

July 2022

# Commercial

Mastermind  
Event

Brisbane

---

**Dr Tamara Read**

*QLD State Coach*

PLATINUM



**I LOVE**  
REAL ESTATE



PLATINUM

# 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 – 10:30 Commercial



# Workshop Format

- Use microphone
- Involve everyone in the conversation
- Be supportive
- Order food and drinks downstairs





CHRISTINE

GET WELL SOON!!



PLATINUM

# WELCOME NEW PLATINUMS



- Robyn Hills\*\*

\*\* PE = Platinum Elite (Revisiting Grads)

# Housekeeping



- 2022 Monthly Dates (Tuesday's):
  - ❖ 2<sup>nd</sup> Aug; 6<sup>th</sup> Sept; 4<sup>th</sup> Oct; 15<sup>th</sup> Nov (New Venue), 6<sup>th</sup> Dec
  - ❖ 15<sup>th</sup> Nov Venue: Amora Hotel Brisbane, 200 Creek St

- 2022 National Conference Dates:
  - ❖ 16<sup>th</sup> & 17<sup>th</sup> July – Sunshine Coast  
(Novotel Twin Waters) KEEP Saturday night free
  - ❖ 26<sup>th</sup> & 27<sup>th</sup> November – Sunshine Coast  
(Dymphna's Farm) KEEP Saturday night free
  - ❖ Platinum Elite Leadership Day (Friday) prior to each National Conference Date



# July National Conference

## 5 Year Vision Board Activity

- Bring your Vision Board – A4 printout to be used in activity
- Use Google Images
- Easy to create using Powerpoint Slide



- Welcome to Platinum Masterclass Event :
  - ❖ New students ONLY - Compulsory 😊😊
  - ❖ 15<sup>th</sup> August, Zoom @ 6pm QLD, Hosted by Dymphna!!
    - ❖ Roadmap to maximize your success in Platinum
    - ❖ Intro to fellow students



- I Love Realestate Super Conference - 2022:
  - 11 - 13<sup>th</sup> November – Melbourne



- Ultimate Bootcamp – Live & Virtual - Brisbane:
  - Fri 2<sup>nd</sup> – Sun 4<sup>th</sup> September
- Ultimate Bootcamp – Live & Virtual - Perth:
  - Fri 28<sup>th</sup> – Sun 30<sup>th</sup> October
- Quantum Events:
  - Check Ultimate Website





# Money Mind Mastery

*With Nicole Beer*



PLATINUM



# Money Mind Mastery



## PLATINUM ACCELERATOR

Every second **Monday**  
evening, 7 for 7.30pm  
Sydney time.

Mon Jul 4th, 2022 07:30 PM

Mon Jul 18, 2022 07:30 PM

Mon Aug 1, 2022 07:30 PM

Mon Aug 15, 2022 07:30 PM

Mon Aug 29, 2022 07:30 PM

Mon Sep 12, 2022 07:30 PM

Mon Sep 26, 2022 07:30 PM

Mon Oct 10, 2022 07:30 PM

Mon Oct 24, 2022 07:30 PM

Mon Nov 7, 2022 07:30PM





# Money Mind Mastery



**ULTIMATE**

MEMBERS ONLY

The last **Monday** of every month, 7.30pm.

Jul 25, 2022 07:30 PM

Aug 22, 2022 07:30 PM

Sep 26, 2022 07:30 PM


Oct 24, 2022 07:30 PM

Nov 14, 2022 07:30 PM

# Housekeeping

## Community Profile Platform:


- ❖ Complete your profile ASAP please – any issues with filling out your profile, email your coach!!



PLATINUM  
ACCELERATOR

Home Education Meeting Recordings Coaches & Contact Platinum Schedule **Community**


### My Profile



Tamara Read  
QUEENSLAND

About Groups Blog Message<sup>1</sup> Notification<sup>1</sup> Settings

[Edit Profile](#)

Profile	 PLATINUM GRADUATE Platinum Graduate
Contact Information	LOCATION Sunshine Coast, QLD
	PLATINUM YEARS 2016, 2017, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2018, 2019.
	PARTNER NAME John
	OCCUPATION Investor, Mentor, Educator
	BACKGROUND Platinum Accelerator National Coach and

# RP Data Subscription

<https://iloverealestate.tv/corelogic/>

**Core Logic RP Data Professional Investor Pack**  
Available to Ultimate, Quantum and Platinum Members Only  
Limited to 250 Members ONLY

**Get Started \$77 p/month**      **Get Started \$740 p/year**

\* A minimum 12 month commitment is required to secure these prices

- Pro Version = Full Functionality
- National Coverage
- Export to Excel (CSV File)

EXCITING NEWS!  
iLoveRealEstate Members-Only

**Get Core Logic RP Data Professional Investor Pack at a HUGE DISCOUNT!**



## I've got exciting news for you!

We've just signed off on a deal with Core Logic for our members to get access to their Professional RP Data Pack at a MASSIVE DISCOUNT!

Normally \$150 per month, as a member you can now get access for just \$77 (inc. GST) per month (minimum term 12 months).

If you want to pay 12 months in advance, you get another 20% OFF, which means your investment is just \$740 per year.

Only 250 memberships available.

If you want one, you'll have to act FAST!

Here are the steps that you'll need to take to get access to this deal.

- **Step 1)** Choose the Monthly Option or the Pay In Full Option
- **Step 2)** Once you've done that, you'll get an email via DocuSign to sign the License Agreement.
- **Step 3)** Once you've signed the License Agreement and hit "Submit", Knowledge Source and Core Logic will activate your Membership and send you Access and Login Details on how to get access to your Membership within 48 hours.

I hope you take advantage of this offer, it's been a long time in the making.

But I'm sure you'll agree it's been worth waiting for!

Yours Sincerely,  
Dymphna Boholt

**Core Logic RP Data Professional Investor Pack**  
Available to Ultimate, Quantum and Platinum Members Only  
Limited to 250 Members ONLY

**Get Started \$77 p/month**

**Get Started \$740 p/year**

\* A minimum 12 month commitment is required to secure these prices

# Platinum Student Meetups

- ❖ PA Website / Platinum Schedule
- ❖ Must have your Facebook account / profile open to access the links



## PA Student Meetup Groups

These Student Meetup groups are for ALL Platinum students only, both past and present. They are organised by Platinum students to facilitate networking between Platinums and staying connected with the awesome Platinum family. Typically they occur between the PA Monthly Meetings.

**NOTE: You MUST have your Facebook Account/Profile open to access these links.**

## Brisbane Student Meetup



Student Organizer – Megan Humphreys

Click on the link below to access the Platinum Accelerator Facebook Events for each Brisbane Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Brisbane Student Meetup](#)

## Sydney Student Meetup



Student Organizer – Dindy Luki

Click on the link below to access the Platinum Accelerator Facebook Events for each Sydney Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Sydney Student Meetup](#)

## Melbourne Student Meetup



Student Organizer – Aygun Coker

Click on the link below to access the Platinum Accelerator Facebook Events for each Melbourne Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Melbourne Student Meetup](#)

## Perth Student Meetup



Student Organizer – Basia Garbowski & Heath Worlton

Click on the link below to access the Platinum Accelerator Facebook Events for each Melbourne Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Perth Student Meetup](#)

# Housekeeping

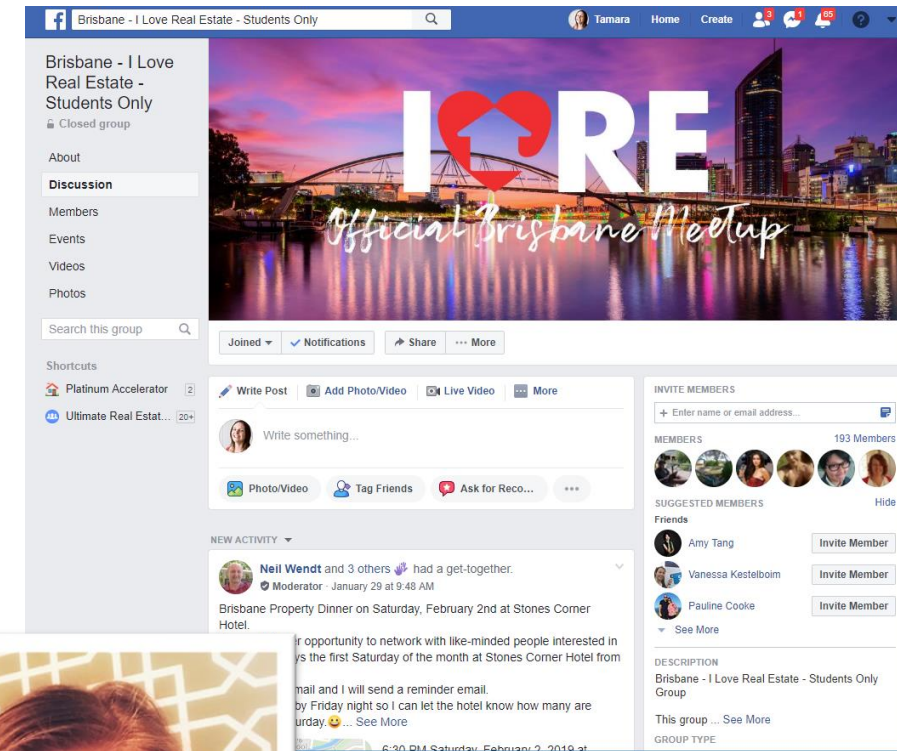
- **PA Meetup Groups – LIVE!!**
  - ❖ Brisbane Platinum Student Meetups
  - ❖ THANK YOU Amanda Chambers
  - ❖ 3<sup>rd</sup> Saturday of Each Month @ private space – 3 locations on rotation
  - ❖ RSVP Required

\*\* Text Amanda on 0423 173 458 or contact her on Facebook via the Meet-up Group Link



