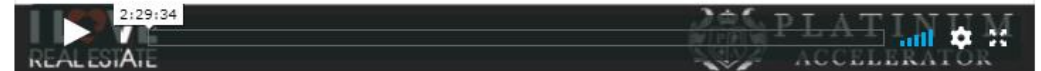
## March – Joint Ventures Webinar – (2hrs 29mins)

Monthly Webinars

Edit

### Reasons Why People Do a JV?

- Some people have equity & serviceability but **no time**
- Some people equity & serviceability but **no knowledge**
- Some people have equity but **no serviceability**
- Some have serviceability but **no equity**
- Some people have **no serviceability or equity** but have knowledge & time
- Some people can do more by **pooling their resources** – more deals or larger deals



[Download Webinar \(MP4\)](#)

[Download Audio \(MP3\)](#)

[Download Slides \(PDF\)](#)

# Housekeeping

## Video of Past Monthly Meetings:

- ❖ Each monthly meeting is filmed in one State each month and uploaded onto PA website with audio recording, slides, & workbook for each State.
- ❖ [PA Website / Meeting Recordings / Monthly Meetings](#)

September 2018 – Dual Lot – QLD

Meeting Recordings

Edit

Meeting Recording



Download MP4

Download Slides (PDF)

Download Workbook (PDF)

← Previous

# Housekeeping

## QLD Platinum Monthly Get Togethers:

- ❖ Info & RSVP: Platinum Facebook / Events
- ❖ Brisbane location: Prince of Wales Hotel – 100 Buckland Rd Nundah
- ❖ Dates: Saturday 5pm – 16<sup>th</sup> March, 13<sup>th</sup> April, 18<sup>th</sup> May, 15<sup>th</sup> June, 20<sup>th</sup> July, 17<sup>th</sup> August, 14<sup>th</sup> Sept, 19<sup>th</sup> Oct, 16<sup>th</sup> Nov, 14<sup>th</sup> Dec
- ❖ Organizer: Megan Humphreys (PM on FB)
- ❖ Current & Past Platinum's!!!!



Platinum Accelerator  
Closed group

About  
Discussion  
Chats  
Announcements  
Members  
**Events**  
Videos  
Photos  
Files  
Group Insights  
Recommendations  
Moderate Group

Search this group

Shortcuts  
Platinum Accelerator  
Ultimate Real Estate ... 3

Next event occurs on Mar 7 at 5:30 PM. See All  
Going Maybe Can't Go Edit Cancel

**NSW - Platinum Accelerator - Monthly Meet-Ups**  
Novotel Sydney Central in Sydney, Australia  
Michael Dempsey invited you.  
Next event occurs on Mar 7 at 5:30 PM. See All  
Going Maybe Can't Go Edit Cancel

**Qld Platinum get together**  
Prince of Wales Hotel in Brisbane, Queensland, Australia  
Megan Humphreys invited you.  
Next event occurs on Mar 16 at 5:00 PM. See All  
Going Maybe Can't Go Edit Cancel

Thursday, March 21, 2019

6 PM **Melbourne P.A. meeting -**  
199 William St, Melbourne VIC 3000, Australia  
Aygun Ozkan and Jane Mason are going.  
Going Maybe Hide Edit Cancel

Saturday, March 30, 2019

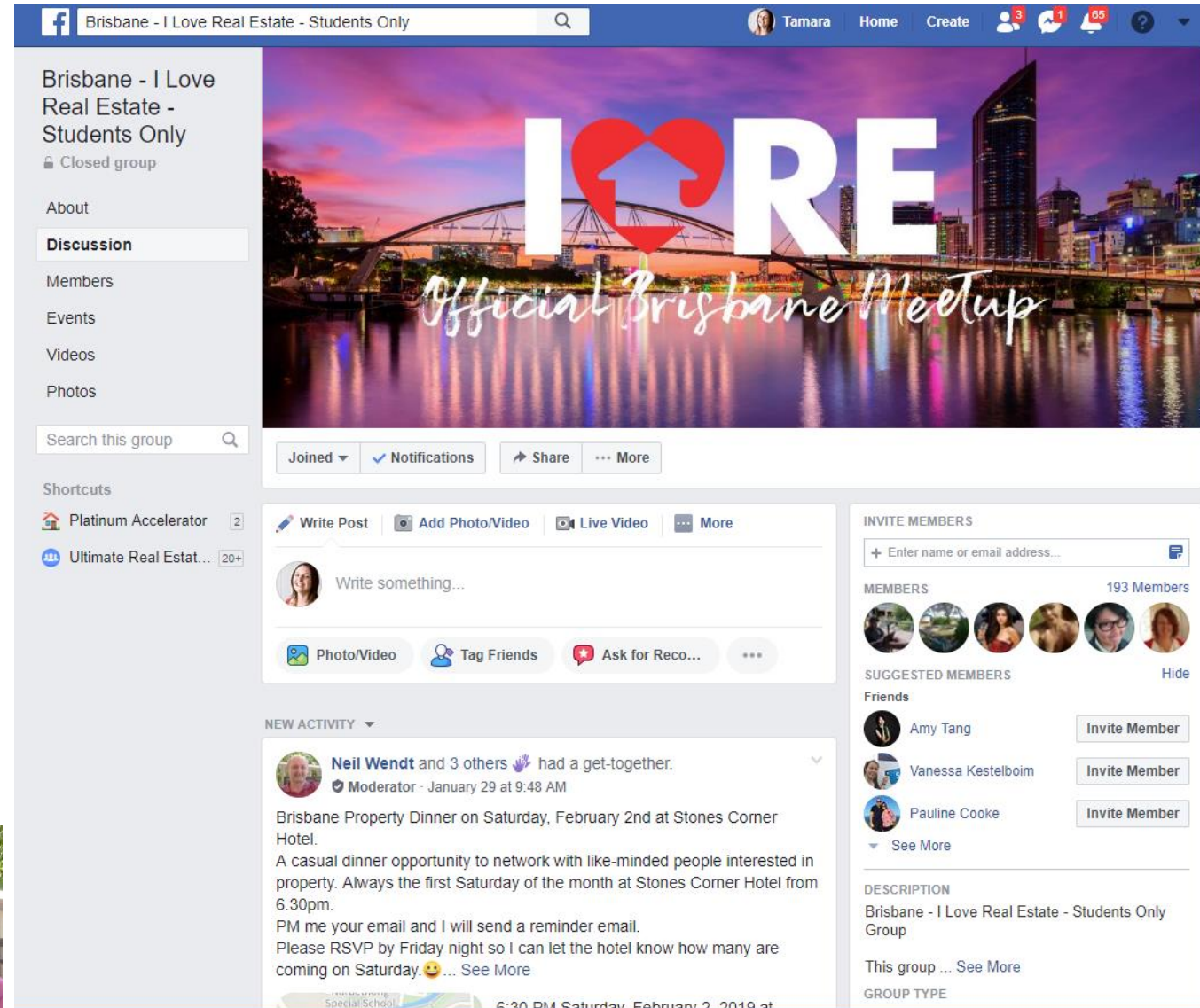
7:30 AM **Platinum Accelerator National Conference**  
Melbourne, Victoria, Australia  
Michael Dempsey invited you.  
Going Maybe Can't Go Edit Cancel

