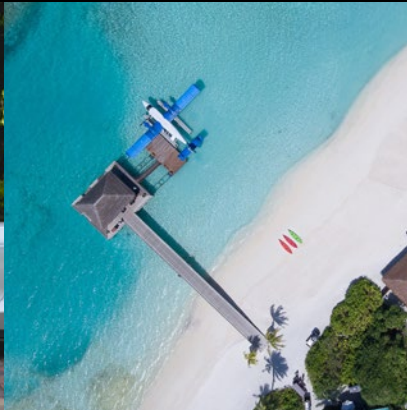




PLATINUM ACCELERATOR

NATIONAL CONFERENCE
12TH - 13TH DECEMBER 2020



I LOVE
REAL ESTATE



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NATIONAL CONFERENCE SCHEDULE

DAY ONE: SATURDAY 12 DECEMBER 2020

| | |
|---------------|--|
| 8.30 – 9.00 | REGISTRATION |
| 9:00 – 11:00 | SUCCESSFUL JV'S |
| 11:00 – 11:15 | MORNING TEA |
| 11:15 – 12:45 | DAN O'SHEA: EXPLORING THE POSSIBILITIES BEYOND OUR LIMITING BELIEFS |
| 12:45 – 1:30 | LUNCH |
| 1:30 – 3:00 | DR PETA STAPLETON: THE POWER OF EFT |
| 3:00 – 3:15 | AFTERNOON TEA |
| 3:15 – 4:45 | PRACTICAL STATE OF THE MARKET: COMMERCIAL |
| 6:30 – LATE | FUN NIGHT (BYO WINE & CHEESE PLATTER) |

DAY TWO: SUNDAY 13 DECEMBER 2020

| | |
|---------------|--|
| 9:00 – 10:30 | NEGOTIATIONS |
| 10:30 – 10:45 | MORNING TEA |
| 10:45 – 12:15 | PROPERTY HEALING |
| 12:15 – 1:00 | LUNCH |
| 1:00 – 1:30 | RAW IMPACT UPDATE |
| 1:30 – 3:00 | BUSINESS REAL ESTATE |
| 3:00 – 3:15 | AFTERNOON TEA |
| 3:15 – 5:00 | UNDERSTANDING BUSINESS STATEMENTS |



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SUCCESSFUL JV'S

SESSION ONE
Steps to Successful JV's

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Why are JV's important?

“It is literally true that you can succeed best and quickest by helping others to succeed.”
Napolean Hill

GOT COLLABORATION?

Collaboration divides the task and multiplies the success.

Why are JV's important?



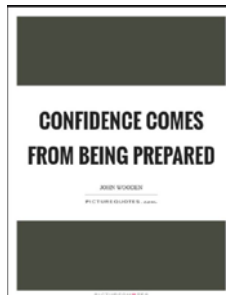
Planning

- i. **Know your Outcome/s** = Feasibility + Comparables + Timeframes + Strategies
- ii. **Options to Outcome** = Outline different **Buying Strategies** + **Exit Strategies**
- iii. **Areas of Agreement** = Roles + Profit + Timeframe + **Risk Profile Alignment** + Structures
- iv. **Anticipating Objections** = **SWOT Analysis** + Risk Mitigation Strategies
- v. **Determine best alternative to agreement** = **Time** or **Terms** or **Information**.



Preparation

- 1) "Investor Proposal" pack
- 2) Establish membership
- 3) Agenda
- 4) Meeting Place
- 5) Timing





Preparation

- 1. **"Investor Proposal" pack** – Feasibilities; Comparable Market Analysis Reports; Track Record
- 2. **Establish membership** – Who are the decision makers?
- 3. **Agenda** – Rough outline with Flexibility
- 4. **Meeting Place** – Neutral, quiet, conducive to focus
- 5. **Timing** – Mutually convenient with flexibility



Process – Opening

- 1. Effective Communication
- 2. Establishing Rapport



The Importance of Effective Communication.

What we need to know about how humans process and recall information...





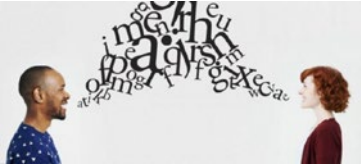


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1. Effective Communication

1. Start with **safety** and reassurance.
2. Build **trust**.
3. Listen to **understand**.
4. Ask **good questions**.
5. Create **congruence** between the verbal and non-verbal parts of your message.
6. **Keep it simple!**

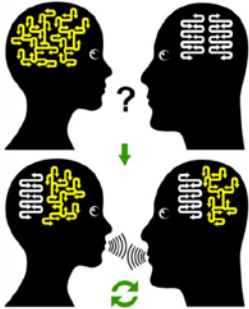


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2. Establish Rapport

- Instinctive
- Purpose to establish level of threat or security posed by other party
- Gradual and selective sharing of information
- Establishing common language; values; goals; history etc. establishes trust
- Signals to our hind brain that the other party is not a threat
- **Once safety is established, hind brain goes dormant, and higher order brain functions come into play.**



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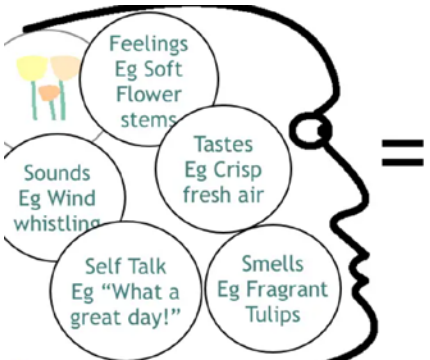
What is Rapport about?

- 55% - Physiology
- 38% - Tonality
- 7% - Words

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Internal Representation Systems



=

Our focus, what we focus on!

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What are Representational Systems?



- See you soon
- It is hazy/ unclear
- Self talk
- Do I like this?
- Talk to you soon
- Does it ring a bell?
- Keep in touch
- Grasp the problem



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Seven Steps to Rapport:

1. Introductions and Small talk
2. Describe your purpose in one sentence
3. Ask questions about the other person's purpose or problem
4. Listen in order to understand; and, for key words and expressions
5. Hold space / Show empathy
6. Find common purposes and outcomes
7. Be genuine, be authentic, have integrity.