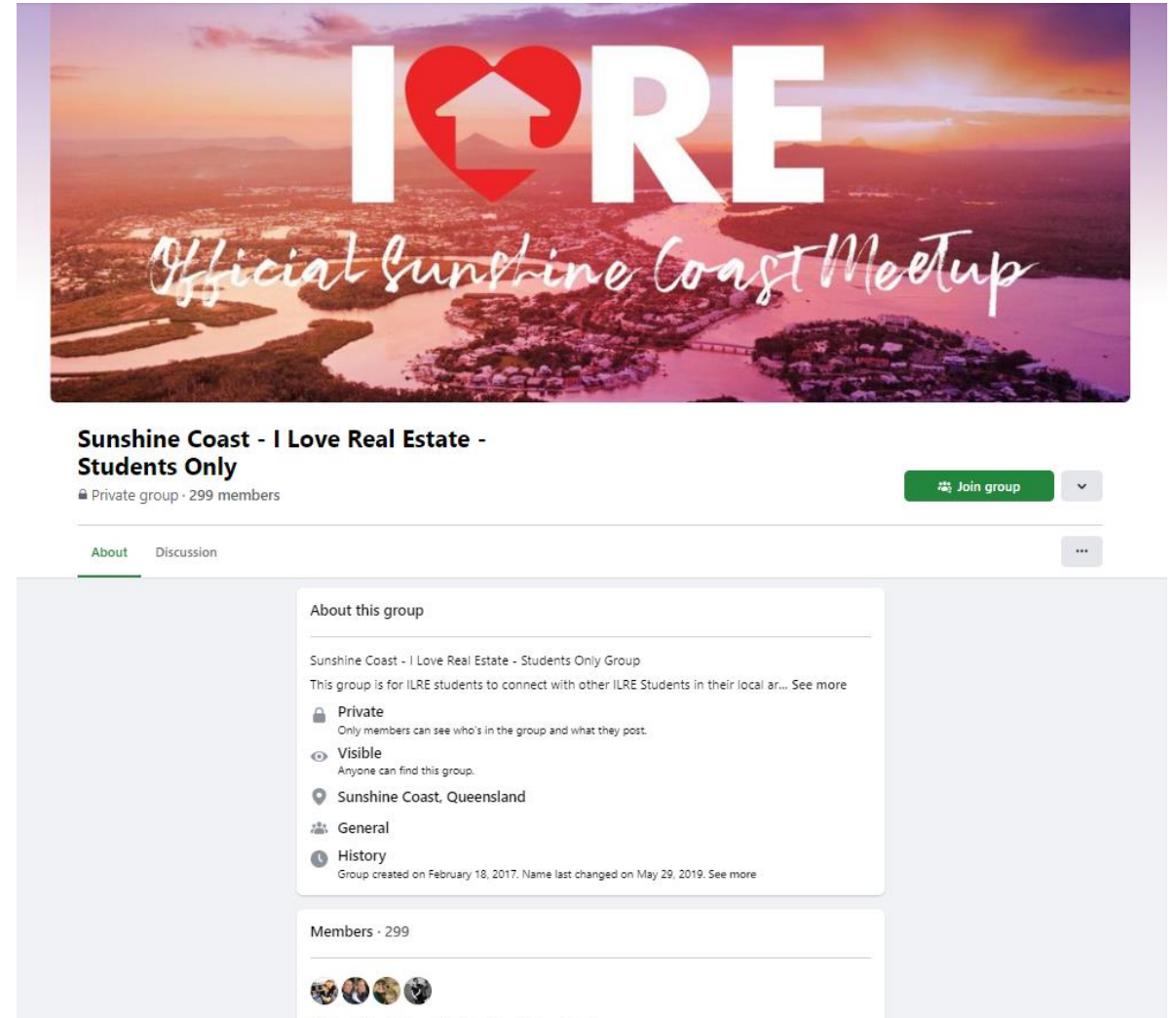
# ILRE Brisbane Monthly Meetups

- ❖ Organizers - Neil & Yelena Hensley
- ❖ Info & RSVP: Ultimate Website / ILRE Community / ILRE Brisbane Meetup / Link to FB Page
- ❖ Location – TBC
- ❖ Dates – First Saturday of each month, 6:30pm
- ❖ Organizer Contact – Neil Hensley Mbl 0404401016



# ILRE Sunshine Coast Monthly Meetups

- ❖ Search Facebook  
“Sunshine Coast – I Love Real Estate Students Only”



# GRADUATING PLATINUMS



- Lisa & Ian Raklander
- Jenny & Steve Nahuysen
- Terry & Joel Chapman
- Valeria Pennazza
- Priya & Senil Rajan



## STUDENTS OF THE MONTH

● ??????

# PLATINUM

# Charisma

---



**I LOVE**  
REAL ESTATE



# PLATINUM



**Does Charisma make you more Successful?**



**Can both Men and Women be Charismatic?**



**Can Charisma be Learned?**

# Defining Charisma

- **Researchers at the University of Toronto carried out a large-scale study into charisma, involving over 1,000 people.**
- **They found that charisma consists of a mixture of what they called *'affability'* and *'influence'*.**
- **Influence was defined as leadership ability and strength of 'presence'.**
- **Affability was defined as being approachable and pleasant.**

# Which of these men have Charisma?



1



3



10



11



5



4



8



2



6



9



7

# Which of these Women have Charisma?



1



3



9



10



4



7



2



5



8



6

# Quantifying Charisma

---

Rate yourself on a scale of one to five (where five is high) against these six statements:

I am someone who...

1. ...has a presence in a room
2. ...has the ability to influence people
3. ...knows how to lead a group
4. ...makes people feel comfortable
5. ...smiles at people often
6. ...can get along with anyone

Divide the total score by six to get a charisma value. Anything over 3.7 is considered 'higher than average'.



# How can I learn to be more Charismatic?

**John Antonakis, a professor of organizational behavior at the University of Lausanne in Switzerland, notes that charisma, at its most basic, is merely information signaling.**

**“Basically put, charisma is all about signaling information in a symbolic, emotional and value-based manner,” he said. “Thus, charisma signaling is all about using verbal — what you say — and nonverbal techniques.”**

**So let's practice!**

# The 3 Pillars of Charisma

- Presence
- Power
- Warmth

# The 3 Pillars of Charisma

## Presence

- Involves residing in the moment.
- When you find your attention slipping while speaking to someone, refocus by centering yourself. Pay attention to your breath.
- Focus on the other person
- Maintain good eye contact – don't look away
- Smile

## Exercise

- Take turns discussing the topics below.
- Remain Present and attentive.
- Both the listener and the talker try to be Charismatic.
- Story teller needs to be animated and engaging. The listener needs to be engaged
- **Your topics**  
**Umbrellas and Baked Beans**
- **2 Mins each**

# The 3 Pillars of Charisma

## Power

- Involves breaking down self-imposed barriers rather than achieving higher status.
- It's about lifting the stigma that comes with the success you've already earned. [Impostor syndrome](#), as it's known, is the prevalent fear that you're not worthy of the position you're in. The higher up the ladder you climb, the more prevalent the feeling becomes.
- **The key to this pillar is to remove self-doubt, [assuring yourself that you belong](#) and that your skills and passions are valuable and interesting to others. It's easier said than done.**

# The 3 Pillars of Charisma

## Warmth

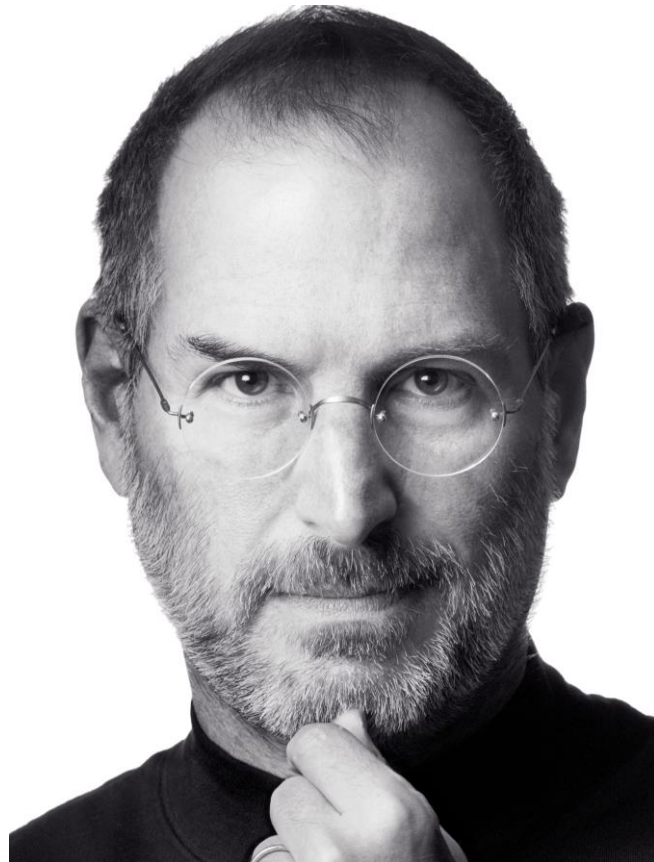
- This is a little harder to fake. This one requires you to radiate a certain kind of vibe that signals kindness and acceptance.
- Those who excel here are people who invoke this feeling in others, even when they've just met.
- To master this pillar, researchers suggest imagining a person you feel great warmth and affection for, and then focusing on what you enjoy most about your shared interactions. You can do this before interactions, or in shorter spurts while listening to someone else speak. This can change body chemistry in seconds, making even the most introverted among us exude the type of warmth linked to high-charisma people.
- **Practice again talking about Umbrellas and Baked Beans while sending unconditional love to the other person**

# The 3 Pillars of Charisma

- Presence
- Power
- Warmth

**Mastering all 3 will give you a well rounded, charismatic persona that will help you be more influential in your property dealings and ultimately more confident and Successful**