Thursday, April 18, 2019

# Housekeeping

## ILRE Brisbane Monthly Meetup:

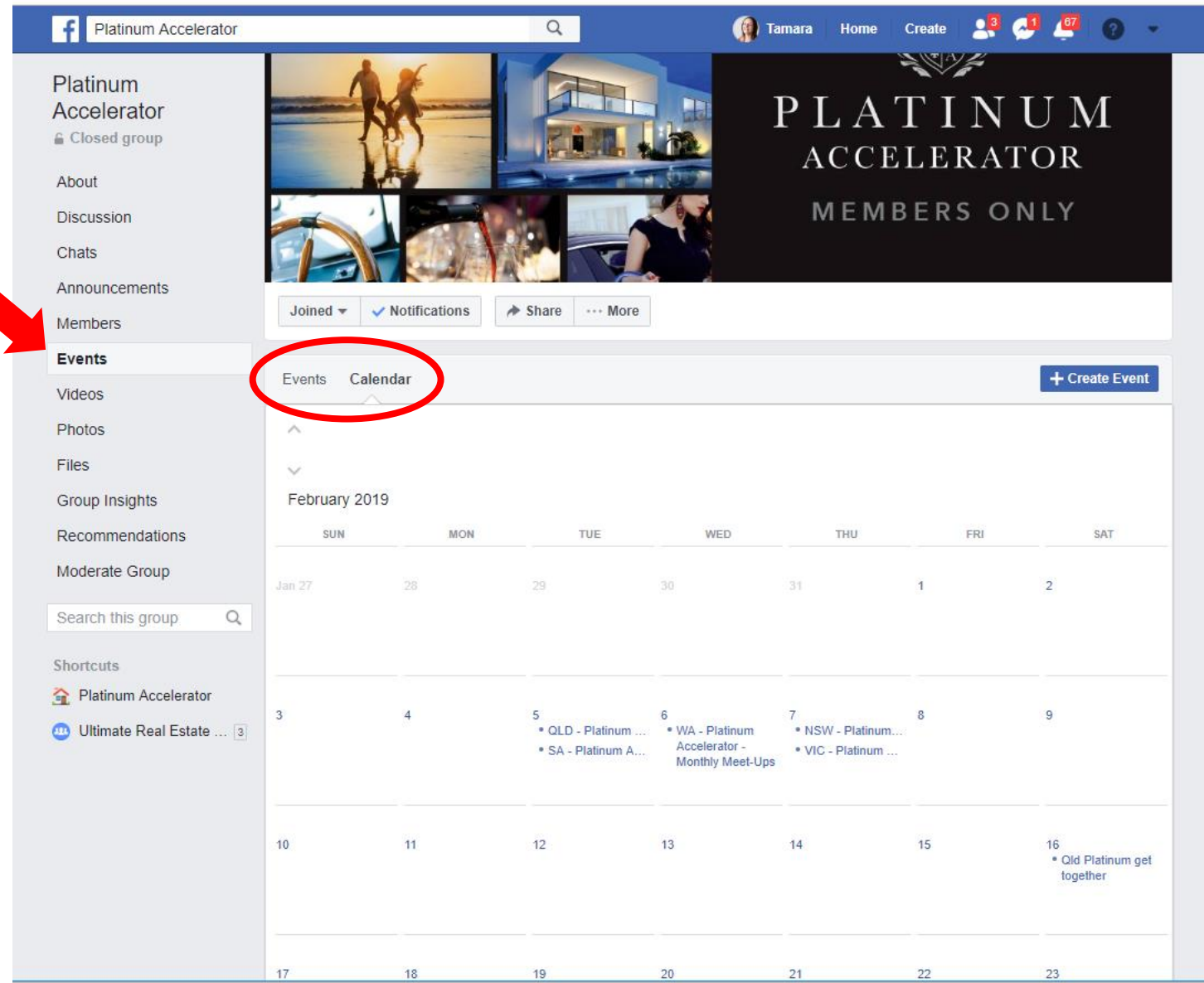
- ❖ Info & RSVP: Ultimate Website / ILRE Community / ILRE Brisbane Meetup / Link to FB Page
- ❖ Location – Stones Corner Hotel
- ❖ Dates – First Saturday of each month, 6:30pm
- ❖ Organizer – Neil Wendt  
Mbl 0418 766 777



The screenshot shows the Facebook interface for a group named "Brisbane - I Love Real Estate - Students Only". The group is a closed group with 193 members. The cover photo features the "I LOVE REAL ESTATE" logo with a red heart containing a house icon, and the text "Official Brisbane Meetup" overlaid on a cityscape at night. The left sidebar includes navigation options like "About", "Discussion", "Members", "Events", "Videos", and "Photos". The main content area shows a "Write Post" section with a "Write something..." prompt and options for "Add Photo/Video", "Live Video", "Tag Friends", and "Ask for Recommendation". Below this is a "NEW ACTIVITY" section with a post from "Neil Wendt and 3 others" about a "Brisbane Property Dinner on Saturday, February 2nd at Stones Corner Hotel". The right sidebar contains an "INVITE MEMBERS" section with a search bar and a list of suggested members including Amy Tang, Vanessa Kestelboim, and Pauline Cooke, each with an "Invite Member" button. A "DESCRIPTION" section at the bottom right states "Brisbane - I Love Real Estate - Students Only Group".

# Housekeeping

- 2019 Platinum QLD Monthly Dates (Tuesday's):
  - ❖ 2<sup>nd</sup> April; 7<sup>th</sup> May; 4<sup>th</sup> June; 2<sup>nd</sup> July; 6<sup>th</sup> Aug; 3<sup>rd</sup> Sept; 8<sup>th</sup> Oct; 5<sup>th</sup> Nov, 3<sup>rd</sup> Dec.
  - ❖ See PA Facebook – Events & Calendar



The screenshot shows the Facebook page for the Platinum Accelerator group. The page header includes the group name, a search bar, and navigation options like Home, Create, and notifications. The main content area features a grid of images and a large banner that reads "PLATINUM ACCELERATOR MEMBERS ONLY". Below the banner, there are tabs for "Events" and "Calendar", with the "Calendar" tab highlighted by a red circle. A red arrow points from the text in the first list item to the "Events" tab. The calendar view shows a grid for February 2019, with events listed for various dates, including "QLD - Platinum Accelerator - Monthly Meet-Ups" on the 5th, 6th, and 7th, and "Old Platinum get together" on the 16th.

# Housekeeping

- 2019 Platinum National Conference Dates:
  - ❖ 30 & 31<sup>st</sup> March – Melbourne
  - ❖ 27 & 28<sup>th</sup> July – Sunshine Coast
  - ❖ 30<sup>th</sup> Nov & 1<sup>st</sup> December - Sydney
- 2019 Platinum Graduate Only Leadership Day Dates:
  - ❖ Friday prior to each National Conference: 29<sup>th</sup> March, 26<sup>th</sup> July, 29<sup>th</sup> Nov – Venue TBA (close to National Conf Venue)

# Housekeeping

- 2019 Ultimate Bootcamp Dates:
  - ❖ Sydney: 8-10<sup>th</sup> March
  - ❖ Melbourne: 15-17<sup>th</sup> March
  - ❖ Gold Coast: 22-24<sup>th</sup> March
  
- 2019 Other Ultimate Dates:
  - ❖ Realestate Millionaire Within – Brisbane: 12-14<sup>th</sup> July
  - ❖ I Love Realestate Super Conference – Sydney: 15-17<sup>th</sup> Nov
  
- 2019 Quantum Events: Check Ultimate Website

# GRADUATING PLATINUM'S



# PLATINUM

# Procrastination

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“Procrastination  
is the grave  
in which  
opportunity  
is buried.”



# What is Procrastination?

- Procrastination is the **act of delaying or postponing** a task or set of tasks
- Greek philosophers like Socrates and Aristotle developed a word to describe this type of behavior: **Akrasia**



So, **why** do we procrastinate?

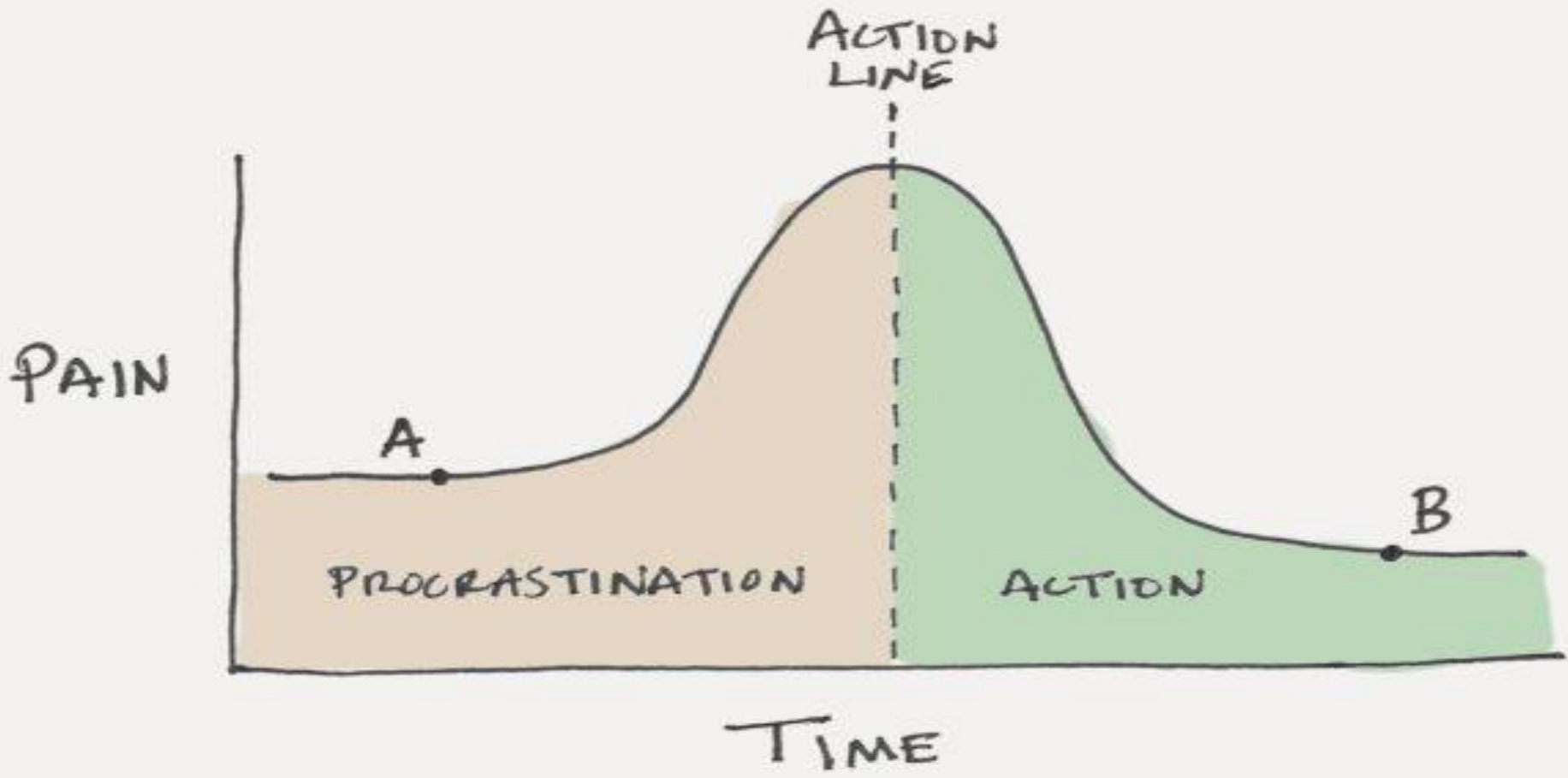
# Behavioral Psychology Research Revealed