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Process - Exchange

1. State areas of agreement or mutual outcomes
2. State potential issues to be resolved
3. **Get curious about other's outcomes and motivations**
4. Develop options that include both Parties' outcomes
5. Get agreement on best option/s.





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Pro Tips

- Watch for Micro-expressions
- Watch for incongruence
- Listen for hesitation
- Listen for "Prime Concerns"
- Feel for changes in vibe
- Understand that assumptions about the other person needs to be verified.





Pro Tips

- Restate, validate, clarify, question
- Create win/wins
- Proposals backed by motivation (separate intent from behaviour)
- Ignore emotional “irritators”
- It’s all about “I” or “It” language
- Lead with the intention (reason, explanation, proposal)

NEGOTIATIONS CAN RESOLVE DIFFERENCES. COOPERATION CAN REPLACE CONFRONTATION AND DEVELOPMENT CAN CREATE A WIN-WIN SCENARIO.
- CHIANG PIN-KUNG -



Pro Tips

- Behavioural Flexibility
- Minimize the reasons you give when stating an option.
- Test understanding and summarize
- Tell the other your feelings
- Ask for time to verify information
- If you get stuck: STOP!

“ One right and HONEST definition of business is mutual HELPFULNESS ”
William Feather



Defusing Potential Dispute

- Emotional Self-Regulation is Paramount!
- The moment that we get frustrated, angry or defensive, it is no longer communication... it is a power struggle.
- In dispute resolution, chunking up to higher order outcomes helps establish mutual goals and grounds for agreement.
- The resource: “For what purpose?”
- In instances where there is vagueness; or uncertainty, chunking down to specifics is great for bringing clarity.
- The resource: “How specifically...?” “What specifically...”



Pen to Paper

1. Summarise outcomes/agreements
2. Summarise conditions or issues that require more information (Conditional close)
3. Write down the next steps
4. Both parties to sign
5. Schedule and assume responsibility for follow up
6. Acknowledge and close



In summary:

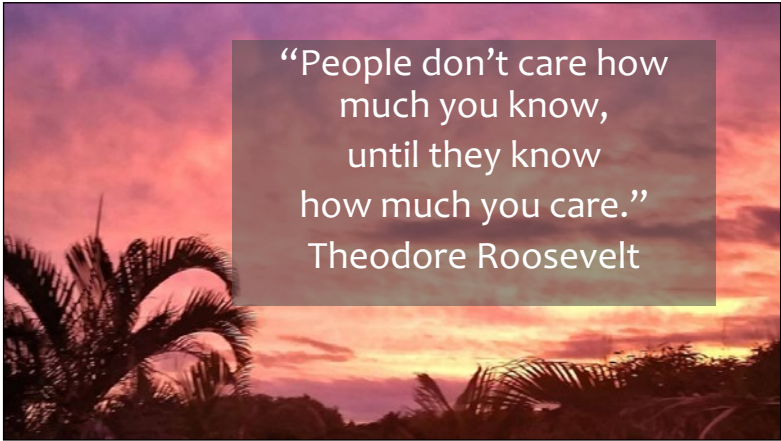
1. Planning – Goals; Flexibility
2. Preparation - Resources
3. Process – Communication
4. Pro Tips - Negotiation
5. Pen to Paper – If it is not written down, it doesn't exist!



Next Steps:

1. Follow up
2. Follow through
3. Repeat.





“People don’t care how much you know, until they know how much you care.”
Theodore Roosevelt



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**EXPLORING THE POSSIBILITIES
BEYOND OUR LIMITING BELIEFS**

DAN O'SHEA

What do I look at as impossible?

What long term goals do I have right now that I can't honestly visualize myself achieving ?

What is the next step I need to take?

What is something I need to do that I am avoiding ?

What's actually possible for me?

Each person in the selected groups has 60 seconds to recall a time in their life when;

They believe they exceeded their own potential

They believe their limiting beliefs held them back

Summary/Action?

What is one thing we can take from today's session and action immediately?

What else has provoked deeper thought?



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THE POWER OF EFT DR PETA STAPLETON



Platinum Accelerator Virtual National Conference

Evidence Based EFT

Dr Peta Stapleton, Associate Professor
Clinical & Health Psychologist



Disclaimer

This presentation outlines an impressive personal improvement tool however, it is not a substitute for training in psychology or psychotherapy. The author does not assume responsibility for how the viewer chooses to apply the techniques herein. The ideas, procedures, and suggestions in this talk are not intended as a substitute for consultation with your professional health care provider. The information here is not intended to be used to diagnose, treat, cure or prevent any disease or disorder. If you have any questions about whether or not to use EFT, consult your physician or licensed mental health practitioner.

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EFT = Emotional Freedom Techniques

Often called 'Tapping' or
Psychological Acupuncture

*Evidence-based practice combining both psychotherapy and
acupressure for anxiety and stress reduction*

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Clinical EFT = the version that has been tested in clinical trials

There are many hybrids but few
have been thoroughly tested

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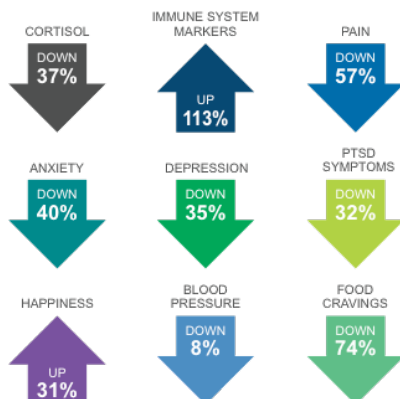
EFT = Emotional Freedom Techniques

- EFT (Emotional Freedom Techniques) is a brief **psychophysiological** intervention that you self apply
- It is often referred to as 'psychological acupuncture' and uses a two finger tapping process on acupressure points
- It affects your stress centre in the brain (amygdala) and memory centre
- It lowers your stress hormone (cortisol) and can also change gene expression

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Clinical EFT Improves Multiple Physiological Markers of Health



© Mind Heart Connect 2018. Bach, D., Groesbeck, G., Stapleton, P., Barton, S., Blickheuser, K., & Church, D. (2018). *Journal of Evidence Based Integrative Medicine*.