# Famous Visionaries who lacked one or more of the Pillars



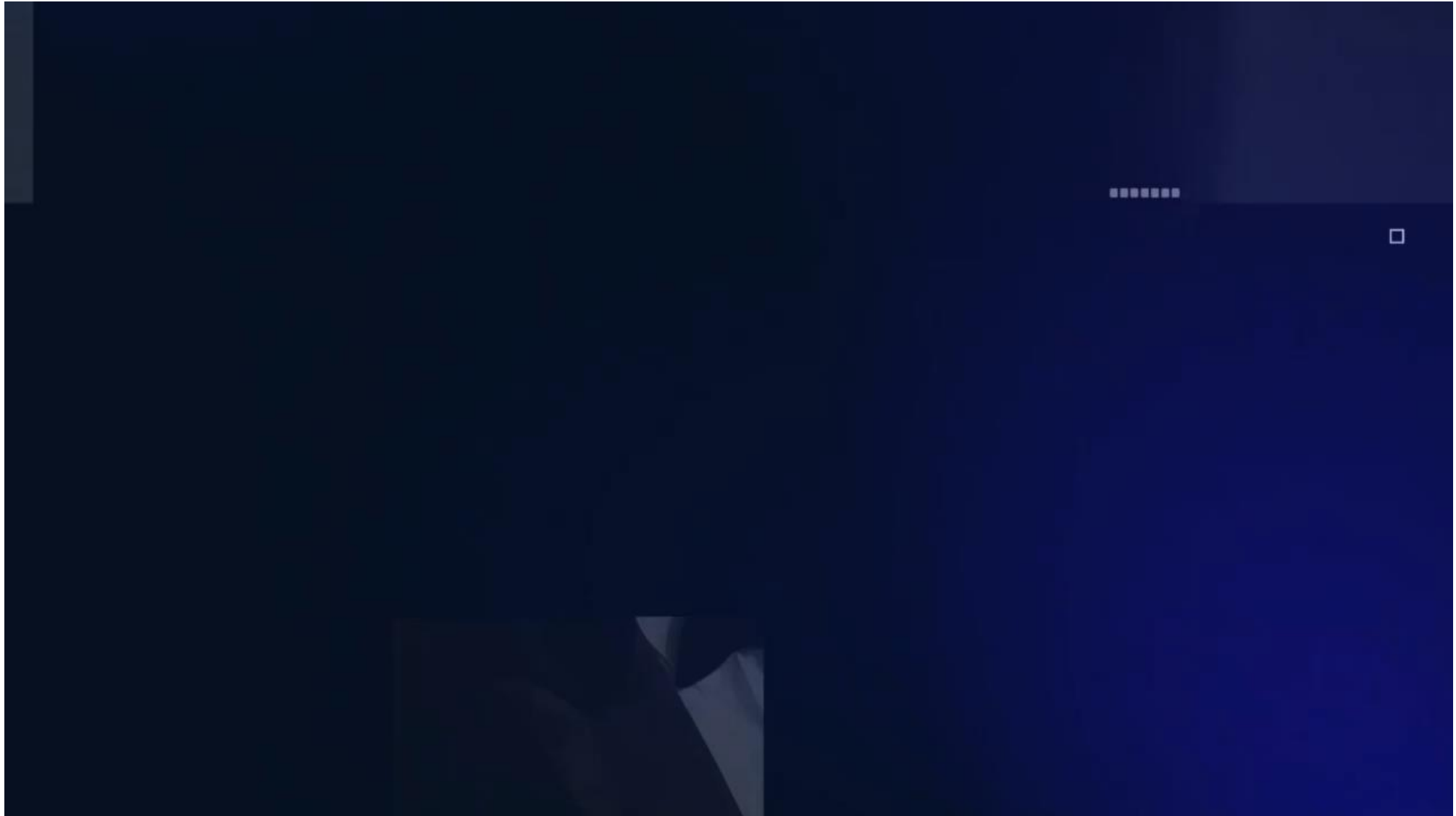
- Steve Jobs, the co-founder of Apple, exhibited mastery in power and achieved high marks for presence.
- However, according to his daughter Lisa Brennan-Jobs, in her 2018 memoir “Small Fry,” he lacked warmth.

# Famous Visionaries who lacked one or more of the Pillars



- Tesla's chief executive, Elon Musk, also arguably lacks warmth.
- He's a classic introvert who makes up for his lack of people skills with mastery in presence and above-average levels of power.

# Learning from a Master



# Ok – So Let's practice that!

- Stand up
- Pick a partner
- Greet that person for the first time
- Use big hand gestures
- Smile
- Use an elevated tone
- Instil Enthusiasm
- Introduce yourself
- Talk about Umbrellas or Baked Beans



# Get ready to make a joke about yourself



# Ok – So Let's practice that!

- Stand up
- Pick a different partner
- Greet that person for the first time
- Use big hand gestures
- Smile
- Use an elevated tone
- Now make a joke about yourself that is LOW BURN
- Not self depreciating
  
- Swap Roles

Short joke #30

"Describe yourself in one word" – "I always pay attention"

100xhahaha.com/shortjokes

# Asking Open Questions



# Ok – So Let's practice that!

- Stand up
  - Pick a different partner
  - Greet that person for the first time
  - Use big hand gestures
  - Smile
  - Use an elevated tone
  - Now ask a “Talk about” question
- 
- Swap roles



A Full version of the Jamie Foxx Video  
can be found on you tube

**5 Psychological Tricks That  
Make People Obsessed With  
You**



**Does Charisma make you more Successful?**



**Can both Men and Women be Charismatic?**



**Can Charisma be Learned?**

PLATINUM

Accountability  
Monthly Goals



**I LOVE**  
REAL ESTATE



PLATINUM

# Buddy Process Follow-Up



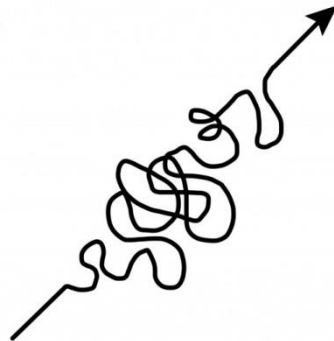
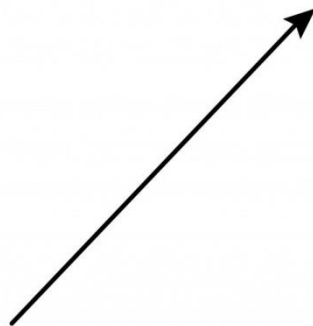
- Partner with someone you don't know
- Active Platinum Partners split up (Non-active partners stay together)
- Exchange Mobile No.
- Schedule to "TALK" weekly
- Finishing students partner together

# 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



# Tea / Coffee Break

# PLATINUM

# Commercial

---



**I LOVE**  
REAL ESTATE



# PLATINUM

# 39 POWER ROAD

Bayswater 3153

# AUCTION

Wednesday 12th August at 12 noon on-site

## Investment Opportunity



**appleby**  
real estate

COMMERCIAL AND RESIDENTIAL SPECIALISTS

# 8727 9555

[www.appleby.com.au](http://www.appleby.com.au)

20 STATION ST, BAYSWATER 3153

## The Deal

- Agent Brochure

**I LOVE**  
REAL ESTATE



# PLATINUM



**39 Power Road, Bayswater 3153**

Flexible investment opportunity

1 title - 5 tenancies

Solid returns

Land area 1946m<sup>2</sup>

Building area 950m<sup>2</sup>

**appleby**  
real estate

COMMERCIAL AND RESIDENTIAL SPECIALISTS

**AUCTION**

Wednesday 12th August at 12 noon on-site

Nick Draffin 0407 058 223

Philip Leeson 0417 389 514

Melways ref: 64, G4

**8727 9555**

[www.appleby.com.au](http://www.appleby.com.au)

20 STATION ST, BAYSWATER 3153

**Advertised Details:**

**SECURE, SOLID INVESTMENT OPPORTUNITY**

**AUCTION:**

Solid Investment Opportunity

5 Separate tenants 1 title

Long standing tenants

Good rental return

Land Area: 1946m<sup>2</sup>

Building Area: 950m<sup>2</sup>

Current net rental of \$56,451

(Auction Terms:)

**I LOVE**  
REAL ESTATE



**PLATINUM**

# The Deal



# Unit 1



Unit 1 Graffiti



Unit 1 Internals

# Unit 2



Unit 2 Internal



Unit 2 Toxic Chemicals

# Unit 3 & 4



Unit 3 & 4 Car park Area



Unit 3 Internals



Unit 4 Internals



Unit 4 Internals



Unit 4 Internals

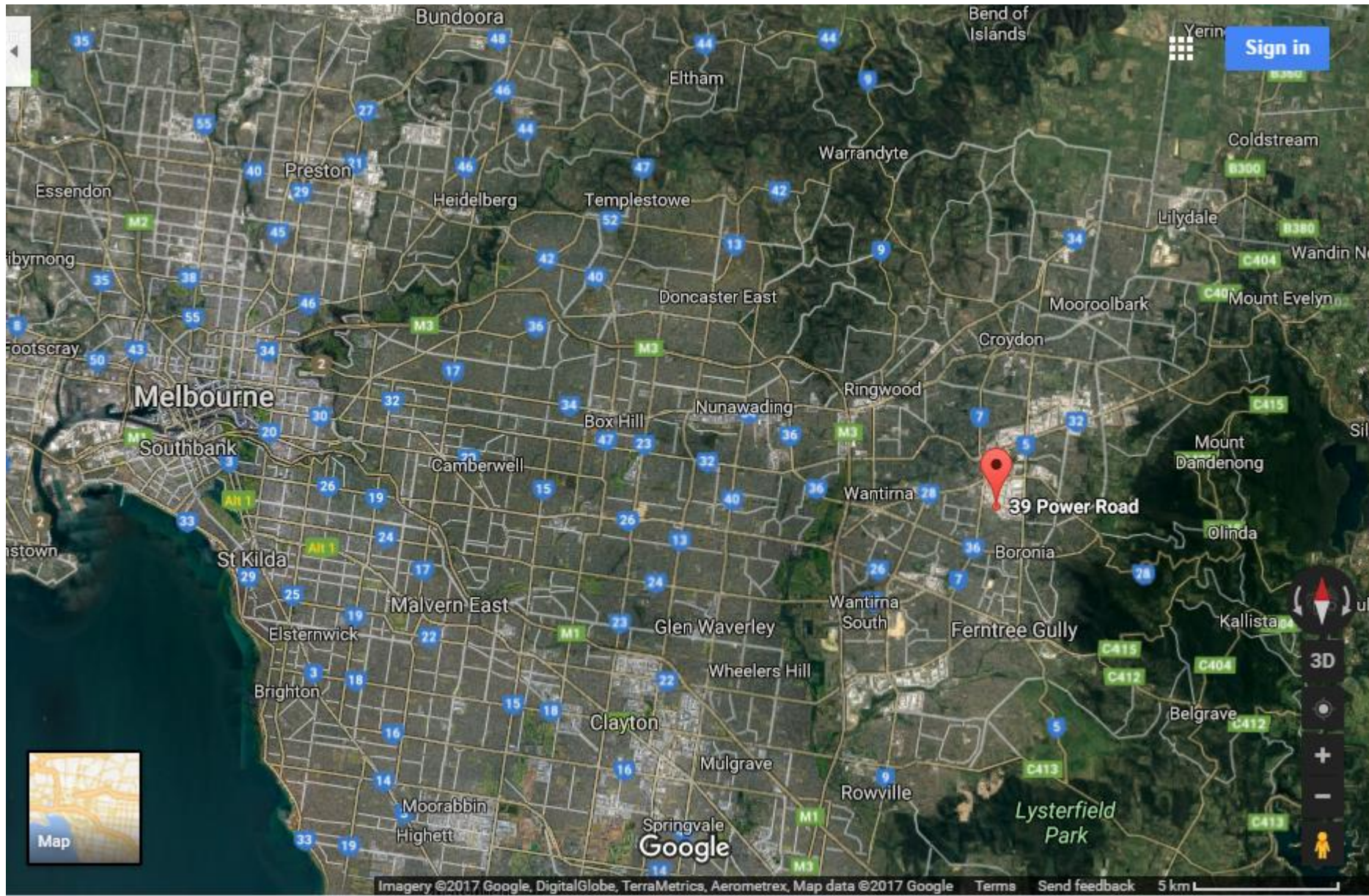
# Unit 5



# Deal Analysis Outline

- Location Review
- Tenant Review
- Identify Potential Deal Strategies
- Calculate Potential Purchase Price – Capitalisation & Comparison Methods
- Determine Potential to Increase Rent & Impact on Value
- Determine Potential of Strata Title & Impact on Value
- Revalue Potential to Release Equity