Phenomenon called “**time inconsistency**,” which helps explain why procrastination seems to pull us in despite our good intentions.

Time inconsistency refers to the tendency of the human brain to **value immediate rewards more highly than future rewards**.



[invisiblebread.com](http://invisiblebread.com)



# Best Way to Understand - Imagine You Have Two Selves -

- Your **Present** Self, and
- Your **Future** Self
- When you **set goals** for yourself — like finishing off a renovation job — you are actually making plans for your **Future Self**.
- You are **envisioning** what you want your life to be like in the future.

self

## Research Has Found -

- When thinking about your Future Self, it is quite easy for your **brain to see the value in taking actions with long-term benefits.**
- The Future Self values **long-term rewards.**
- However, while the Future Self can set goals, **only the Present Self can take action.**
- EG. The Future Self wants to be trim and fit, but the Present Self wants a donut.



# GOOD NEWS!!

- Researchers have discovered that the **Present Self** really likes **instant gratification**, not long-term payoff.



# Six Scientific Tools for Eliminating Procrastination!

## 1. Reward Based Action

- **Temptation bundling** - One of the best ways to bring future rewards into the present moment
- Temptation bundling - concept from **behavioral economics research** performed by Katy Milkman at The University of Pennsylvania.
- Strategy = **bundling a behavior that is good for you in the long-run with a behavior that feels good in the short-run.**



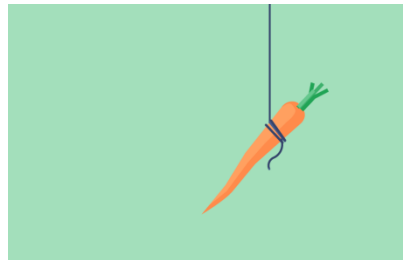
# Temptation Bundling in Action:

- Only listen to **audiobooks or podcasts** you love while exercising.
- Only get a **pedicure** while processing overdue work emails.
- Only go to the **beach** once you have done everything on your to do list.
- Only **eat** at your favorite restaurant when you have lined up a business meeting.



## 2. Make the Consequences of Procrastination More Immediate

- E.g. If exercising alone, skipping your workout next week won't impact your life much at all. Your health won't deteriorate immediately because you missed that one workout.
- However, if you commit to working out with a friend at 7 a.m. next Monday, then the **cost of skipping your workout becomes more immediate**. Miss this one workout and you look like a jerk.
- Another strategy - use a service like **Stickk** to place a bet. If you don't do what you say you'll do, then the money goes to a charity you dislike. The idea here is to put some **skin in the game** and create a **new consequence** that happens if you don't do the behavior right now.



### 3. Design Your Future Actions

- A favorite tool psychologists use to overcome procrastination = **“commitment device.”** – can help you stop procrastinating by designing your future actions ahead of time. E.g.
- ❖ Stop wasting time on your phone by **deleting games or social media** apps. (You could also block them on your computer.)
- ❖ Reduce the likelihood of mindless channel surfing by **hiding your TV** in a closet and only taking it out on big game days.
- ❖ Build an emergency fund by setting up an **automatic transfer of funds** to your savings account.
- ❖ **Schedule in appointments** with builders, agents, property sourcing agents etc. Makes you stay focused and on track.



## 4. Make the Task More Achievable

- **Small measures of progress** help to maintain momentum over the long-run, which means you're more likely to finish large tasks.
- The **faster you complete a productive task**, the more quickly your day develops an attitude of productivity and effectiveness



## 5. Make Visual Cues to Remind you to Start a Behavior

- This is why visual stimulus can be so useful. Much easier to stick with good habits when your **environment nudges you in the right direction e.g.**
  - ❖ A post it note
  - ❖ String on your finger
  - ❖ Rubber band on your wrist
  - ❖ Your vision board as your screen saver etc.

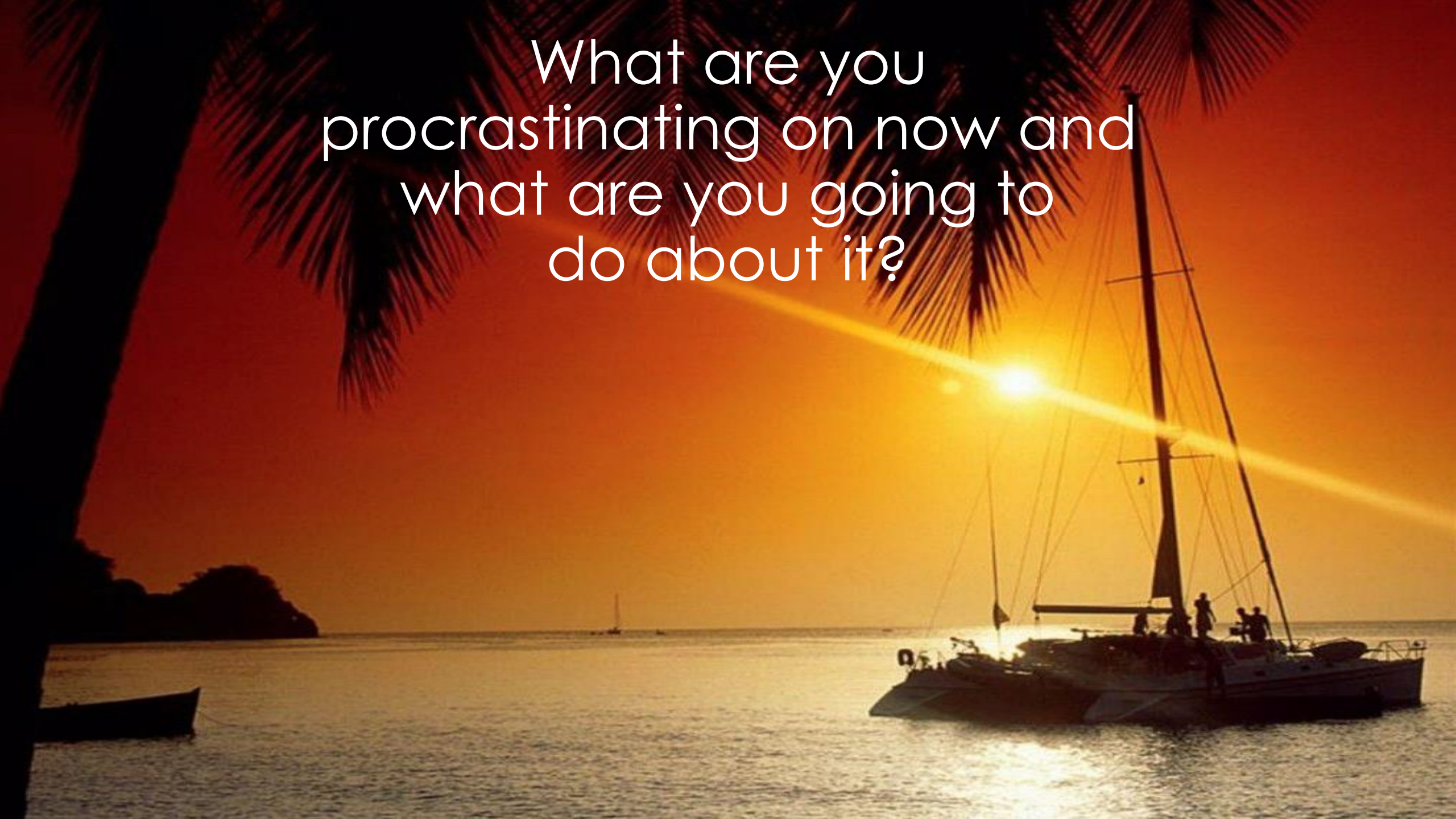


## 6. Visual Cues that Display Your Progress

- A board that you **mark off how much passive income** you have created with a marker of where you want to get to – even have a holiday or an award next to the goal post for extra motivation.