How to Do EFT

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The EFT Process

- You have a problem or uncomfortable feeling
- You rate your discomfort on a scale from 0 to 10 (0 = no distress, 10 = complete distress)
- You state the issue (be present and honest), and accept this is your problem (for now)

*“Even though I am scared of heights,
I accept I feel this way”*

- Then you tap on acupoints while reminding yourself with a short phrase
- The process is repeated until the discomfort score is 0/10

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EFT Points

As you state the setup statement,
you tap on the side of the hand

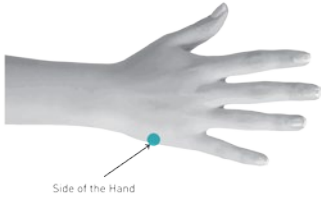


This is done x 3

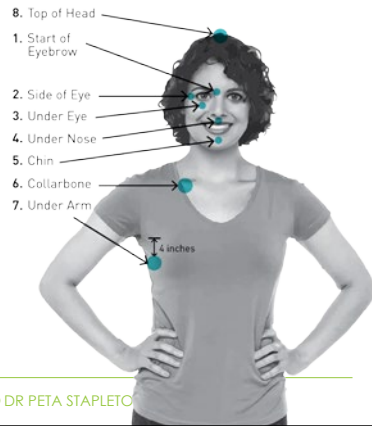
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The Other Tapping Points



Side of the Hand



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Why the Negative First?

- Tapping doesn't affirm the problem
- It states the truth and acknowledges it
- Tapping calms the physiological response
- Going positive **too soon** will only bring on a palliative result
- It's like spraying air freshener when the garbage is still there

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Tapping for Stress



The Importance of Being Specific

- Being specific in tapping is KEY
- General statements are too vague and will appear as though EFT is not working

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- There are often many pieces: **BE SPECIFIC**
- Each piece may have several sides: **ASPECTS**
- Some are more critical to completing the picture: **CORE ISSUES**
- When some parts are put together the rest fall into place: **GENERALIZATION**

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Aspects (Parts of an Event)

Aspects are *parts* of an event – use tapping for each single aspect of the problem

Example of food craving– could have many aspects:

- ✓ Smell
- ✓ Taste
- ✓ Feeling in body/mouth
- ✓ Past memories
- ✓ Sight/vision
- ✓ Sound of food/wrapping

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Exam Aspects

- The fear of failing
- The fear of forgetting
- Perfectionism
- Feelings of pressure
- Physical sensations – heart racing, sweaty palms, headache
- Doubt
-

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Stress!


- Choose a recent event that still has some stress feelings for you – rate it out of 10 – **write it down**

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Demonstration

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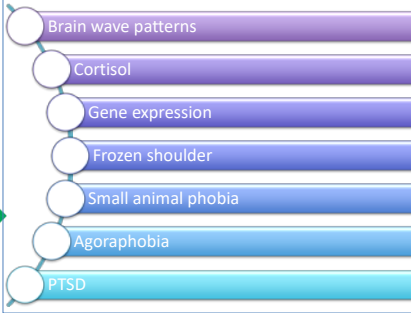


Speed – Single Sessions

**EFFECT OF EFT
ON GENE EXPRESSION**
(AFTER 1 SESSION OF TAPPING)


**IMMEDIATELY AFTER
1 SESSION OF EFT**

72 GENES
were found to be
differentially
expressed



*Hwang, M. E. (2016). Differential gene expression after Emotional Freedom Techniques (EFT) treatment: A novel pilot protocol for safety and assessment. *Energy Psychology: Theory, Research, and Treatment*, 6(1), 17-32. doi:10.8794/EP7.2016.6.1.1M


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Effectiveness Established For

- college students (Church, De Asis, & Brooks, 2012),
- veterans (Church et al., 2013; Geronila et al., 2014),
- pain patients (Bougea et al., 2013; Church & Nelms, 2016),
- overweight individuals and food cravings (Stapleton, Bannatyne, Porter, Urzi, & Sheldon, 2016; Stapleton, Church, Sheldon, Porter, & Carlopio, 2013; Stapleton, Sheldon, & Porter, 2012),
- hospital patients (Karatzias, et al., 2011; Boath et al., 2014),
- athletes (Church, 2009; Llewellyn-Edwards, 2012),
- healthcare workers (Church & Brooks, 2010),
- gifted students (Gaesser, 2016; Stapleton et al., 2016)
- chemotherapy patients (Baker & Hoffman, 2014)
- phobia sufferers (Wells et al., 2003; Baker & Siegel, 2010; Salas, Brooks, & Rowe, 2011)
- anxiety, depression, phobias and PTSD (Feinstein, 2012; Church, 2013a)


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You Tube – Research Spotlight Series



YouTube channel preview details: Research Spotlight Series: EFT / Tapping, Dr Peta Stapleton. 6 videos • No views. Video thumbnails include 'Research Spotlight EFT Meta Analyses' and 'Research Spotlight EFT Tapping for Food'.

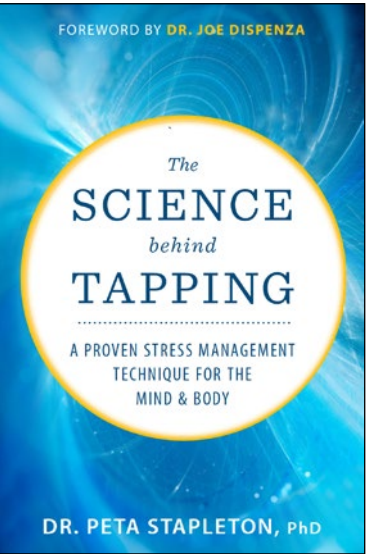


Hay House

Available
Everywhere

Audio release 22nd Dec


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Our Research

Food Cravings | Weight Loss | Bariatric
Clinical depression
Cigarette smoking
Teenagers
Exam anxiety – Teens
Chronic Pain
Cancer Patients
fMRI Trial + cortisol