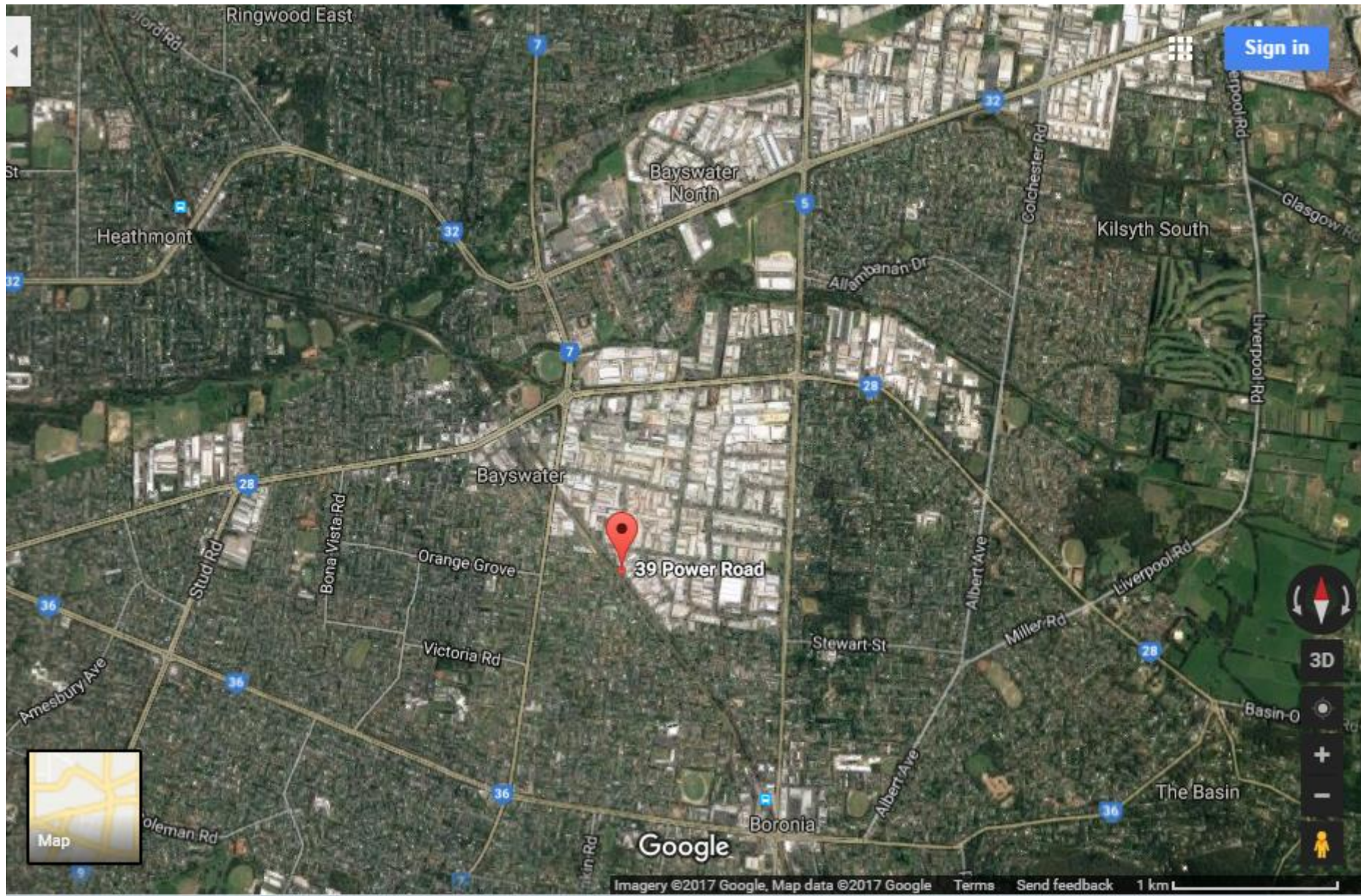


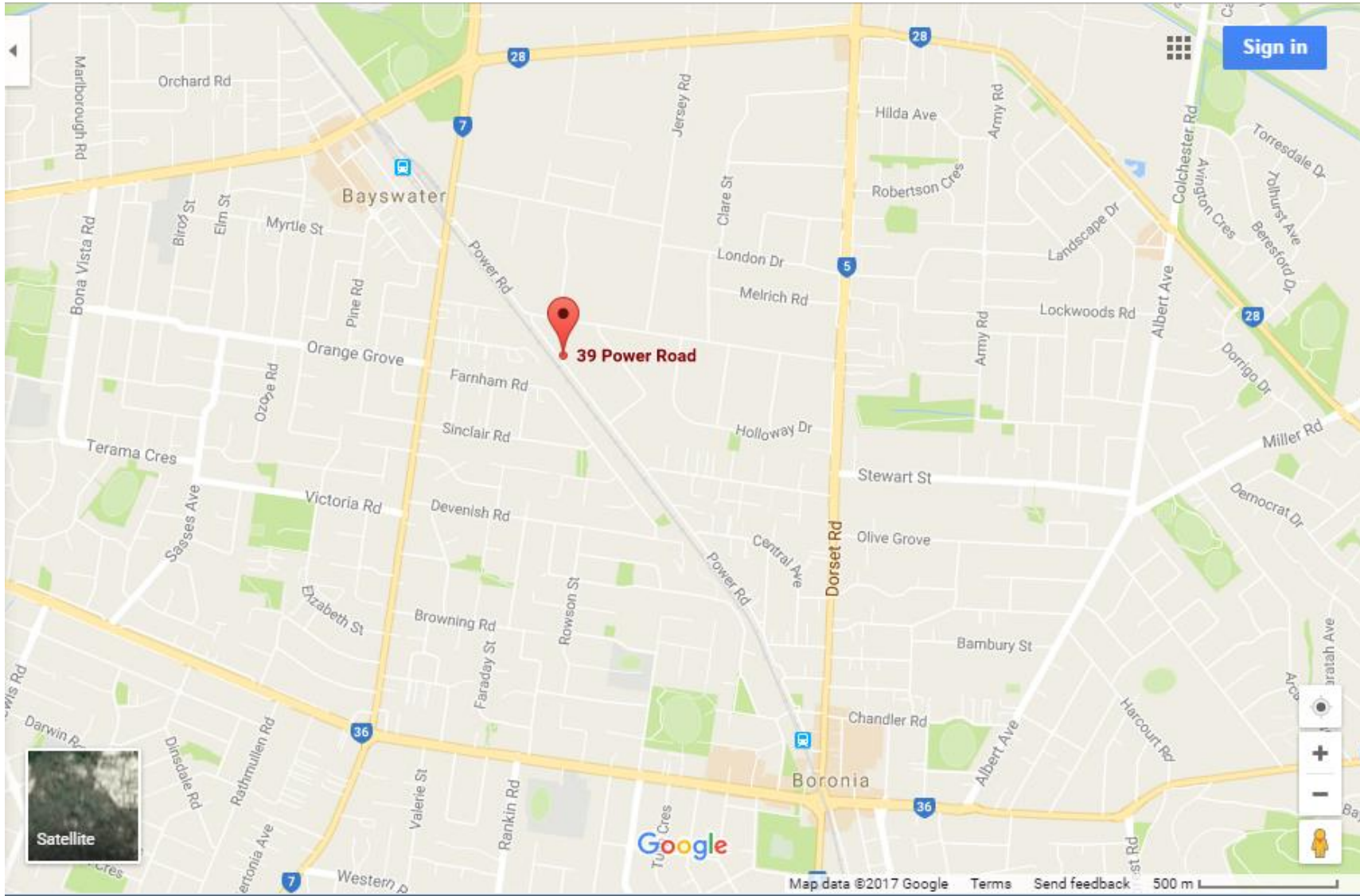
Location:

39 POWER RD

BAYSWATER

MELBOURNE







# 1a. Activity – Location Review

- On your table – review the location & summarise the characteristics

## Location Characteristics

Melbourne CBD – 28km

800m to Bayswater commercial centre

Land locked industrial estate

Well established & fully developed industrial estate

Easy access to Eastlink Freeway – CBD & suburb access

Main road exposure = Exposure

Across road = railway line & residential

Train stations x2 near by

On edge of industrial estate

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast
Melbourne CBD – 28km		
800m to Bayswater commercial centre		
Land locked industrial estate		
Well established & fully developed industrial estate		
Easy access to Eastlink Freeway – CBD & suburb access		
Main road exposure = Exposure		
Across road = railway line & residential		
Train stations x2 near by		
On edge of industrial estate		

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	<b>D</b>
800m to Bayswater commercial centre			
Land locked industrial estate			
Well established & fully developed industrial estate			
Easy access to Eastlink Freeway – CBD & suburb access			
Main road exposure = Exposure			
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	D
800m to Bayswater commercial centre	✓	Isolated from business district	D
Land locked industrial estate			
Well established & fully developed industrial estate			
Easy access to Eastlink Freeway – CBD & suburb access			
Main road exposure = Exposure			
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	<b>D</b>
800m to Bayswater commercial centre	✓	Isolated from business district	<b>D</b>
Land locked industrial estate	✓	Near vacant land = future expansion	<b>S</b>
Well established & fully developed industrial estate			
Easy access to Eastlink Freeway – CBD & suburb access			
Main road exposure = Exposure			
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	<b>D</b>
800m to Bayswater commercial centre	✓	Isolated from business district	<b>D</b>
Land locked industrial estate	✓	Near vacant land = future expansion	<b>S</b>
Well established & fully developed industrial estate	✓	New estate = vacant land/new buildings	<b>S</b>
Easy access to Eastlink Freeway – CBD & suburb access			
Main road exposure = Exposure			
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	<b>D</b>
800m to Bayswater commercial centre	✓	Isolated from business district	<b>D</b>
Land locked industrial estate	✓	Near vacant land = future expansion	<b>S</b>
Well established & fully developed industrial estate	✓	New estate = lots vacant land/new buildings	<b>S</b>
Easy access to Eastlink Freeway – CBD & suburb access	✓	Long distance to highway/motorway	<b>D</b>
Main road exposure = Exposure			
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	D
800m to Bayswater commercial centre	✓	Isolated from business district	D
Land locked industrial estate	✓	Near vacant land = future expansion	S
Well established & fully developed industrial estate	✓	New estate = lots vacant land/new buildings	S
Easy access to Eastlink Freeway – CBD & suburb access	✓	Long distance to highway/motorway	D
Main road exposure = Exposure	✓	Poor exposure	D
Across road = railway line & residential			
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	D
800m to Bayswater commercial centre	✓	Isolated from business district	D
Land locked industrial estate	✓	Near vacant land = future expansion	S
Well established & fully developed industrial estate	✓	New estate = lots vacant land/new buildings	S
Easy access to Eastlink Freeway – CBD & suburb access	✓	Distance to highway/motorway	D
Main road exposure = Exposure	✓	Poor exposure	D
Across road = railway line & residential	✓	Isolated location	D
Train stations x2 near by			
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	<b>D</b>
800m to Bayswater commercial centre	✓	Isolated from business district	<b>D</b>
Land locked industrial estate	✓	Near vacant land = future expansion	<b>S</b>
Well established & fully developed industrial estate	✓	New estate = lots vacant land/new buildings	<b>S</b>
Easy access to Eastlink Freeway – CBD & suburb access	✓	Distance to highway/motorway	<b>D</b>
Main road exposure = Exposure	✓	Poor exposure	<b>D</b>
Across road = railway line & residential	✓	Isolated location	<b>D</b>
Train stations x2 near by	✓	Difficult to access	<b>D</b>
On edge of industrial estate			