What are you  
procrastinating on now and  
what are you going to  
do about it?



PLATINUM

Accountability  
Monthly Goals



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# Buddy Process Follow-Up

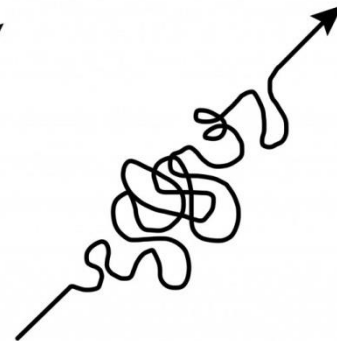
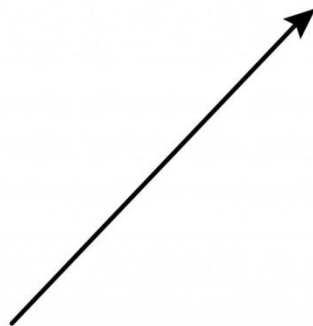


# Last Month In Review

## Share Your Successes and Challenges

SUCCESS

SUCCESS



what people think  
it looks like

what it really  
looks like

**This Months Plan**

Share Your  
Key Goals For Month

Monthly  
✓  
goals

# PLATINUM

# Joint Ventures

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# Joint Venture Workshop Process -

- 1) What's Your JV Pitch?
- 2) What Makes a Good JV Proposal Document?

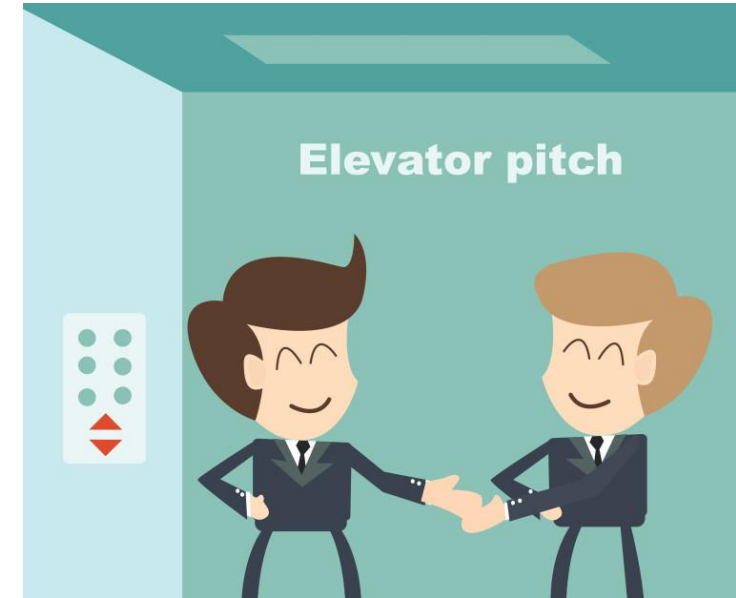


# 1) What's Your JV Pitch?

The  Pitch

# Your Elevator Pitch – What is it?

- A **short and punchy** way to **communicate your value** to another person interested in property investing.
- Pitch should only last for **30 seconds**.
- Can be used at **networking events**, meeting new people or in an elevator!
- Do the **Pre-Work!**



# Activity – Role Play Your Pitch

- Decide on your role in the JV e.g. doing, money, serviceability party
- Pair up and take turns to give your 30 second pitch

# Activity – Reflect in the Group

- Share **your experience** –
  - How did it feel?
  - How effective was it?
  - What could you do better?

# How to Structure a Pitch -

## Step One: Demonstrate Focus

- What is it that you are **seeking**? i.e. money partner, deal finder etc.
- Think about the type of **strategy, location and price point**.
- \* **Be clear** on what you are looking for?



# For example....

Hi, my name is .....

I run a property development business that specialises in building affordable accommodation for disadvantaged youth that also attracts high yields for investors.

Or

Hi, my name is .....

I'm a professional property investor. I specialise in ??????

# Step Two: Establish Credibility

- Establish your credibility i.e. **skills, background, experiences in** property or non property related areas.
- Ask yourself, “**what qualities do I possess** that I can implement with property?”



## For example....

Over the past four years, I've been able to create a real estate portfolio worth \$11,000,000 while paying to my investors over \$3,000,000 in profits

Or

Over the past 2 years, I've immersed myself into property education and mentoring and am entering into my first deal.

Or

I've spent the last ten years as a mechanical engineer & decided that my skills would transfer terrifically into property development.

## Step Three: Pick a Side

- Are you the “Doing” partner, or the “Money” partner?
- Do you have time / equity / knowledge / serviceability ?
- \* Establish this early in the conversation.

← PICK + A + SIDE →

# For example....

I partner with real estate investors who have lazy equity in their home or cash in their accounts and like to achieve much healthier returns than the banks can provide.

Or

I'm looking to invest money into projects that are safe, secure and set for fantastic profits!

# Step Four: What Problem Do You Solve?

- What are your potential JV partners **challenged or frustrated** by?
- And – how can you help them?

PROBLEM  
SOLVING

# For example....

What I've noticed is that finding a deal that stacks up, in a great location, is harder than it seems. I've got great relationships with people who bring me deals all the time.

Or

One of the largest frustrations that my JV partners face is that they have no serviceability to purchase a deal, even though they are experienced and knowledgeable investors...

# Step Five: Why People Love Working With You?

- What is it about you that people **love**?
- What can you **bring to the table** that other's can't?
- Why do people come back and **continue working with you**?



# For example....

People love working with me because I communicate regularly,  
I've got a stable track record and I make investing fun!

Or

People love working with me because I'm reliable and show  
integrity in all facets of my business.

# Activity – Prepare a Structured Pitch

- Individually write a structured 30 second pitch:
  - 1 – Demonstrate **Focus** – What are you seeking?
  - 2 – Establish **Credibility** – Your skills, background, experience
  - 3 – Pick a **Side** – Are you the doing, equity, serviceability?
  - 4 – What **Problems** You Solve – Partners challenges & your solution
  - 5 – **Why** People Love Working With You – What you bring to table

# Activity – Role Play Structured Pitch

- Pair up (same partner) & take turns to give your 30 second **structured** pitch

polish  
your  
pitch



# Activity – Reflect in the Group

- Share your experience –
  - How did it feel?
  - How effective was it?
  - What could you do better?



PrACTICE  
PRACTICE  
practice

## 2) JV Proposal Document – Presenting a Deal



## 2) JV Proposal Document – Presenting a Deal

- A reflection of YOU
- First impressions count!
- Attention to detail important
- Straight to the point
- Creating doc vs. receiving role



# Example A

## DEVELOPMENT SUMMARY

A summary of the project is as follows

- Location
  - Approximately 20km to Brisbane CBD.
  - In close proximity to transport links, major shopping facilities, a university campus and a major hospital.
- The Property
  - 2021m<sup>2</sup> site area
  - Appropriately zoned for the proposed development.
  - Relatively flat and level
- The Project
  - Completion timeframe of 5-8 months.
    - Comprises a small scale, simple subdivision into three lots
    - Retaining the existing dwelling / house and constructing a new dwelling to rear
    - Creation of two new lots.
- Marketability of End Product
  - Suitable for Owner occupier market
    - Sales price of product will meet market tolerances for suburb.
    - has owner occupier rates of 73% (RPData)
  - Suitable to investment market due to desirability of location and very limited vacancy rate in surrounding area.
    - has a rental vacancy rate of only 2.61% (June 2015)
- Key Positive Aspects
  - Comparatively short development timeframe. Project returns projected to be available to associated partners within 5-8 months.
  - Existing dwelling in very good condition providing security at today's market value.
  - Advanced planning under "Risk Smart Assessment" process reducing Development Approval time frames and minimising risk.
  - Simple sub-division requiring minimal infrastructure improvement.

## DEVELOPMENT SITE



# Activity – Share Feedback on Your Table

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Activity – Group Reflection

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Example A – Verdict?