Online EFT for Food Cravings – 8 week program

| | | |
|---------------------------------------|---|------------------------------------|
| FOOD CRAVINGS DOWN 28.2% | POWER OF FOOD DOWN 26.7% | DEPRESSION DOWN 12.3% |
| ANXIETY DOWN 23.3% | SOMATIC SYMPTOMS DOWN 10.6% | 13.4% RESTRAINT UP |

It lasted at the 2-year follow-up

Stapleton, P. B., Lilley-Hale, E., Mackintosh, G., & Sparenburg, E. (2020). Online Delivery of Emotional Freedom Techniques for Food Cravings and Weight Management: 2-Year Follow-Up. Journal of Alternative and Complementary Medicine, 26(2), 98-106. <https://doi.org/10.1089/acm.2019.0309> © Peta Stapleton 2020



Differences to Gold Standards

| | |
|------------|------------|
| EFT | • 8 weeks |
| CBT | • 6 months |


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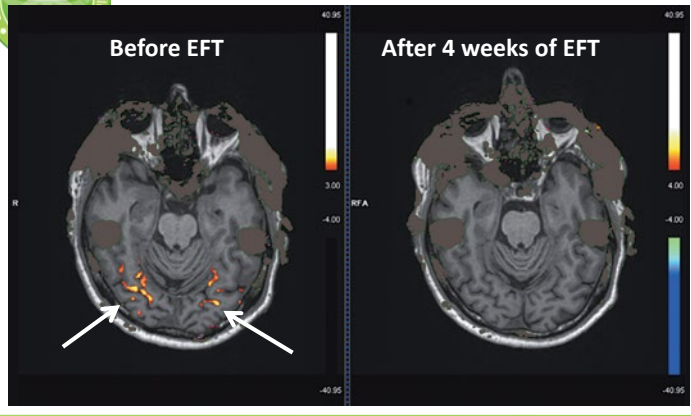
↑ neural activity → ↑ blood oxygen → ↑ fMRI signal



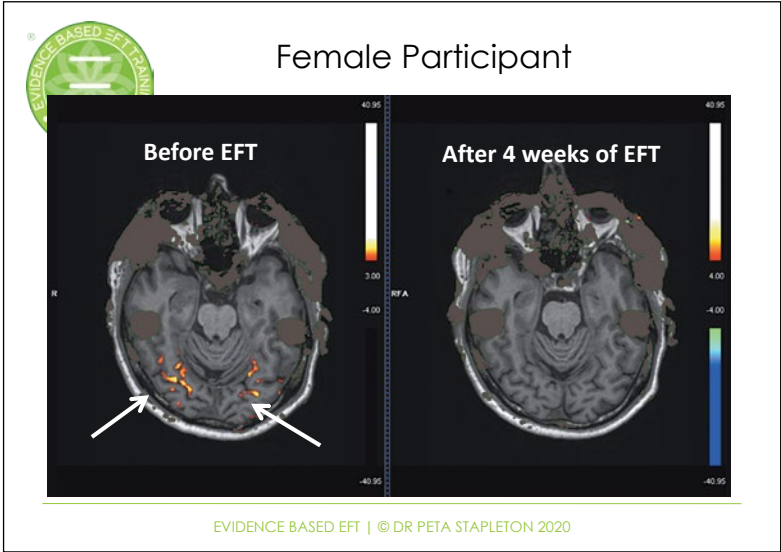
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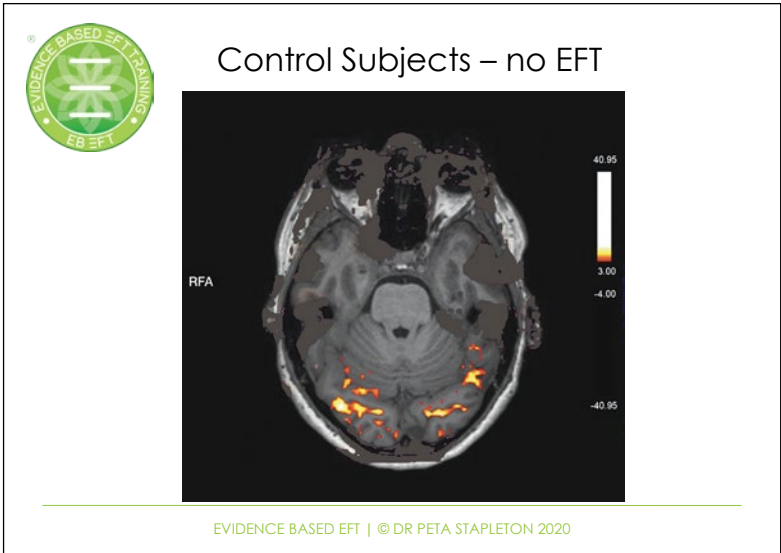


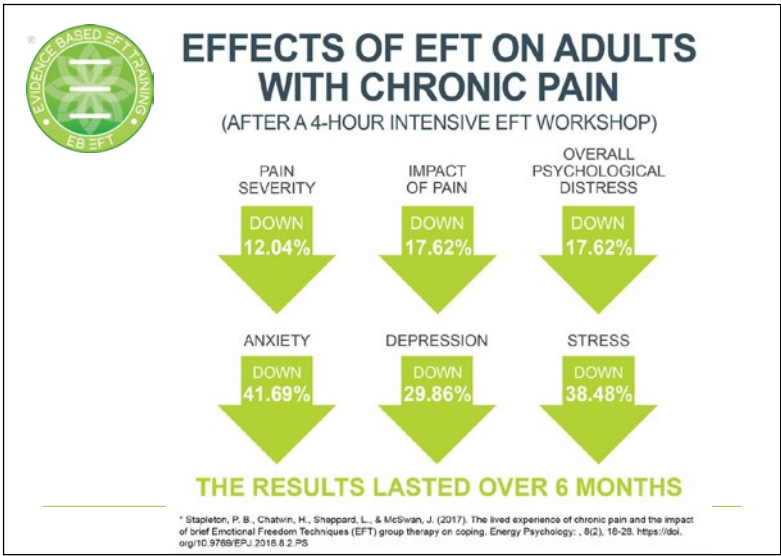
Male Participant



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TEDx Is Therapy Facing a Revolution?