# 1b. Activity – Location Review

**D = Demand Affected**  
**S = Supply Affected**

- Group Discussion – Contrast the location characteristics

Location Characteristics		Contrast	
Melbourne CBD – 28km	✓	Smaller population	D
800m to Bayswater commercial centre	✓	Isolated from business district	D
Land locked industrial estate	✓	Near vacant land = future expansion	S
Well established & fully developed industrial estate	✓	New estate = lots vacant land/new buildings	S
Easy access to Eastlink Freeway – CBD & suburb access	✓	Distance to highway/motorway	D
Main road exposure = Exposure	✓	Poor exposure	D
Across road = railway line & residential	✓	Isolated location	D
Train stations x2 near by	✓	Difficult to access	D
On edge of industrial estate	✓	Middle of estate = competition?	S

**PROPERTY LISTING****SECURE,SOLID INVESTMENT OPPORTUNITY**

AUCTION 12TH OF AUGUST ONSITE MIDDAY

[Print Page](#)

- Solid Investment Opportunity
- 5 Separate tenants 1 title
- Long standing tenants
- Good rental return
- Land Area: 1946m<sup>2</sup>
- Building Area: 950m<sup>2</sup>
- Current net rental of \$56,451

**Property Details**

Address: 39 Power Road, BAYSWATER, VIC 3153  
Property ID: 8754

Component	Building Area (m <sup>2</sup> )	Land Area (m <sup>2</sup> )	Rental PA	Sale Price
Investment	950m <sup>2</sup> ((5 Seperate Tenancies))	1946m <sup>2</sup>	\$55,700.00	n/a

[All amounts are expressed as GST exclusive.]

**Contact****Nick Draffin**E-mail: [nick@appleby.com.au](mailto:nick@appleby.com.au)

Phone: 03 8727 9554

Mobile: 0407 058 223

**Philip Leeson**E-mail: [phil@appleby.com.au](mailto:phil@appleby.com.au)

Phone: 03 8727 9555

Mobile: 0417 389 514

**Features**

<b>Occupancy</b>	Tenanted: 5 seperate tenancies	<b>Zoning</b>	INDUSTRIAL 1	<b>Commenced</b>	VARIOUS
<b>Yield</b>	APPROXIMATELY 7%	<b>Lease Term</b>	VARIOUS	<b>Bonds / Guarantees</b>	VARIOUS
<b>Rent Review</b>	ANNUAL	<b>Car Spaces</b>	YES	<b>Availability</b>	
<b>Condition</b>		<b>Air Conditioning</b>		<b>Roller Doors</b>	YES
<b>Floors</b>		<b>Lifts</b>		<b>Sprinklers</b>	
<b>Height</b>		<b>Age</b>		<b>Car Parking Fees</b>	NIL

**Outgoings**

<b>Outgoings Payable</b>	BY TENANT	<b>Water Rates</b>
<b>Land Tax</b>		<b>Council Rates</b>
<b>Body Corporate / Insurance</b>		<b>Other Charges</b>

**Comments**

GOING CONCERN FOR GST PURPOSES

20 Station Street, Bayswater, VIC 3153  
Telephone +61 3 8727 9555 Facsimile +61 3 9729 3511  
Email [nick@appleby.com.au](mailto:nick@appleby.com.au)

# Agent IM = Information Memorandum

<b>NET RENTALS - 39 POWER ROAD</b>						
	<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>	
GROSS RENT	\$12,757.56	\$12,385.85	\$15,187.92	\$12,831.96	\$16,101.71	
LESS OUTGOINGS	\$2,233.33	\$2,233.33	\$2,992.20	\$2,537.87	\$3,006.28	
<b>NET RENTAL</b>	<b><u>\$10,524.23</u></b>	<b><u>\$10,342.20</u></b>	<b><u>\$12,195.72</u></b>	<b><u>\$10,294.09</u></b>	<b><u>\$13,095.43</u></b>	
<b>OUTGOINGS - 39 POWER ROAD BAYSWATER</b>						
	<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>	
WATER RATES	\$419.10	\$419.10	\$568.73	\$494.55	\$621.71	
COUNCIL RATES	\$1,197.00	\$1,197.00	\$1,693.00	\$1,369.00	\$1,614.00	
INSURANCE	\$317.23	\$317.23	\$430.47	\$374.32	\$470.57	
ESSENTIAL SAFETY & FIRE	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	
<b>TOTAL OUTGOINGS</b>	<b><u>\$2,233.33</u></b>	<b><u>\$2,233.33</u></b>	<b><u>\$2,992.20</u></b>	<b><u>\$2,537.87</u></b>	<b><u>\$3,006.28</u></b>	
	<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>	
LEASE TERM	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	
FACTORY SIZE	158m2	160m2	214m2	186m2	234m2	
OCCUPATION COMMENCED	Dec-06	Dec-02	Mar-04	Aug-01	Nov-97	
USE	STEEL	SILVER	METAL	METAL	STORAGE	
	FABRICATION	PLATING	FABRICATION	POLISHING	MACHINERY	

## 2. Activity – Tenant Review

- On your table – review the tenancies

Tenant Review

## 2. Activity – Tenant Review

- On your table – review the tenancies

### Tenant Review

All long standing tenants

Month by month leases not great for income security = poor WALE

Month by month leases good when wanting flexibility to upgrade tenant / tenant terms

Month by month leases good when selling to potential owner occupier (vacant possession)

Chemical usages may be hazardous & check if approved usages

Rents not reviewed recently?

### ❖ WALE =

Weighted Average Lease Expiry (weighted average lease term remaining to expire across a multi tenanted property). WALE of 1 year = higher risk of vacancy in short term e.g. the avg lease term = 1 year. Weighted by rental income or square meters. Valuers will calculate

# 3. Activity – Potential Deal Strategies

- On your table – Review photos & list potential deal strategies – cash flow & value

Potential Strategies

### 3. Activity – Potential Deal Strategies

- On your table – Review photos & list potential deal strategies – cash flow & market value

#### Potential Strategies

Increase rent to market value

Convert to term leases & improved terms

Renovate

Strata title into 5 lots

Rent additional hardstand areas

Identify additional lettable space (Lease area vs survey area)

Billboard on roof to advertise to adjacent commuter train-line – retain air rights

Install solar on roof & sell power to tenants

# 4. Activity – Determine Potential Purchase Price

- Auction = no list price!
- 2 Methods to determine market value:
  - ❖ Primary = Capitalisation Method
  - ❖ Secondary = Comparison Method

# Capitalisation Method - Determine Potential Price

○ 
$$\text{Market Value} = \frac{\text{Net Annual Income}}{\text{Area Capitalisation (Cap) Rate}}$$

- ❖ A) Determine Net Annual Income (From IM)
- ❖ B) Determine Area Cap Rate (Research Comparables & Opinions)
- ❖ C) Calculate Market Value

# 4A. Activity – Calculate Net Annual Income

- Net Annual Income = Gross Annual Rent (Excl. GST) – Annual Outgoings (Excl. Interest)
- Calculate from IM

NET RENTALS - 39 POWER ROAD					
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5
GROSS RENT	\$12,757.56	\$12,385.85	\$15,187.92	\$12,831.96	\$16,101.71
LESS OUTGOINGS	\$2,233.33	\$2,233.33	\$2,992.20	\$2,537.87	\$3,006.28
<b>NET RENTAL</b>	<b>\$10,524.23</b>	<b>\$10,342.20</b>	<b>\$12,195.72</b>	<b>\$10,294.09</b>	<b>\$13,095.43</b>
OUTGOINGS - 39 POWER ROAD BAYSWATER					
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5
WATER RATES	\$419.10	\$419.10	\$568.73	\$494.55	\$621.71
COUNCIL RATES	\$1,197.00	\$1,197.00	\$1,693.00	\$1,369.00	\$1,614.00
INSURANCE	\$317.23	\$317.23	\$430.47	\$374.32	\$470.57
ESSENTIAL SAFETY & FIRE	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
<b>TOTAL OUTGOINGS</b>	<b>\$2,233.33</b>	<b>\$2,233.33</b>	<b>\$2,992.20</b>	<b>\$2,537.87</b>	<b>\$3,006.28</b>

❖ **Answer:**

$$\$69,265.00 - \$13,003.01 = \$56,261.99$$

- Pick the Agents Error!!  
= \$189.68
- Must Double Check EVERYTHING

## 4B. Activity – Determine Area Cap Rate

- **Cap Rate = Subjective figure for an area & property class**
- List ways to determine the cap rate:
  - ❖ Commercial agents opinion
  - ❖ Valuers opinion
  - ❖ Calculate from comparable sales data – average of yield %

# Comparable Sales Data:

UNIT 17 / 200 Canterbury Road, BAYSWATER VIC 3153		
Sale Date	September 2014	Assumed Net Rent = \$16,575 pa
Sale Price	\$255,000	
Area (sqm)	Building	
	187	
A circa 1980's warehouse with 4.5m clearance and good quality purpose built fully glazed office.		



2/6 Clare St, Bayswater VIC 3153		
Sale Date	July 2014	
Sale Price	\$475,000	
Area (sqm)	Building	
	588	
A circa 1980 semi-detached brick warehouse with roller shutter door and basic office being situated at the rear of a multi-unit development. The Clare Street continues as Corporate Boulevard located to the east of Dorset Road. The premises sold with a 3+3+3 year lease commenced May 2012 with a current rent of \$34,183 pa. equating to \$58/sq.m.		