○ POOR

# Example B

22 & 22a Main Rd, Monbulk VIC



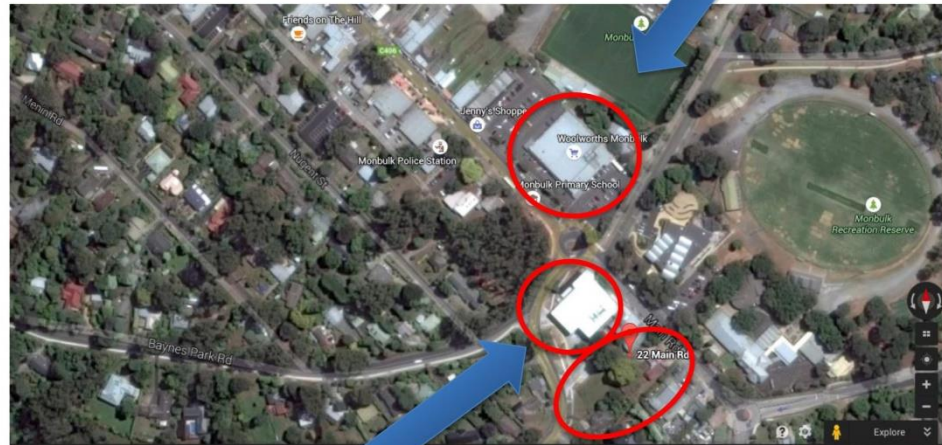
### Contents

- Proposal.....3
- Location.....4
- Zoning.....6
- Financial Feasibility.....7
- Cash flow Analysis.....8
- Strengths.....9
- Weaknesses.....9
- Community Information.....10
- Vendors Statement (attached)

# Example B

## Proposal

- Retain Shop 22 and Shop 22a
- Retain two bedroom residence located at rear of shop 22
- Internally Renovate Shop 22, 22a and Residence
- Obtain subdivision permit for the residential allotment



Aldi

Subject Site

## Location

Situated on the Main Rd of Monbulk, these shops offer the perfect opportunity for a specialist to operate their business, a café, yoga studio or boutique gym.

Located only three shops up from the newly constructed Aldi, the positioning would be that of a 'destination' shop (i.e podiatrist, alterations etc).



# Example B



### Zoning

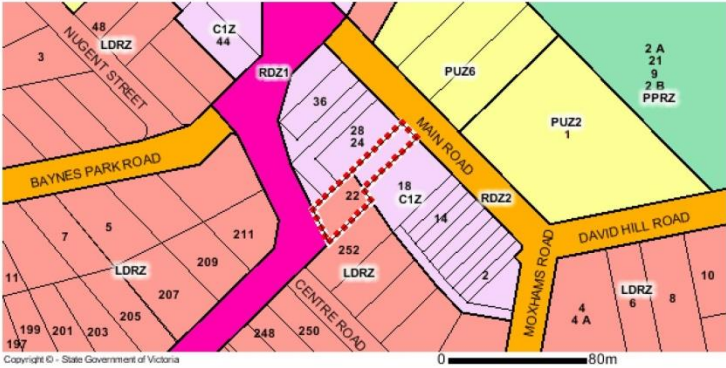
#### Planning Property Report

From [www.dpcd.vic.gov.au/planning](http://www.dpcd.vic.gov.au/planning) on 01 July 2015 10:22 PM

**Address:** 22 MAIN ROAD MONBULK 3793  
**Lot / Plan:** Lot 1 PS406481  
**Local Government (Council):** YARRA RANGES **Council Property Number:** 231160  
**Directory Reference:** Melway 124 H1

#### Planning Zones

- [COMMERCIAL 1 ZONE \(C1Z\)](#)
- [SCHEDULE TO THE COMMERCIAL 1 ZONE](#)
- [LOW DENSITY RESIDENTIAL ZONE \(LDRZ\)](#)
- [SCHEDULE TO THE LOW DENSITY RESIDENTIAL ZONE](#)



# Example B

## Financial Feasibility

<b>Buy/Reconfigure/Hold</b>	
<b>Feasibility Study</b>	
<b>22 &amp; 22a Main Road, Monbulk VIC</b>	
<i>Two Shops, One existing Residence with the subdivision of 600sqm land</i>	
Budget	
	Valuation
Valuation of Shop 22A - Revenue of \$7,821.43 @ 6.5% yield	\$ 120,329.69
Valuation of Shop 22 - Revenue of \$15,642.86@ 6.5% yield	\$ 240,659.38
Valuation of Two Bedroom Dwelling - Revenue of \$16,685.71 @ 6.5% yield	\$ 250,000.00
Valuation: Vacant Land 600sqm	\$ 200,000.00
<b>TOTAL Valuation</b>	<b>\$ 810,989.08</b>
	Expenses
<b>Aquisition</b>	
Purchase of 2 x Shops + Small Residence on 1,164sqm land	\$ 460,000.00
Stamp Duty on Purchase	\$ 25,300.00
Mortgage Registration Fee	\$ 107.60
Transfer of Title Fee	\$ 328.00
Loan Processing Fee	\$ 150.00
Valuation Fee	\$ 2,500.00
Joint Venture Agreement	\$ -
Conveyancing for Settlement	\$ 1,500.00
Trust/Company Set up costs	\$ 2,000.00
<b>Consulting and Compliance</b>	
Building Permit Lodgement	\$ -
Builders Warranty Insurance	\$ -
Site Feature Survey	\$ -
Energy Rating	\$ -
BAL Assessment	\$ -
Applications and Reports Fees	\$ -
Structural Engineer	\$ -
Civil Engineer	\$ -
Hydraulic Engineer	\$ -
Electrical Engineer	\$ -
Construction Drawings	\$ -
Surveying	\$ 5,000.00
<b>Renovation &amp; Extension to existing Residence</b>	
Septic	\$ 12,000.00
Rock and Soil Removal	\$ 35,000.00
Retaining	\$ 15,000.00
New Crossover	\$ 4,000.00
Fences	\$ 6,600.00
Renovation to Shops and Unit	\$ 50,000.00
Interest on Periodic Draw Down on Construction Loan	\$ 12,000.00
<b>TOTAL Expenses</b>	<b>\$ 631,485.60</b>
<b>TOTAL NET PROFIT</b>	<b>\$ 179,503.48</b>
<b>% PROFIT ON COSTS</b>	<b>28%</b>

## Cash flow Analysis

# Example B

<u>Operations</u>	<u>\$ p/week</u>	<u>Per Day Revenue</u>	<u>Per Annum Revenue</u>
Shop 22a	\$ 150.00	\$ 21.43	\$ 7,821.43
Shop 22	\$ 300.00	\$ 45.71	\$ 16,685.71
Two Bedroom Unit	\$ 320.00	\$ 42.86	\$ 15,642.86
<b>TOTAL REVENUE</b>	<b>\$ 770.00</b>	<b>\$ 110.00</b>	<b>\$ 40,150.00</b>
<b>Outgoings</b>			
Interest on Total Costs (\$406,000) @ 6.0%		\$ 66.74	\$ 24,360.00
<b>Class 3 Rooming House Outgoings</b>			
Insurances	\$	6.85	\$ 2,500.00
General Maintenance	\$	2.74	\$ 1,000.00
Council Rates	\$	10.96	\$ 4,000.00
Land Tax	\$	5.48	\$ 2,000.00
Gardener	\$	-	\$ -
Cleaning	\$	-	\$ -
Wireless Internet	\$	-	\$ -
Management Fees @ 7.7%	\$	6.05	\$ 2,208.25
<b>TOTAL OUTGOINGS</b>	<b>\$ 11.18</b>	<b>\$ 98.82</b>	<b>\$ 36,068.25</b>
<b>NET CASH FLOWS</b>	<b>\$ 758.82</b>	<b>\$ 11.18</b>	<b>\$ 4,081.75</b>

## Strengths

- Positive signs from a Community perspective with the introduction of Aldi and existing Woolworths
- Location in the quiet end of street, attractive to specialists due to lower cost in rent.
- Large car park across the road
- Not competing with many vacancies in the town
- Possibility of renting storage units behind shop for additional income
- Development potential for backpackers/shared accommodation due to local farms and 'all year round' work for VISA extensions.

## Weaknesses

- Two shops and residence currently vacant
- Rear allotment on a slope
- Cosmetic updates and improvements required to shops and residence prior to rental.

## Community

Today Monbulk is a thriving township with many diversified farms

# Example B

growing fruit, nursery plants and a substantial bulb and cut-flower industry for national and international markets. Garden Express is one of the most famous of these farms, supplying Australian and international markets with a wide range of award winning gardens. There are four schools, Monbulk Primary School (established in 1897), St Paul's Catholic Primary School, Monbulk College and Mountain District Christian School. The town has a wide variety of sporting and leisure clubs including an Australian Rules football team competing in the Yarra Valley Mountain District Football League, cricket club, Monbulk Rangers Soccer Club competing both in the FFV and VCFA Leagues, tennis club, aquatic club, pony club, bowling club, basketball club, netball club, scouts and girl guides.