Tapping for Personal Use

<https://evidencebasedeft.com/>

- Tapping for Stress reduction
- Online and self paced
- Audio and Video
- Designed for Beginners
- Personal Use – for beginners
- Online and Self paced
- 3 areas covered: stress, pain, sleep/energy
- Video + PDF

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Online Masterclasses

- They assume you have knowledge of how to apply the technique already, but perhaps you are looking to increase your skill in a single area (as per each Masterclass topic)

- Food cravings/weight loss
- Quitting smoking
- Stress
- Wealth creation and abundance
- Eating disorders
- Chronic pain
- Goal Setting



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**A PRACTICAL APPROACH TO
THE COMMERCIAL MARKET**



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Disclaimer

- The following is meant to assist members understand the fundamentals of Commercial Investing
- The following represents *my personal approach* in explaining the basics. It is by no means a definitive or comprehensive theory or system; it is meant to inspire and suggest ideas relating to the “how to” of Commercial Property investing.
- I will be discussing only **cashflow Commercial** properties, and the yield ranges I will be mentioning are **generalized** to illustrate specific points and are **subject to exceptions**.

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What can we buy with \$200K?

| | |
|--|---|
| <p>39-41 George Street, Milingin, SA 5280 \$159,000 - Negotiable 590 m² Shop & Retail</p> | <p>3700 Martung Road, Martung, VIC 3904 \$181,000 + GST if applicable 30 m² Shop & Retail</p> |
| <p>Units 16 & 20, 20 Brookes Street, Nambour, QLD 4560 Prices from \$246,000 + GST (if applicable) 80 m² Warehouse, Factory & Industrial</p> | <p>Level 1, 107/58 Franklin Street, Melbourne, VIC 3000 \$44,000 13 m² Other</p> |



Why would we invest in Commercial Property?

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- Higher **cashflow** than residential
- Less management
- Less tenant turnover
- Less maintenance
- Built in return** and growth rates in lease
- Longer term leases**



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The Dark Side of Commercial:

- Vacancy**
- Longer to tenant
- Longer to sell
- Need more money to finance
- Subject to commercial movement
- Subject to economic downturns



Covid-19

Uncertainty

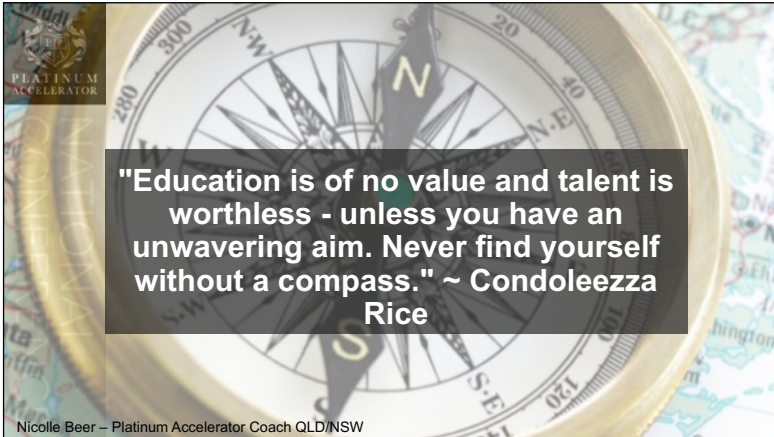
Unprecedented

Volatile

Lock-Down

Pivot

WTF?



**Your True North?
Knowing what you want.**

- Cashflow or Security?
- What is more important?

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What do you want?

Meet Goldilocks:

- High Cashflow
- Low Risk Profile

Bed 1: High Cashflow
Bed 2: Med Cashflow
Bed 3: Low Cashflow

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What do you need?



Bed 1
High Cashflow;
High Risk of
Vacancy



Bed 2
Medium Cashflow;
Med Risk of
Vacancy

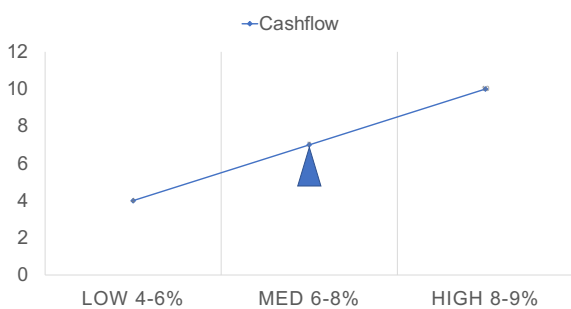


Bed 3
Low Cashflow;
Low Risk of
Vacancy

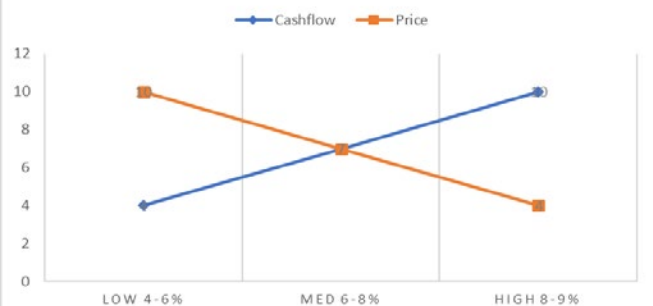
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RISK VS CASHFLOW



RISK VS CASHFLOW





So now what?

1. What purpose? – Cashflow, as much as we can get!
2. What is your personal tolerance to risk?
3. What is the asset's Risk profile?
4. What is our Target Return on Investment?
5. What Purchase Price can we afford?
6. What Location?
7. What Type of Property?

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2. What is your tolerance to risk?

- Personal tolerance
- Investment history
- Experience
- Age
- If investing in SMSF, then seek specialist advice
- Low Risk; Medium Risk; High Risk



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3. What is the asset's Risk profile?

- i. Location – Metro; Semi-Regional; Regional
- ii. Tenure – Lease Term and Conditions
- iii. Tenant Type
- iv. Asset Class
- v. Premises
- vi. Resilience





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3. What is the asset's Risk profile?

i. Location –

The closer to the big populations, the more prospective tenants there are, the less risk.

Metro 4-6%; Semi-Regional 6-8%; Regional 8-9%



ii. Tenure – Lease Term and Conditions

The longer and stronger, the less risk!