# Comparable Sales Data:

12/24 Longstaff Rd, Bayswater VIC 3153		
Sale Date	August 2014	
Sale Price	\$1,080,000	Assumed Net Rent = \$70,200 pa
Area (sqm)	Building	
	940	
<p>A circa 2000's warehouse/office located at the rear of a strata industrial development. The warehouse comprises approximately 820 sqm and the office 120 sqm. The property also features a separate warehouse supervisors office, male and female amenities and electric roller shutter door.</p>		



UNIT 4 / 19 Scoresby Road, BAYSWATER VIC 3153		
Sale Date	July 2014	
Sale Price	\$409,000	
Area (sqm)	Building	
	433	
Rate (\$/sqm)	Building	
	\$945	
<p>A circa 1970 attached brick low clearance warehouse situated at the rear of a multi-unit development. Sold with a month to month tenancy in place. The property is leased for an annual rental of \$22,464 (\$52/sqm).</p>		



# 4B. Activity– Calculate Area Cap Rate from Comparables

- Cap Rate is the range of yields for comparable properties in area
- Activity - Calculate yield from comparables data
- **Yield (%) = (Net Annual Income / Market Value) x 100**

Address	Net Annual Income	Sold Price	Calculation	% Yield
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				

# 4B. Activity– Calculate Area Cap Rate from Comparables

- Cap Rate is the range of yields for comparable properties in area
- Activity - Calculate yield from comparables data
- **Yield (%) =** (Net Annual Income / Market Value) x 100

Address	Net Annual Income	Sold Price	Calculation	% Yield
17/200 Canterbury Rd	\$16,575	\$255,000		
2/6 Clare St	\$34,183	\$475,000		
12/24 Longstaff Rd	\$70,200	\$1,080,000		
4/19 Scoresby Rd	\$22,464	\$409,000		

# 4B. Activity– Calculate Area Cap Rate from Comparables

- Cap Rate is the range of yields for comparable properties in area
- Activity - Calculate yield from comparables data
- Yield (%) = (Net Annual Income / Market Value) x 100**

Address	Net Annual Income	Sold Price	Calculation	% Yield
17/200 Canterbury Rd	\$16,575	\$255,000	$(\$16,575 / 255,000) \times 100$	6.5%
2/6 Clare St	\$34,183	\$475,000	$(34,183 / 475,000) \times 100$	7.2%
12/24 Longstaff Rd	\$70,200	\$1,080,000	$(70,200 / \$1,080,000) \times 100$	6.5%
4/19 Scoresby Rd	\$22,464	\$409,000	$(22,464 / \$409,000) \times 100$	5.5%

- Summary range: 5.5% - 7.2%**

- Commercial Agents: 6% - 8%

- Assume: 7% Cap rate**

# 4C. Activity – Calculate Potential Purchase Price

- Market Value = Net Annual Income / Area Capitalisation  
(Cap) Rate



## 4C. Activity – Calculate Potential Purchase Price

- Market Value = Net Annual Income / Area Capitalisation  
(Cap) Rate
- $\$56,261.99 / 0.07 = \$803,742$  ..... Round to \$800k!!

# 5. Comparison Method - Determine Potential Price

- Market Value = Square meter rate x rentable area

## 5a. Activity – Determine Square Meter Rate (Comparables)

Address	Square Meter	Sold Price	Calculation	Sqm Rate
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				

- Range in Sqm Rate: \_\_\_\_\_

# 5. Comparison Method - Determine Potential Price

- Market Value = Square meter rate x rentable area

## 5a. Activity – Determine Square Meter Rate (Comparables)

Address	Square Meter Area	Sold Price	Calculation	Sqm Rate \$/m <sup>2</sup>
17/200 Canterbury Rd	187	\$255,000	\$255,000/187	\$1,364
2/6 Clare St	588	\$475,000	\$475,000/588	\$808
12/24 Longstaff Rd	940	\$1,080,000	\$1,080,000/940	\$1,149
4/19 Scoresby Rd	433	\$409,000	\$409,000/433	\$945

- Range: \$808 - \$1,364/m<sup>2</sup>
- Agents: \$1200 - \$1300/m<sup>2</sup>
- Valuer: \$845/m<sup>2</sup> (due to age)

# 5. Comparison Method - Determine Potential Price

- Adopt \$845/m<sup>2</sup> rate
- **Market Value** = Square meter rate x rentable area
- \_\_\_\_\_

## 5. Comparison Method - Determine Potential Price

- Adopt \$845/m<sup>2</sup> rate
- **Market Value** = Square meter rate x rentable area
- \$845/m<sup>2</sup> x 952m<sup>2</sup> = \$804,440
- Therefore \$803k Capitalisation method vs \$804k Comparison
- Negotiated prior to auction & **contracted at \$800k!!!**
- Bank val came in at contract price \$800k (surprise surprise) based on the above 2 val methods

## 6. Activity – Determine if Rent is at Market Value?

- Calculate from IM – Deal Rental Rate
- Net Annual Rental (Excl GST) / Net Lettable Floor Area

NET RENTALS - 39 POWER ROAD					
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5
GROSS RENT	\$12,757.56	\$12,385.85	\$15,187.92	\$12,831.96	\$16,101.71
LESS OUTGOINGS	\$2,233.33	\$2,233.33	\$2,992.20	\$2,537.87	\$3,006.28
<b>NET RENTAL</b>	<b><u>\$10,524.23</u></b>	<b><u>\$10,342.20</u></b>	<b><u>\$12,195.72</u></b>	<b><u>\$10,294.09</u></b>	<b><u>\$13,095.43</u></b>
LEASE TERM	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY
FACTORY SIZE	158m <sup>2</sup>	160m <sup>2</sup>	214m <sup>2</sup>	186m <sup>2</sup>	234m <sup>2</sup>
OCCUPATION COMMENCED	Dec-06	Dec-02	Mar-04	Aug-01	Nov-97
USE	STEEL	SILVER	METAL	METAL	STORAGE
	FABRICATION	PLATING	FABRICATION	POLISHING	MACHINERY

❖ **Answer: \$56,452/952m<sup>2</sup> = \$59.30/m<sup>2</sup>**

# Comparable Rentals:

**UNIT 1 / 10 London Drive,**  
**Date Set - Term** August 2015 -  
**Net Rental (\$/pa)** \$21,580  
**Floor Area (sqm)** 278

A clear-spanning semi-detached concrete block warehouse with basic amenities and 1st floor offices.



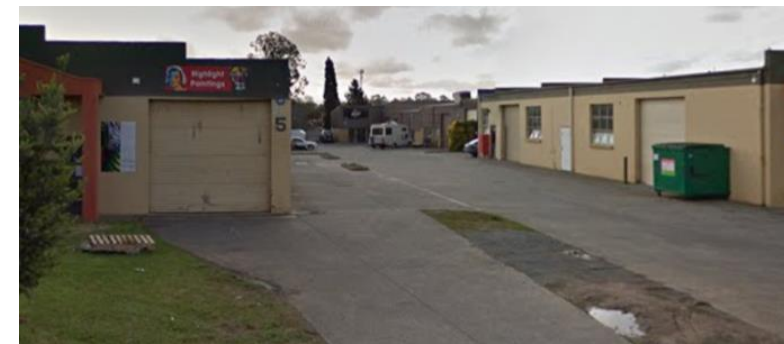
**UNIT 5 / 100 Canterbury Road,**  
**Date Set - Term** July 2015 -  
**Net Rental (\$/pa)** \$22,000  
**Floor Area (sqm)** 321

A circa 1960's attached brick office/warehouse with roller shutter door access and 3 phase power. The property includes a storage mezzanine and basic amenities.



**UNIT 2 / 5 Edelmaier Street,**  
**Date Set - Term** June 2015 -  
**Net Rental (\$/pa)** \$15,600  
**Floor Area (sqm)** 186

A circa 1970's low clearance attached warehouse with small office component, amenities, mezzanine and roller shutter door.



# 6. Activity – Calculate Market Rental Rates (Comparables)

- Rental Rate = Net Annual Rent (Excl GST) / Net Lettable Floor Area

Address	Net Annual Rent	Floor Area	Calculation	Rental Rate
U1/10 London Drv				
U5/100 Canterbury Rd				
U2/5 Edelmaier St				

- Range in Market Rental Rates: \_\_\_\_\_
- Deal Rental Rate = \_\_\_\_\_
- Is Deal Under Market Rent? \_\_\_\_\_

# 6. Activity – Calculate Market Rental Rates (Comparables)

- Rental Rate = Net Annual Rent (Excl GST) / Net Floor Area

Address	Net Annual Rent	Net Floor Area	Rental Rate
U1/10 Lond...	\$21,580	278	\$78
U...	\$22,000	321	\$69
U2...	\$15,600	186	\$84

**460 units leased on Realcommercial.com.au in Bayswater Jan 2014-Aug2015 = Demand!!!!**

- Range in Market Rental Rates: \$69 - \$84/m<sup>2</sup>
- Deal Rental Rate = \$59/m<sup>2</sup>
- Is Deal Under Market Rent? YES!!!!