Monbulk is well serviced by the Main Street retail shopping strip, all trades and professional services with many cafes and restaurants which are very popular with local, national and international tourists

# Activity – Share Feedback on Your Table

- \_\_\_\_\_
- \_\_\_\_\_
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# Activity – Group Reflection

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# Example B - Reflection

- More detailed but still info missing
- No info on what required from the JV partner - \$, serviceability ??
- Layout & formatting doesn't reflect attention to detail – proof read!
- “Weaknesses” requires comment on mitigation
- Photos not well labeled
- Summary Feaso – more detail on request
- Is deal under contract?
- Who is the doing party & what's their credentials?

# Example B – Verdict?

○ AVERAGE

# Example C



78 Horatio Street, Annerley, Brisbane  
SERVICEABILITY PARTNER REQUIRED



Front of House



Rear of House & Back Yard

### 1) Project Proposal:

- **Serviceability partner required** to be able to service \$500k residential house purchase and \$482k approx. residential construction finance (3 townhouses) – See **Table 1**.
- Profit split (50/50) of approx. \$240K (\$120k each) – see **Table 1**.
- Deal = Purchase and settle on the property at 78 Horatio Street, Annerley – 602m<sup>2</sup>, Flood free, LMR zoning.
- Obtain Development Approval to remove the existing house and develop three townhouses each of 3 bedrooms.
- Exploring alternative 4 Townhouse option (2 and 3 bed combinations)
- Demolish the existing dwelling
- Construct 3 x 3bed, 2.5bath, single lock up garage (slug) Townhouses
- Multi Unit Development (MUD) - Strata Title
- Sell all 3 townhouses - target off-the-plan sales prior to construction
- Project to be managed by \_\_\_\_\_(Consultant)
- Legal Consultant Agreement / Profit Split Agreement to be entered into between the Consultant Entity and Purchasing Entity (Serviceability partner)
- See **Table 1** over page for Draft Project Feasibility Summary.



CONTACT DETAILS



Table1. Draft Feasibility for 3 Townhouse Project at 78 Horatio St Annerley.

COST AND DEBT STRUCTURE			
	Costs	Own Cash	Bank
1. Land – 78 Horatio St Annerley (90% LVR)	\$500,000	\$50,000	\$450,000
2. Stamp Duty 5.00%	\$18,500	\$18,500	\$0
3. Acquisition Costs	\$1,500	\$1,500	\$0
<b>Total Land Costs</b>	<b>\$520,000</b>	<b>\$70,000</b>	<b>\$450,000</b>
4. Hold costs (Rates \$2,500; Insur \$1,500; LMI at 90% \$8,000)	\$12,000	\$12,000	\$0
5. Consultants – DA \$17,800, Op Works - \$2,955, BA - \$10,400	\$31,155	\$31,155	\$0
6. Consultants – Loan QS/Val \$11,100, Strata \$11,430, Selling off Plan \$3,990, Build Completion \$1,700, Marketing \$4,100	\$32,320	\$32,320	\$0
7. Authority & Compliance – Council Fees DA, BA, Op Woks , BA - \$10,315, Water, Sewer Upgrade - \$5,000	\$15,315	\$8,000	\$7,315
8. Council Contributions	\$32,000	\$0	\$32,000
9. Demolition, Site clearing, Services Disconnection	\$18,500	\$0	\$18,500
10. Construction - \$1,250/m <sup>2</sup> x 128m <sup>2</sup> = \$160k/unit, Power/Telstra \$1,800	\$481,800	\$96,360	\$385,440
11. Contingency – 3% Construction	\$15,400	\$0	\$15,400
12. Finance Set Up Costs	\$3,500	\$3,500	\$0
<b>Total</b>	<b>\$641,990</b>	<b>\$183,335</b>	<b>\$458,655</b>
13. Interest Costs – Property Purchase (12mths @ 6% on \$450k)	\$27,000	\$13,500	\$13,500
14. Interest Costs - Construction (9mths @ 8% 459k)	\$27,540	\$0	\$27,540
15. Interest Costs – Private Funds (\$300k x 6mth x 6%)	\$9,000	\$9,000	\$0
<b>Total Interest Costs</b>	<b>\$63,540</b>	<b>\$22,500</b>	<b>\$41,040</b>
Less Rental Income (\$380/weekt x 4mths-Mngmnt)	-\$5,594	-\$5,594	\$0
<b>Total Development Costs incl GST</b>	<b>\$1,219,936</b>	<b>\$270,241</b>	<b>\$949,695</b>

On Completion Position	Price	Sold	GRV
3 x Townhouses	\$515,000	\$1,545,000	\$1,545,000
<b>Total</b>		<b>\$1,545,000</b>	<b>\$1,545,000</b>
<b>GRV</b>			<b>\$1,545,000</b>
Less GST on Sales			\$37,384
<b>Net Realisable Value (NRV)</b>			<b>\$1,507,616</b>



CONTACT DETAILS

# Example C



On Completion Position	Price	Sold	GRV
Less Selling costs (3% = \$15,450 / Townhouse)			\$46,350
Net Realisation			\$1,461,266
Profit \$ (Net Realisation - Total Dev Cost )			\$241,330
Profit (%)			19.78%



CONTACT DETAILS

3



## 2) Project Timeline:

- Stage 1 - (0-2 months)
  - Property under contract (currently under contract with Sue Bjorkelund)
  - Undertake financial feasibility quotes to complete project
  - Start DA process with Town Planner
  - Start Design concept plans with Designer and Engineers
  - Secure finance to purchase property
  - Settle on contract
  - Rent house on periodic lease
- Stage 2 – (2-5 months)
  - Submit finalised DA application to Council
  - Receive approved DA from Council
  - Obtain demolition approval
  - Commence working drawings for BA
  - Obtain BA certification
  - Commence marketing Townhouses to sell off the plan
  - Secure fixed price build contract
- Stage 3 – (5-12 months)
  - Secure construction/development finance
  - Clear site
  - Construct 3 x 3bed Townhouses
- Stage 4 – (12-14 months)
  - Settle on pre-sold Townhouses
  - Conclusion of Project

## 3) Primary Exit Strategy:

- Sell all 3 Townhouses.
- Split net profits 50% Project Manager (less PM fee), 50% Purchaser.
- Any of the JV participants can choose to purchase a dwelling, at market value (less Real Estate Commission), at any stage during the project.
- If this option is taken up by any of the project participants, remaining dwellings will be sold at market value, through a registered Real Estate Agency, Professional Marketer or suitable professional as deemed by the Project Manager.

## 4) Property Details:

- 602 m<sup>2</sup>
- 20m Frontage
- Zoned LMR (Low Medium Residential)
- 3 Bedroom + sleepout, hardwood floors, All original condition
- List Price - \$525,000
- List Date – 27/4/13



CONTACT DETAILS

4

# Example C



## 5) Contract Details:

- Deposit paid - \$20,000
- 7 days building & pest
- 21 days finance
- 60 days settlement

## 6) Project Exit Strategies:

### a) Primary Exit Strategy:

- Sell all 3 Townhouses at conclusion of the project
- Split net profits 50% Project Manager, (less PM fee), 50% Purchaser
- Any of the JV participants can choose to purchase a dwelling, at market value (less Real Estate Commission), at any stage during the project
- If this option is taken up by any of the project participants, remaining dwellings will be sold at market value, through a registered Real Estate Agency, Professional Marketer or suitable professional as deemed by the Project Manager

### b) Secondary Exit Strategies:

In the event of a significant change in market conditions:

- Sell property as is
- Sell property with DA
- Rent property as is
- Cosmetic renovation of property and rent
- Renovate and add granny flat to dwelling and rent
- Sell units off the plan in a line (not strata titled)

## 7) Comparable House Sales:

Table 2 below summarises similar property sales within the last 6 months, on similar size blocks of land, ranging from \$500,000 to \$705,000. These sales do not take into account the required LMR zoning and some sales are from bordering suburbs.

The median house listing for a 3 bedroom house in Annerley is \$540,000, however this does not take into account land size or zonings.