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iii. Tenant Types*

- National Tenants
- Government Tenants
- Franchise
- Long Standing Tenants
- Small Business
- Start – up
- Essential Services Tenants



*Affected by Location; Tenure; Industry type



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iv. Industries and Asset Classes*

*Affected by Location; Tenure; Economic Movements

| | | |
|------------------|-------------|--------------|
| Childcare | Automotive | Industrial |
| Medical | Fuel | Large Format |
| Fast Food | Liquor | Bank |
| Home Improvement | Supermarket | Government |

v. Premises*

- Unit
- Freehold
- Multi - Tenanted
- Age and condition of building
- Flexibility of layout
- Flexibility of usage



- Affected by Location; Tenure; Tenant Type,

vi. Resilience



1) Terms in the Lease

- Force Majeure
- Pandemic clauses
- Rental Rates
- Market Reviews
- Deed of Variations
- o Deferral of rent



2) Flexibility of Premises

- Multiple tenancies
- Subleasing
- Re-purposing (S.T.C.A)



3) Tenant's ability to Pivot

- Restaurant to Take-Away
- Retail shop with On-line Sales
- Subleasing underutilised space



So, what now?

1. **What purpose?** – Cashflow, as much as we can get!
2. **What is your personal tolerance to risk?**
3. **What is the Asset's Risk profile?**
4. **What is our Target Return on Investment?**
5. **What Purchase Price can we afford?**
6. **What Location?**
Metro; Semi-Regional; Regional
7. **What Type of Property?**
Unit; Freehold; Multi-tenanted



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The three pieces of information that we get:

- Potential Purchase Price ceiling
- Potential Yield
- Potential Net Income required to fulfil Target

Other Information we need to decide on:

- What location?
- Asset Type
- Type of Premises: Unit; Freestanding; Multi-tenanted.
- **Be flexible...** having an "ideal range" is more helpful than fixed targets or numbers!





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Let's take 3 Ordinary Avatars and step through the steps we have outlined:



Meet **Tony & Kym** mid 40's, Both work \$120K and \$40K.
PPR \$650K Loan \$220K

Build Passive Income



Meet **John & Grace** – early 60's
own home \$500K no debt, Super of \$450K, Savings \$40K
Grace is an artist on \$50K
John not working

Goal – Income for Retirement



Meet **Martin** – Age 49, Recently Divorced, adult children

Goal – Build Passive Income; Increase wealth



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Tony & Kym:
AKA VANDY
Regional Centre
Purchase \$583,000
Yield: 7.5%
Income: \$43,725
Home Improvement Tenant
Unit can be split into 2
Tenancies



John & Grace
AKA Tony and Felice
Regional
Purchase: \$485,000
Yield: 8%
Income: \$38,800
Medical Tenant
Free-standing building
Additional land



Martin
AKA Jenni
Semi-Regional
Purchase \$1,2mill
Yield: 8.5%
Income: \$102,000
Free-Standing; Multi-
Tenanted; Industrial;
Flexible.



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Commercial – How do we do it?

- **Get Educated!**
- Understand the **terminology**
- Understand the relationship between **Yield; Risk; and Value.**
- Have a clear picture of **what you want out of the investment**
- Form **good relationships** in the market
- Be prepared to **pay for good advice**



Nicolle Beer – Platinum Accelerator Coach QLD/NSW



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Ultimate:

Commercial Investing 101 on
7 Oct 2020

Quantum Shift:

Commercial Secrets Virtual Bootcamp

Platinum Accelerator :

National Conference presentations:
Jul 2018 - Day 2 session 7
Aug 2019 - Day 1 Session 3



Nicolle Beer – Platinum Accelerator Coach QLD/NSW

Location

| | |
|---------------|-------|
| Metro | 4-6% |
| Semi regional | 6-8% |
| Regional | 8-10% |

Affected by Tenant type; Tenure

Tenure and Lease

| | |
|----------------|---|
| 5 Years + | 5 |
| 3 years | 6 |
| 1 year | 7 |
| Month to Month | 8 |

Affected by location and Tenant Type; Industry

Tenant Type

| | |
|-----------------|-----|
| National Tenant | 4 |
| Medical | 4.5 |
| Long Standing | 6 |
| Franchise | 7 |
| Small Business | 7.5 |
| Start - up | 8.5 |

Affected by location, tenure, industry

Affected by location, tenure, industry

Asset Class

| | |
|--------------------|-------|
| Residential | 3-5% |
| Medical Consulting | 4-7% |
| Office | 4-9% |
| Retail | 4-9% |
| Industrial | 6-10% |

Affected by tenure and location

Affected by premises, tenant type, tenure and location

Affected by tenant type, tenure and location

Affected by tenant type, tenure and location

Premises

- Freehold
- Unit
- Multi-Tenanted
- Age and condition
- Flexibility of Layout
- Flexibility of Usage

Affected by premises, tenant type, tenure and location

Resilience

- Terms in the lease
- Tenant's Ability to Pivot
- Essential Services Industry



PLATINUM ACCELERATOR

NEGOTIATION



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Everyone is a Negotiator....

- Like it or not, you are a negotiator...
- Everyone negotiates something everyday.
- The level of success you have is up to you.




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What is a Negotiation?

- A negotiation is a strategic discussion that resolves an issue in a way that both parties find acceptable.
- A "Back and Forth communication designed to reach an agreement when you and the other side have some interests that are shared and others are opposed"
- When 2 or more parties need to reach a joint decision but have different preferences, they negotiate.

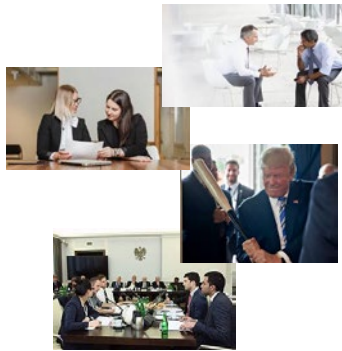




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Have your Own style and Understand it.