**4 Agents  
Feedback:  
\$70-\$85/m<sup>2</sup>**

# 7. Strategy 1 – Tidy Up & Increase Rent to Market Rent

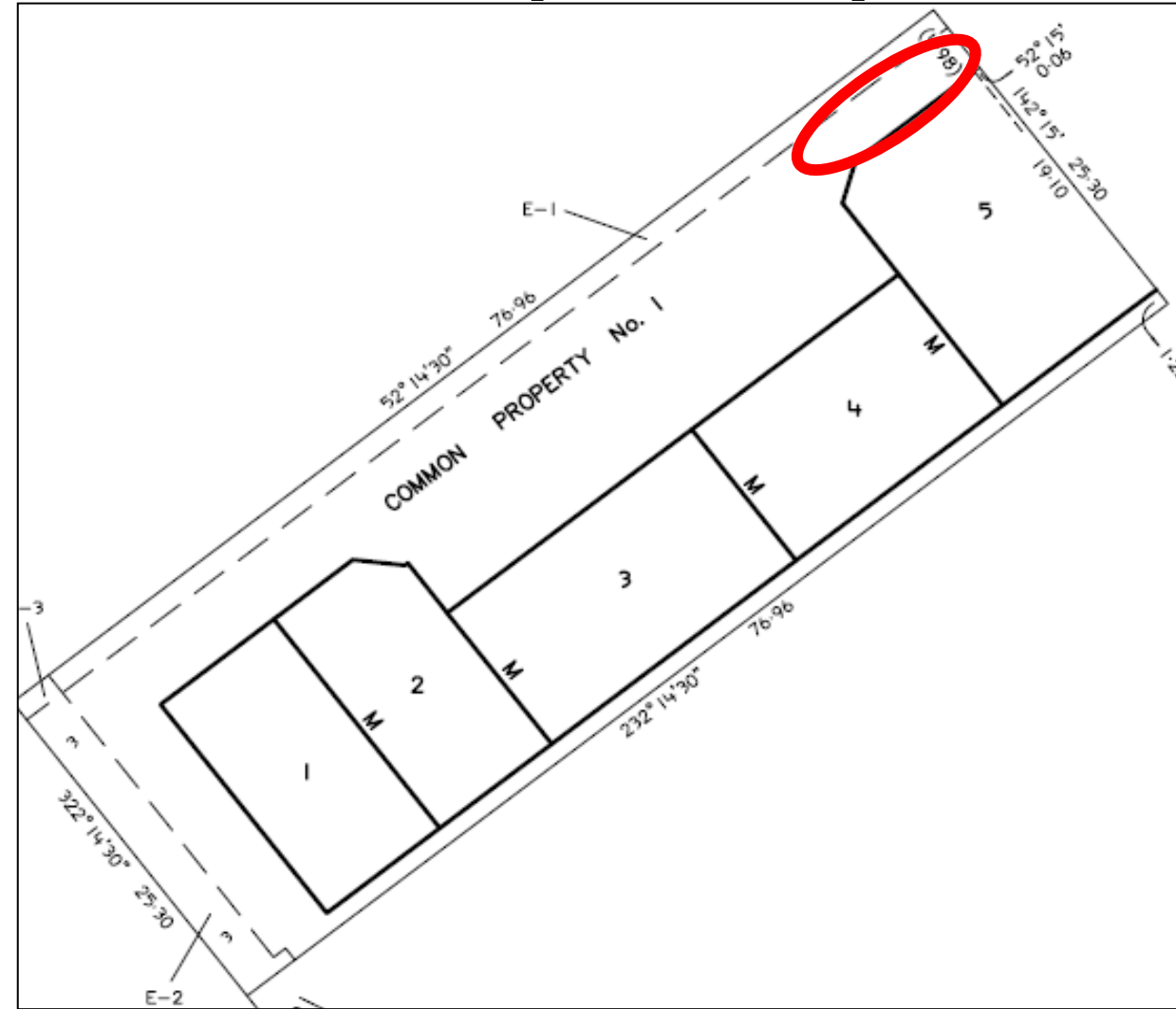


## 7. Activity – Calculate New Net Annual Income

- Targeting upper market rental rate = \$85/m<sup>2</sup>
- Net Annual Income = Rentable area x Rental Rate
- Answer: 952m<sup>2</sup> x \$85/m<sup>2</sup> = \$80,920/yr
- Increase in income? \$56,262 vs \$80,920 = Increase of \$24,658/yr

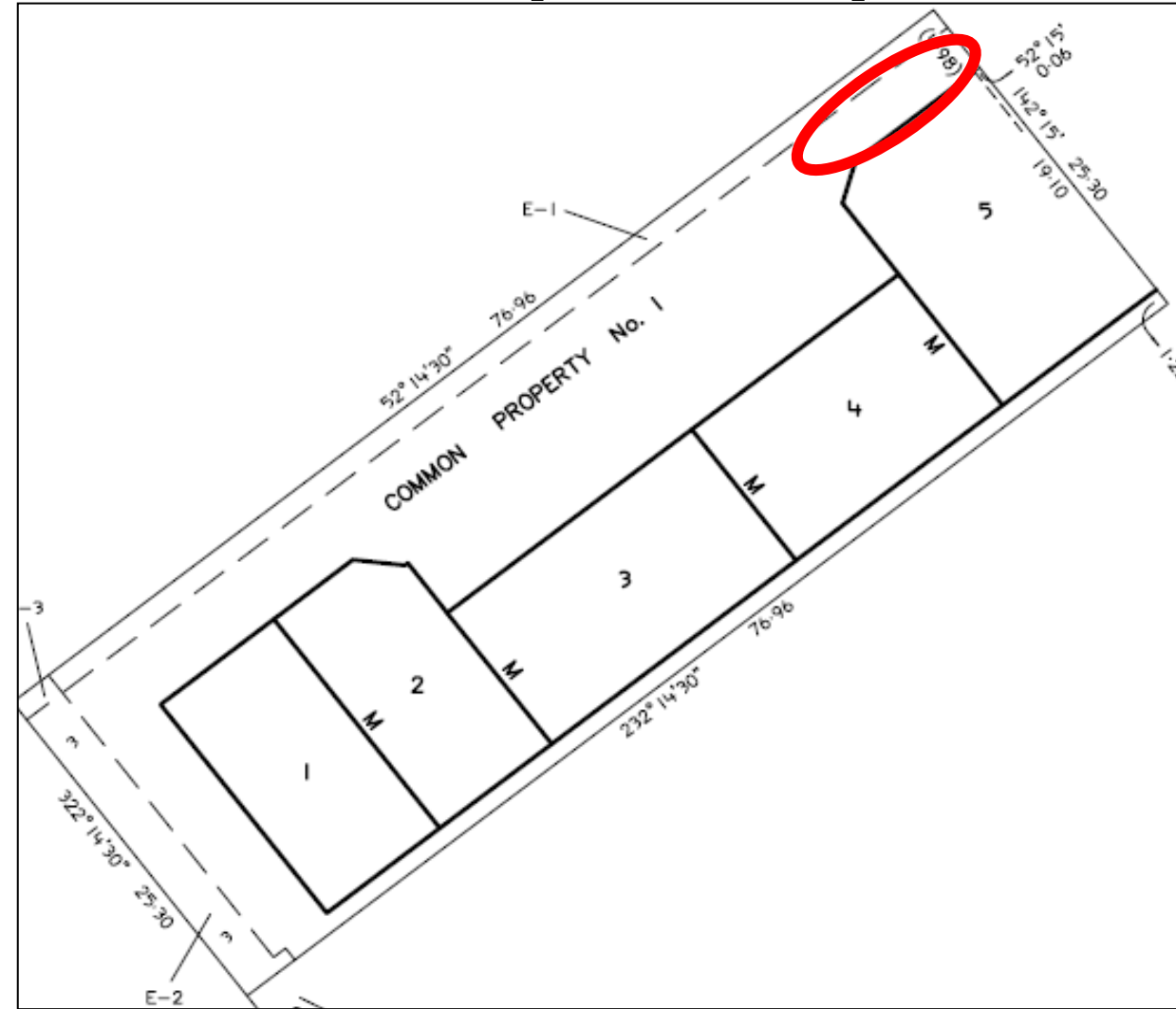
## 8. Strategy 2 – Rent Hardstand Area Separately

- 45m<sup>2</sup> hardstand area next to Unit 5 was being used by the tenant but not paid for
- Reclaim the hardstand area, fence off for exclusive use and rent to an existing tenant or new tenancy @ \$50/m<sup>2</sup>
- Additional Income?  
 $45\text{m}^2 \times \$50/\text{m}^2 = \$2,250/\text{yr}$



## 8. Strategy 2 – Rent Hardstand Area Separately

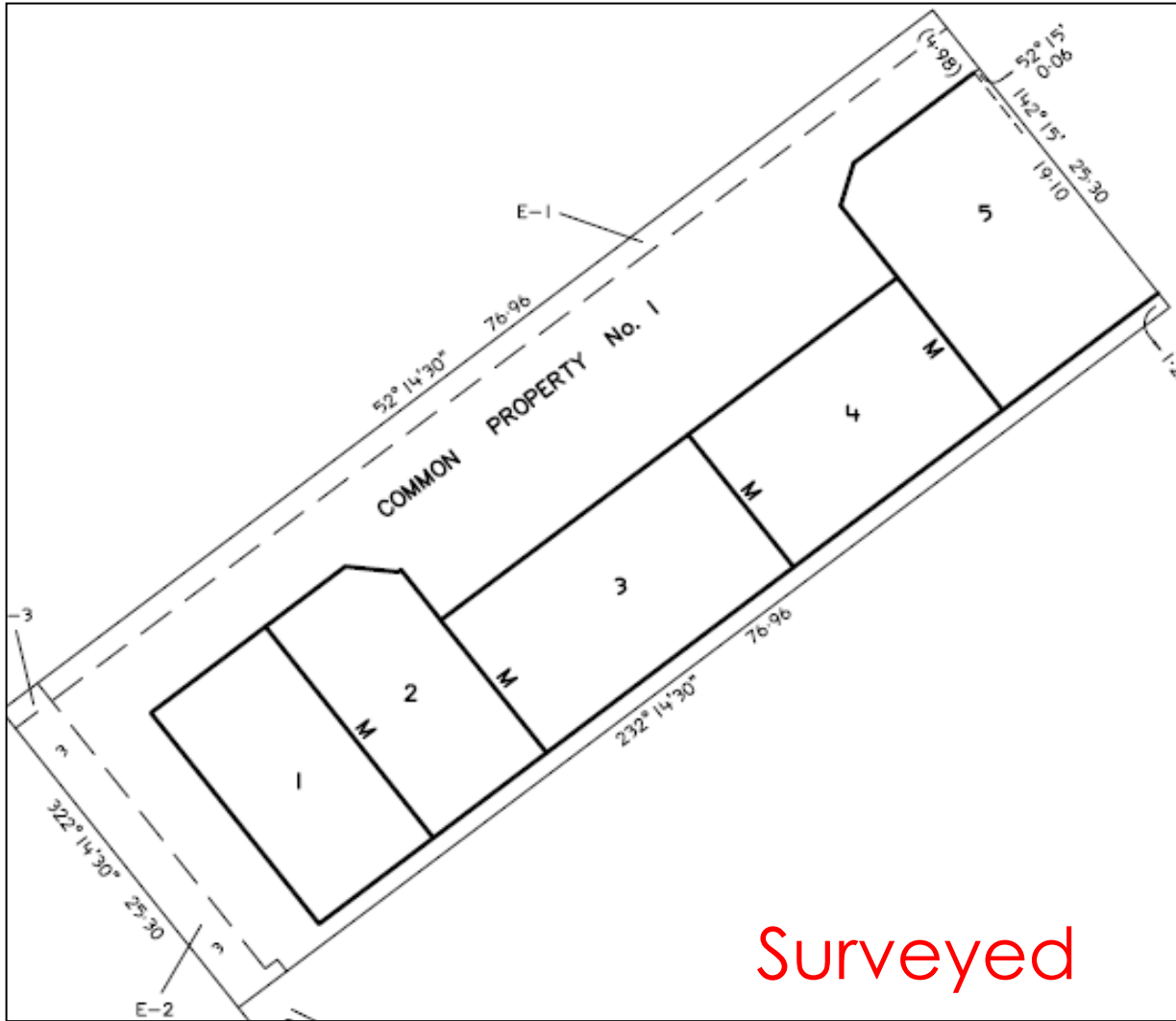
- 45m<sup>2</sup> hardstand area next to Unit 5 was being used by the tenant but not paid for
- Reclaim the hardstand area, fence off for exclusive use and rent to an existing tenant or new tenancy @ \$50/m<sup>2</sup>
- Additional Income?  
 $45\text{m}^2 \times \$50/\text{m}^2 = \$2,250/\text{yr}$