78 Horatio Street, is below the median house price for Annerley.

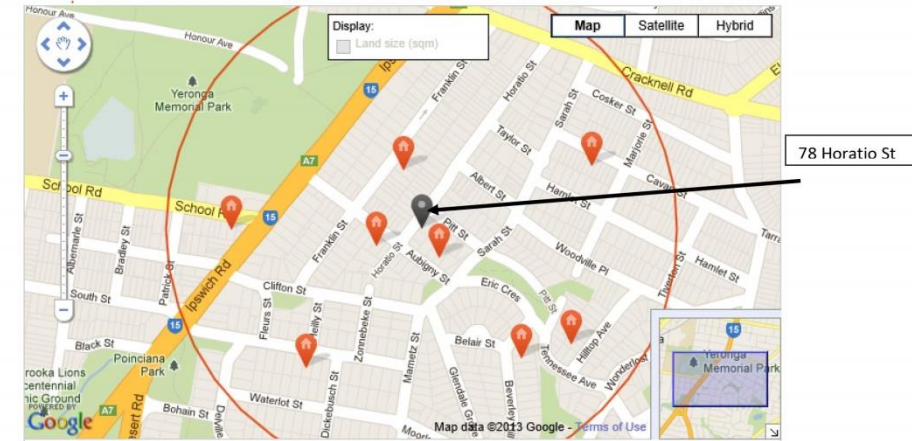


Table 2. House Sales Previous 6 Months.

Address	Price	Date	Type	Bed	Bath	Parking	Landsize
78 Horatio St Annerley 4103 QLD	\$525,000	27-Apr-13	House	3	1	1	601
37 Aubigny St Annerley 4103 QLD	\$575,000	30-Apr-13	House	3	1	3	721
58 Franklin St Annerley 4103 QLD	\$500,000	05-Mar-13	House	3	1	3	771
39 Longueval St Moorooka 4105 QLD	\$670,000	06-Feb-13	House	3	1	2	812
4 School Rd Yeronga 4104 QLD	\$675,000	04-Jan-13	House	4	2	4	1229
17 Cavan St Annerley 4103 QLD	\$705,000	05-Dec-12	House	3	1	2	401
58 Aubigny St Annerley 4103 QLD	\$653,000	03-Dec-12	House	3	2	2	561
14 Beverley Hill St Moorooka 4105 QLD	\$610,000	18-Nov-12	House	4	1	2	721

## 8) Project on Neighboring Property:

- 74 Horatio Street, Annerley (original address of property)
- 3 x 3bed, 2.5 bath, slug, Single Unit Dwellings (SUD)
- Approx. 2 to 3 years old
- Only selling now due to slump in market when project completed
- 101 Pitt Street, 234m<sup>2</sup>, sold 30/7/12 for \$525,000
- 5 Pitt Street, 205m<sup>2</sup> sold 16/11/12 for \$515,000
- 3 Pitt Street, 159 m<sup>2</sup> sold 02/03/13 for \$506,000
- Had been rented between \$525p/w to \$550p/w



# Example C



74 Horatio St – Before Townhouse Development      Horatio Street – North View



Front of Townhouses – 74 Horatio St

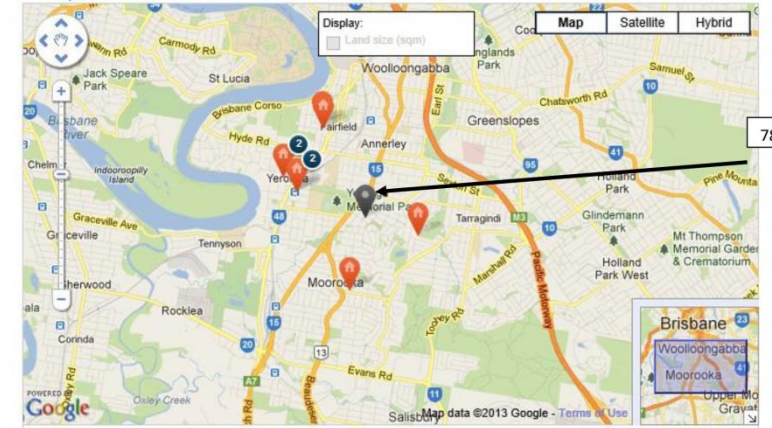


Floor Plan – 74 Horatio St

### 9) Comparable Townhouse Sales in Annerley and Surrounding Suburbs:

Table 3 lists recent Townhouse sales in Annerley and surrounding suburbs. Most recent, relevant sales are in Franklin Street and Pitt Street

- 1) Franklin Street is one street over from Horatio Street
  - o All 3bed, 2.5 bath, with tandem garage
  - o Project in final weeks of finishing
  - o All have been sold
  - o Listed for \$520,000 (still confirming actual sale prices)
- 2) Pitt Street is the adjoining property (74 Horatio Street)
  - o Sold between \$506,000 and \$525,000 depending on size of dwell



78 Horatio St

Table 3. Recent Townhouse Sales in Annerley and Surrounding Suburbs

Address	Sale Price	Sale Date	Type	Bed	Bath	Parking	Expected Rent
Units 1-6 22 Franklin Street, Annerley	Sold off plan - listed at \$520,000	Recently	New Townhouse	3	2.5	2 tandem	\$545 - \$565
2/50 Ferndale St, Annerley	\$512,000	24-Oct-12	Townhouse - built 10/08	3	2	1	
1/14 Christensen St Yeronga	\$545,000	29-Apr-13	Townhouse	3	2	2	
2/14 Christensen St Yeronga	\$540,000	14-Feb-13	Unit	3	2	2	
3/14 Christensen St Yeronga	\$544,000	24-Jan-13	Unit	3	2	2	
1/99 Ashby St Fairfield	\$605,000	18-Jan-13	Townhouse	3	2	2	
10/99 Ashby St Fairfield	\$600,000	12-Dec-12	Townhouse	3	2	2	
1/41 Days Av Yeronga	\$585,000	04-Dec-12	Unit	3	2	2	
2/41 Days Av Yeronga	\$585,000	22-Nov-12	Unit	3	2	2	
1/22 Mayfield Rd Moorooka	\$507,000	13-Nov-12	Unit	3	2	2	



# Example C



## 10) Location Research:

### *a) Why Brisbane?*

- According to GDP (Gross Domestic Product) Brisbane is the fastest growing city in the world
- As well as currently being the most affordable capital city on the Eastern seaboard
- 471,000 dwellings required in QLD over the next 10 years
- QLD is 12,000 dwellings in under supply each year
- 80% of QLD's population live in Brisbane
- 134.2 Bn estimated investment in infrastructure by 2031
- Predicted strong growth for next 4 to 5 years

### *b) Why Annerley?*

- According to research, opportunities for growth:
  - Key Employment areas
  - Infill sites
  - Redevelopment of existing housing
  - Port of Brisbane
  - Airport
  - Woolloongabba, Herston, Bowen Hills, Fortitude Valley, Newstead (research obtained from Which Property)
  - Annerley borders Woolloongabba
  - 6kms from City Centre, classified as infill
  - Princess Alexandra Hospital 2kms straight drive
  - Close to trains, major bus route
  - Gen Y looking for lifestyle and amenities
  - Greater trend toward apartment living
  - In QLD, medium to high density living increased by 19.5%
    - NSW 13.5%
    - NT 10%

### *c) Why Horatio Street?*

- Flood Free zone
- Walking distance to Ipswich Road - major transport route
- Short drive to Fairfield train station
- Close to Green footbridge to University of Queensland
- Variety of shops and lifestyle cafes less than 2kms and some walking distance
- Similar projects in street and adjoining streets
- Central, but street set back, therefore quiet and leafy



CONTACT DETAILS



## 11) Real Estate Agents Feedback

- Stick with smaller, 2 level projects
- Around \$530,000 sell quickly
- More contemporary (funky) style
- Target investors and/or owner occupiers
- Appeals to more young urban, busy lifestyle, possibly 1 child
- Open plan style
- Air conditioning in main and living at least
- On today's market sell very easily
- Lower range between \$510,000 to \$530,000
- Higher range \$560,000 to \$570,000
- Only reason people own or rent a house is for pets
- Renting from \$520 per week up to \$630 per week for larger style

Disclaimer

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CONTACT DETAILS

# Example

## D


### Investor Report

123 Smith Street,  
Melbourne, VIC 3000



Prepared By:  
**Michael Tiemens**

### Proposal



A great opportunity always has more than one exit strategy. In this instance, a total of three different scenarios have been run through the feasibility study.

For the purpose of this report, the highest yielding strategy has been chosen which consists of retaining the existing house. Plus the addition of a brand new, 9 bedroom rooming house to accommodate multiple occupancies for positive cashflow.