- What's your style?
- Softly softly.
- Hard Nosed
- Casual / indifferent

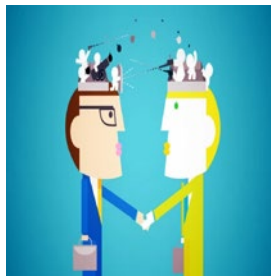




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Don't treat them how you would like to be Treated

- One of the biggest mistakes you can make in a negotiation is to treat your counterpart the way you wish to be treated.
- If you value directness, it's easy to assume your counterpart does also....
- Even with the best intentions this "Golden Rule Approach" does both parties a disservice.





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Treat them how they wish to be treated.

- An effective Negotiator treats their counterpart how they wish to be treated – Leave your own preferences out of it
- As per previous: if you see being direct as a form of respect it could just as easily be seen by the other side as a form of attack.
- SO how do we do that??



3 Types of Negotiators

- 1. Analysts
- 2. Accommodators
- 3. Assertive
- Which type are YOU??
- Which type is your Counterpart?



Let's start with the Analysts

- How they see themselves:
- Realistic, prepared, Smart
- How they may be seen by Others:
- Cold, Standoffish

View of Business Relationships:
As long as they aren't causing conflict, they are actively preserving the relationship



Analysts

- **Cares About:** Acquiring Facts and info
- **Negotiation Mindset:**
- Time = Preparation
- Silence = time to think
- **Characteristics**
- Methodical & Diligent. Hates Surprises
- Self Image tied to minimizing mistakes
- Prefers to work on their own
- Reserved problem solver
- Information aggregator
- Skeptical by nature
- May appear to agree when just agreeing to think about it
- Slow to answer calibrated questions
- Apologies have little value



Analysts

- **Views on Reciprocity:**
- **Giving:** They only give things they've already thought long and hard about
- **Receiving:** When they receive first they think it must be a trap
- **Tools to Use:**
- Labels, specifically to compare analysis, use data, use data to explain your reasons, no ad lib, use data comparisons to disagree



Analysts

- **How to Get them Back:**
- Show them you're ready to get something accomplished
- **Worst-Type match**
- Assertive



Type 2. Accommodators

- **How they see themselves:** Personable, Conversational, Relationship Focused
- **How they may be seen by Others:**
- Friendly, Too Talkative
- **View of Business Relationships:** The relationship is most important





Accommodators

- **Cares About:** Building relationships
- **Negotiation Mindset:**
 - Time = Relationship Building
 - Silence = Upsetting, indicates anger





Accommodators

- **Characteristics:**
 - Happy when communicating
 - Sociable, peace-seeking, optimistic.
 - Distractible, poor time managers.
 - Watch tone & body language, they won't express hesitancy in words
- **Risk:** may overpromise, agree to give you something they can't actually deliver.





Accommodators

- **Views on Reciprocity**
- **Giving:** They are most likely to give something up first. Their giving isn't motivated by receiving.
- **Receiving:** They are flattered and take it as confirmation of a positive relationship



Accommodators

- **Tools to Use**
- What & How **calibrated questions** focused on implementation
- **How to get them back:**
- An apology ("I'm sorry" is mandatory)
- **Worst-Type Match:**
- Accomodator



Type 3. Assertive

- **How They See Themselves:**
- Honest, Logical, Direct
- **How they may be seen by Others:**
- Emotional, Aggressive, Harsh
- **View of Business Relationships:**
- Needs mutual respect: Nothing more or less



Assertive

- **Cares about:**
- Being Heard
- **Negotiation Mindset:**
- Time = Money
- Silence = Opportunity to speak more





Assertive

- **Characteristics:**
- Perfecting the solution is less important than getting it done
- Loves winning above all else
- Most likely to get tunnel vision ie if you focus on one goal, you miss opportunities to explore options
- View negotiations as intellectual sparring
- Focus first on what they have to say. They'll only listen if they're convinced you understand them.





Assertive

- **Tools to use:**
- Mirrors
- Calibrated Questions
- Labels
- Summaries
- Get a "That's Right"





Assertive

- **Views on Reciprocity**
- **Giving:** Give them an inch they'll take a mile
- **Receiving:**
- If they give up something, they are counting the seconds until they get something of equal or more value.
- **How to get them back:**
- Any invitation to re-engage
- **Worst-Type Match:**
- Analyst



So in Conclusion

- How does all this help us?
- If we identify the other side, we can make them feel more comfortable, understood and in control
- Ultimately this will earn you their trust
- You will learn what you need to know to influence their thought process
- Being adaptable under pressure, demands practice.



So what do the BEST Negotiators do?

- The best Negotiators incorporate characteristics of ALL 3 types
- Shift their communication style to better fit your Counterpart
- They understand the features of each negotiator and what will work best.



So how do we know how the other side wants to be treated??

•We Listen.....





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Did you Know there are 5 levels of Listening?

- Most people who think they are good listeners underperform—by as much as 60 percent, in fact, according to some research. It turns out that overconfidence **actually impedes** their success.
- Being too confident **actually prevents** you from truly understanding the motivation of the other side, which prevents you from being able to use **Tactical Empathy** to get the outcomes you're going for.





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Make it or Break it..

- Nothing puts a relationship in jeopardy faster than poor listening.
- It doesn't matter whether you're talking to your husband, wife, son, daughter, boss, or kids.
- Most people simply underestimate the commitment to listening—especially since a **good deal of communication is nonverbal**
- It's not easy to convince someone you're listening when in fact you are not.
- So why do most people who think they are good listeners underperform? It's because most don't have the communication skills to recognize that there are actually **five** levels to listening!





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Level 1: Listening for the Gist

- The first level of listening is intermittent listening.
- Here, you're simply listening for long enough to get the gist of what the other side is saying. When you've got the basic idea, your ears shut off and refocus on your internal voice, which is formulating a reaction based on your worldview.
- Though you might not articulate this reaction, you're engaged in an internal dialogue about how what is being said doesn't line up with your logic





Level 2: Listening to Rebut/Respond

- At the next level, you're not practicing **active listening**. You're listening to rebut or respond.
- This is the stage at which you listen for long enough to understand the incoming message until it hits the trigger (i.e., something in the statement or phrase that you can argue against or rebut).
- When you hear a trigger, you just wait for the other side to shut up for long enough so you can tell them why their position is faulty and, by extension, how much smarter you are than they are.
- These enthusiastic replies undermine communication and the entire relationship. Interjecting with a quick response is a clear indication that you are not listening. How could you be? At this level, you're focusing on your agenda at the expense of theirs, and it's obvious.