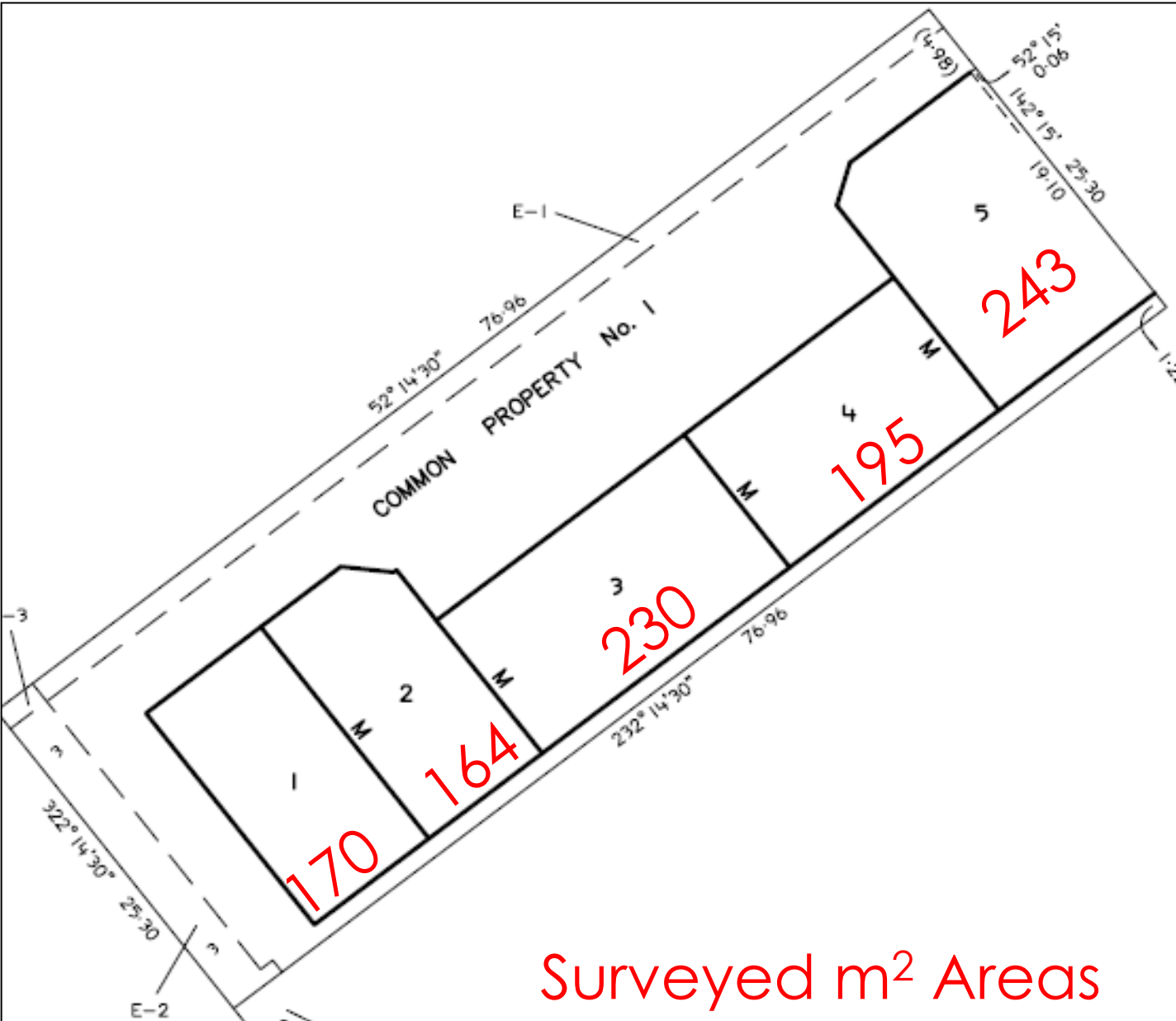
## 9. Activity – Effect of Increased Income on Value

- Assuming Cap Rate = 6.25% (As per Val after Reno)
- Market Value = Net Annual Income / Area Capitalisation  
(Cap) Rate
- Answer:  $\frac{(\$80,920 + \$2,250)}{0.0625} = \$1,330,720$
- Potential** Increase in Value :  $\frac{\$1,330,720 - \$800,000}{1} = \$530,720$  !!!!

# 10. Strategy 3 – Strata Title into 5 Units (5 Lots)



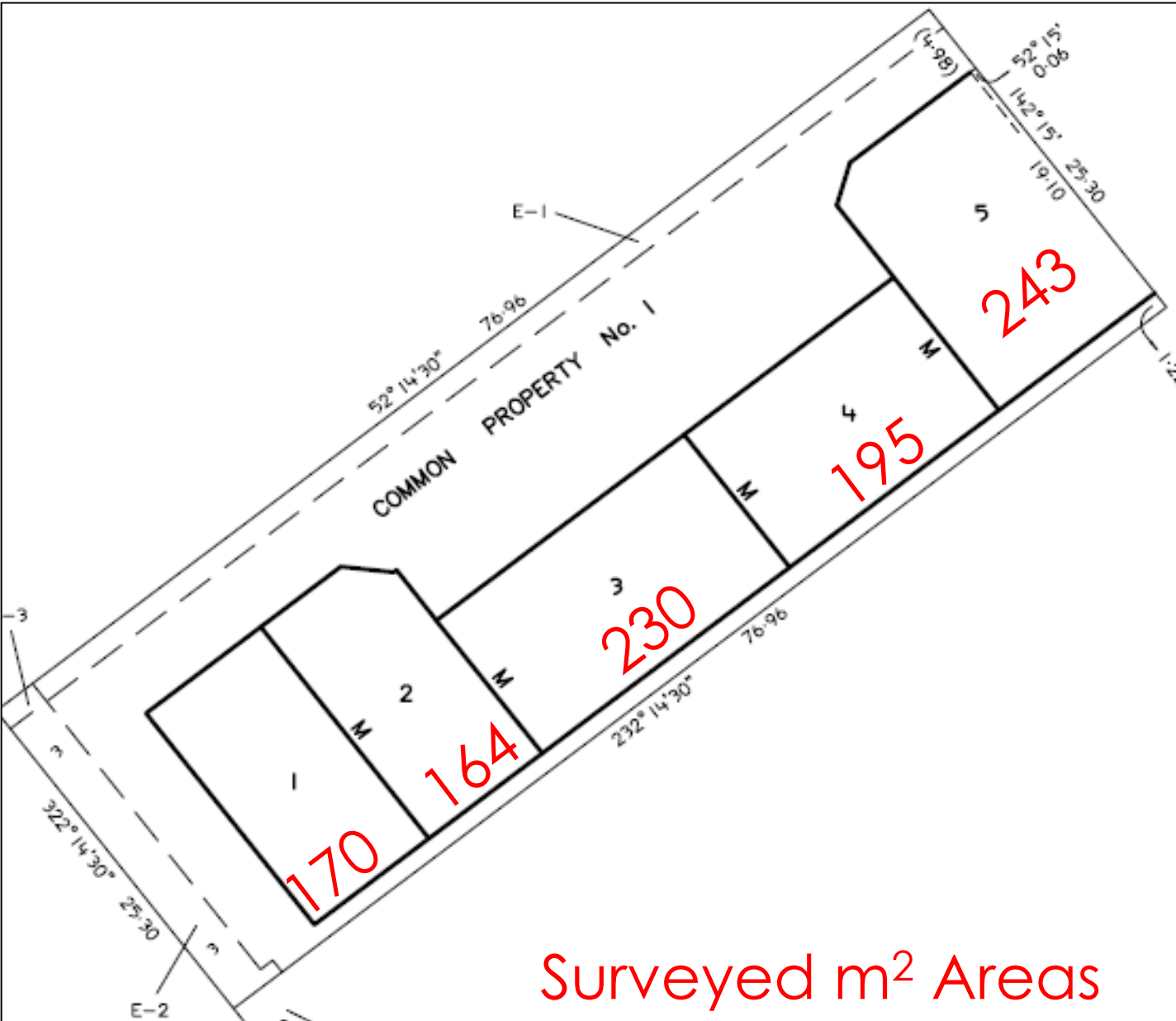
# 10a. New Lettable Areas From Strata Survey Plan



Surveyed m<sup>2</sup> Areas

Unit	m <sup>2</sup>
Unit 1	
Unit 2	
Unit 3	
Unit 4	
Unit 5	
Total	

# 10a. New Lettable Areas From Strata Survey Plan



Surveyed m<sup>2</sup> Areas

Unit	m <sup>2</sup>
Unit 1	170
Unit 2	164
Unit 3	230
Unit 4	195
Unit 5	243
Total	1002

Sold as 952m<sup>2</sup> = Extra 50m<sup>2</sup>!!!!

# 10b. Activity - Potential Value Add From Strata Titling

- 4 local agents feedback: Queue of potential owner occupiers to buy individual factories if property was strata titled and sold separately (vs sold “In-one-line”)
- Also demand from SMSF investors for lower cost investments
- Comparison Square Meter Rates + Agents feedback + Valuer confirmation = \$1299 - \$1493/m<sup>2</sup>
- Valuer Adopted Post Reno: \$1477m<sup>2</sup> (vs \$845/m<sup>2</sup> on purchase!!)
- **Market Value = Square meter rate x rentable area**
- Answer: \$1477/m<sup>2</sup> x 1002m<sup>2</sup> = \$1,479,954 **= \$680k increase in val in 17mths!!!**

# 11. Activity – Will Revaluation & Refinance Recoup Owner Funds in the Deal?

Item	
Purchase Price = Bank Val	
Bank Loan @ 80%	
Owner Funds (20%)	
Purchase Costs	\$55,498
Strategy Costs	\$50,374
Total Owner Funds Contributed	

Item	
Bank Revaluation	
New Bank Loan@65%	
Existing Bank Loan	
Equity Release	
Owner Funds to Payback	
<b>Additional Funds Released</b>	

# 11. Activity – Will Revaluation & Refinance Recoup Owner Funds in the Deal?

Item	
Purchase Price = Bank Val (A)	\$800,000
Bank Loan @ 80% (B=A x0.8)	\$640,000
Owner Funds (20%) (C=A x0.2)	\$160,000
Purchase Cost	\$750,574
Strategy Cost	
Total Owner Funds Contributed (F=C+D+E)	\$265,872

Item		
Bank Revaluation (G)	\$1,480,000	
New Loan @ 5%	\$962,000	
Bank Loan (B)	\$640,000	
Equity Release (I=H-B)	\$322,000	
Owner Funds to Payback (F)	\$265,872	
<b>Additional Funds Released (I-F)</b>		<b>\$56,128</b>

**All Owner Funds Paid Back Plus Extra \$56K Potentially Avail for Next Deal**

# QUESTIONS?