**Here's the scope:**

- Retain existing three bedroom residence
- Renovate + potentially add fourth bedroom
- Add double carport at the rear of existing house
- Possibility to **construct a 9 bedroom Rooming House** in the rear and hold for cash flow
- Possibility to **construct two x two bedroom residences** in the

# Example D

CREATIVITY AGENCY PROPOSAL

## Feasibility Report

Feasibility Study  
9 Raymond Road, Seaford  
*(Renovation to existing walls, new dwelling at rearfoot)*

Budget	Sub + Construct 2 x 2bdm	Sub + Construct 7 Bed Rooming	Sub + Modular 4 bdm Single
Sale of Renovated 3 Bdrm, 1 Bath 2 Car (as per comparable sales)	\$ 400,000.00	\$ -	\$ -
Sale of Renovated 2 Bdrm, 1 Bath 1 Car (as per comparable sales)	\$ 420,000.00	\$ -	\$ -
Vacant Land	\$ -	\$ -	\$ 600,000.00
Sale of Two Bedroom Townhouse	\$ -	\$ 700,000.00	\$ -
Sale of Two Bedroom Townhouse	\$ -	\$ 7,000.00	\$ 24,860.00
Sale of Four Bedroom High-Spec Family Home	\$ 26,400.00	\$ 2,300.00	\$ 3,000.00
Rebate in Brand New, 9 Bedroom Rooming House	\$ 5,000.00	\$ -	\$ -
Less Sales Commission of 2.5%	\$ -	\$ -	\$ -
Less Sales Marketing and Advertising	\$ -	\$ -	\$ -
<b>TOTAL Revenue</b>	<b>\$ 1,236,800.00</b>	<b>\$ 1,178,100.00</b>	<b>\$ 1,102,140.00</b>
<b>Expenses</b>	<b>\$ 468,000.00</b>	<b>\$ 468,000.00</b>	<b>\$ 468,000.00</b>
Land Purchase	\$ 26,220.00	\$ 26,220.00	\$ 26,220.00
Stamp Duty (Calculated at 5.5% of Purchase)	\$ 1,138.00	\$ 1,138.00	\$ 1,138.00
Conveyancing	\$ 500.00	\$ 500.00	\$ 500.00
Disbursements	\$ 2,700.00	\$ 2,700.00	\$ 2,700.00
Lenders Mortgage Insurance	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Interest on Loan (80% Purchase at Int Rate of 6% for 6 months)	\$ 1,080.00	\$ 1,080.00	\$ 1,080.00
Trust/Company structure	\$ 750.00	\$ 750.00	\$ 750.00
Insurances	\$ -	\$ -	\$ -
Council and Water Rates	\$ 600.00	\$ 600.00	\$ 600.00
Land Tax	\$ -	\$ -	\$ -
Valuations	\$ -	\$ -	\$ -
Preliminary Inspections	\$ -	\$ -	\$ -
Bank Fees	\$ 3,300.00	\$ 1,500.00	\$ 3,000.00
<b>Design and Compliance</b>	<b>\$ 3,300.00</b>	<b>\$ 1,500.00</b>	<b>\$ 3,000.00</b>
Concept design and pre-lodgement	\$ 1,007.00	\$ 1,007.00	\$ 1,007.00
Construction Drawings	\$ 900.00	\$ 900.00	\$ 900.00
Town planning lodgement fee	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Drainage Engineering	\$ 500.00	\$ 500.00	\$ 500.00
Structural/Civil Engineer	\$ 500.00	\$ 500.00	\$ 500.00
Landscape Designer	\$ 500.00	\$ 500.00	\$ 500.00
Geotechnical Engineer	\$ 300.00	\$ 300.00	\$ 300.00
Energy Ratings	\$ -	\$ -	\$ -
Building Surveyor/Building Permit (New Dwelling)	\$ -	\$ -	\$ -
Building Surveyor/Building Permit (Extension)	\$ -	\$ -	\$ -

CREATIVITY AGENCY PROPOSAL

## Capital Requirements

### CAPITAL REQUIRED - TIME LINE

Month	Description	Amount
April '16	Contract Dep	\$26,300.00
May '16	Design	\$6,500.00
June '16	Town Planning	\$1,007.00
July '16	Settlement	\$97,870.00
August '16		\$1,125.00
September '16		\$
October '16	2nd Stage Design	\$7,220.00








PLATINUM

# Example D




### Comparable Sales Data

Comparable Houses Recently Sold

<p><b>203 Canterbury Rd, Blackburn</b></p>  <p><b>\$1,850,000</b> Area Size: 1853 sqm</p> <p>House; Nearest railway - Blackburn Stn - 1.7km; Distance from subject property - 58.3 m; Heating</p>	<p>4 2 4</p> <p>Sold Date: 5-Jul-16 Sale Result: Sold - Private Treaty Listed: 16-Feb-16 Selling Agent: Justin James</p>
<p><b>2 Boulton Rd, Blackburn</b></p>  <p><b>\$1,540,000</b> Area Size: 1051 sqm</p> <p>House; Nearest railway - Blackburn Stn - 1.8km; Distance from subject property - 146.4 m; Fireplace; Heating; Polished Timber Floor</p>	<p>4 3 1</p> <p>Sold Date: 5-Mar-16 Sale Result: Sold - Private Treaty Listed: 10-Feb-16 Selling Agent: Fletchers Blackburn</p>
<p><b>8 Boulton Rd, Blackburn</b></p>  <p><b>\$1,695,000</b> Area Size: 1273 sqm</p> <p>House; Nearest railway - Blackburn Stn - 1.8km; Distance from subject property - 167.3 m; Air Conditioning</p>	<p>4 2 2</p> <p>Sold Date: 27-Feb-16 Sale Result: Sold - Auction Listed: 27-Feb-16 Selling Agent: Jellis Craig Blackburn</p>
<p><b>17 Halsey St, Blackburn</b></p>  <p><b>\$1,505,000</b> Area Size: 812 sqm</p> <p>House; Nearest railway - Blackburn Stn - 1.5km; Distance from subject property - 267.3 m; Alarm; Ensuite; Fireplace; Heating; Polished Timber Floor; Rumpus Room; Study; Walk In Wardrobe</p>	<p>5 3 2</p> <p>Sold Date: 7-May-16 Sale Result: Sold - Auction Listed: 05-Apr-16 Selling Agent: Woodards Blackburn</p>
<p><b>13 The Ridge, Blackburn</b></p>  <p><b>\$1,231,000</b> Area Size: 636 sqm</p>	<p>4 2 2</p> <p>Sold Date: 12-Sep-15 Sale Result: Sold - Auction</p>

# Example D

**Testimonials**



**BRAD SMITH**  
**2 X ENTREPRENEUR OF THE YEAR**

The result of doing a property deal and investing with Mick was ultimately profitability, and most of all in a partnership that did not require me to invest any labor.

The obstacle that would have prevented me from investing is congruency. **I would never invest with someone I didn't trust, nor someone I didn't feel had my best interests at heart all the time.** Mick's results were directly tied to my results and after looking at preview projects and calling people who had worked and invested with Mick in the past, I felt confident to go ahead.

The thing I liked most about Mick is understanding; we had some standard and short time delays thanks to council and Financing and **I think you can judge a partner by their character when things don't go perfectly to plan.** Every time Mick would call me with a problem he had a solution. I knew he had it covered and Mick would be straight up, honest, clear and on time with all communication.

People like Mick are few and far between. **when you find someone like this you make sure they are a part of your future**

**CONGRUENCY**

**coming leader** in the greater Melbourne market.

One lucky person will get to experience the **high growth** and the lucrative upside, sharing in the profits together.

You simply won't want to miss this.



Michael Tiemens

Founder & Managing Director



# Activity – Share Feedback on Your Table

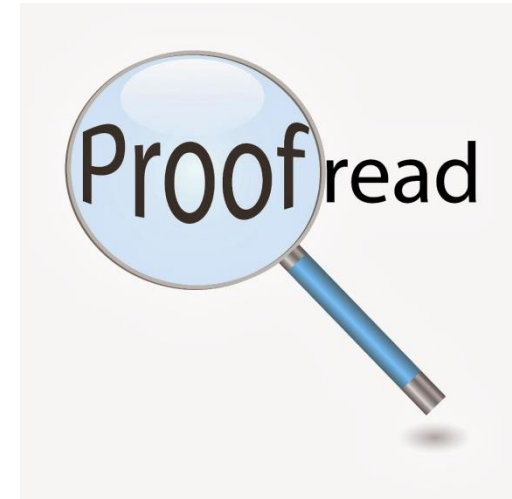
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# Activity – Group Reflection

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# Traits of a Good JV Deal Proposal

- Confidentiality Agreement
- Professional Presentation – layout, style, logo
- Proof Read – no spelling errors or calculation errors
- Photos, maps, dot points
- Executive Summary / Project Proposal - covering key points
- Draft Feaso
- Project Timeline
- Primary & Secondary Exit Strategies
- Property Details



# Traits of a Good JV Deal Proposal

- **Contract** Details
- **Comparable Sales** – Initial Purchase (undeveloped) & End Product (+ photos / maps)
- Surrounding Projects
- **Location** Research – Why Town, why suburb, why street?
- Realestate Agents **Feedback**
- **Risk** & Mitigation Strategies
- Your **Role**, Credentials, Testimonials
- Your **Contact** Details

**YES!**

QUESTIONS?