Level 3: Listening for Logic

- The third level involves using inference to try to pin down the internal logic of what is being said—if such logic exists.
- If this is the other side's worldview, their conclusion, or their judgment, why does it make sense to them?
- It's the first step toward truly understanding whom you're negotiating with.





Level 4: Listening for Emotion

- At the fourth level, you're listening for any emotions or issues that may be driving their argument. These emotions or issues may or may not make sense to you. But at this level, you recognize their significance as the other side talks about what's important to them.
- When it's your turn to respond, you might decide to use **Labels** to identify the unstated emotions or issues you believe are influencing what they have to say.
- For example, if your counterpart gives you an energetic response to your statement, you might say something like this—*It seems like you're very passionate about this deal*—in hope that the other side will reveal additional information.



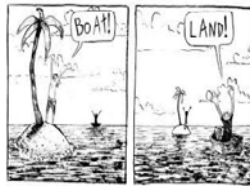
Level 5: Listening for **Their Point of View**

- This is where you become a **great listener**. It's truly the next level where you listen for what the other side's argument says about who they are in the world, using **Tactical Empathy** to do everything you can to see things from their perspective.
- This communication skill is how you filter your counterpart's emotion and logic through a **prism of empathy**, and it's what you should try to do every time you sit down at the table.
- Here, it's all about getting beyond the cursory level of understanding to a deeper appreciation of their view. If you don't understand where your counterpart is coming from, you don't really understand **them** at all—making it that much less likely you'll strike the deal you have in mind.



Listening for **Their Point of View**

- If you don't understand the other side, you will never influence them. **It's that simple.**
- Though it's difficult to maintain this level of listening every moment of every day, you need to be ready and willing to get here when the situation warrants it.
- Now that you know how to be a better listener, it's time to learn more about the person sitting across the table.





Expect the Unexpected..

- At the same time, you need to be aware that you yourself are going to be caught off guard.
- Many people go into a negotiation with a mindset wherein they hope that the other side will move in their direction, but decide to just see what happens.
- This is not a horrible mindset to have, **but** it is a mindset that means you're less equipped for when unexpected things happen.
- On the other hand, if you go to the table with the mindset that your counterpart is going to say something that's going to throw you off your game, you'll be in a much better spot to prepare for whatever comes your way.

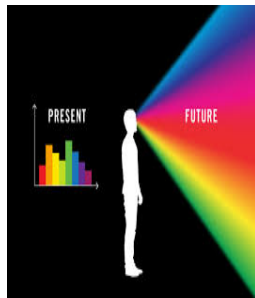
WHAT YOU'RE SEEKING WILL NOT COME IN THE FORM YOU'RE EXPECTING

@BUMBLE



Tools we can Use and what are they?

- Visualization: Create a mental image or intention of what you want to happen.
- Use this technique to “Intend” an outcome
- “See” yourself in this situation before it eventuates and how you may react or respond.





What is a “Label”

- A **label** is a verbal observation of an emotion displayed, verbalized or implied. At the most basic level, a label begins with “*it seems like, it looks like, or it feels like...*” A label should be used to identify a dynamic that isn’t obvious.
- This skill can be used to gather information and uncover things that are not immediately obvious.
- For example, if you’re selling software and someone is giving you a list of reasons why they aren’t happy with their current platform, you might say something like: *It sounds like you really need a new solution.*





Labels

- When you’re skilled with labels, you can use them to unearth what the other side is *not* saying. The other side, for example, might say that they can’t accept the price you’re offering them.
- In that scenario, you could say something like:
 - *It seems like there’s a reason you can’t accept this offer.*
 - Or
 - *It seems like you need to discuss this with another stakeholder.*
- Then wait to hear what they have to say.



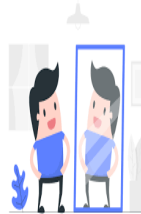
More Labels

- "It sounds like you"
- OR
- "It seems like is important to you"
- To diffuse or eliminate an issue that may be creating an obstruction select the opposite
- "it sounds like you don't like"
- Or
- "It seems like to hate"



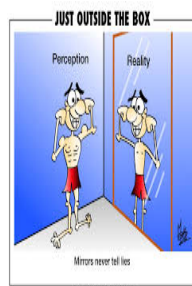
Mirrors and What are They?

- A **mirror** is a communication technique wherein you simply repeat the last three to five words or a selected portion of what the other side just said, using an inquisitive tone. You're not negating or affirming what anyone said. You're simply listening attentively and reflecting their words.



Mirroring

- Mirrors help you create space and uncover more information.
- For example, let's say your counterpart ends their turn to talk with something like this: *Our prices can't be beat.* Using a mirror, you might respond like this: *Your prices can't be beat?*
- Simply put "Mirroring" is a technique where you summarize and repeat what your counterpart has just said, using an inquisitive tone.



Calibrated Questions

- Calibrated Questions are *what*, *how*, and sometimes *why* questions that are designed or "calibrated" to effect or shape the thinking of the other side.
- Often it is used to get the other side to stop and think about the topic of discussion on a deeper level, rather than used to gather information.



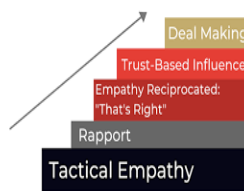
Calibrated Questions

- Asking a question like:
 • *How do we know we've satisfied the questions of those who are not here?*
 OR
 • *What happens if you don't make a change?*
- This pretty much makes it impossible for your counterpart to respond with a one-word answer.
- Calibrated questions can be used in nearly every negotiation. They are also a key skill to use when talking implementation with your counterpart. *How will we know we are on track?*



Tactical Empathy and what is it?

- Empathy is the ability to recognize the perspective of a counterpart, and the vocalization of that recognition.
- Tactical empathy is understanding the feelings and mindset of another in the moment and also hearing what is behind those *feelings* so you increase your influence in all the moments that follow. Tactical empathy is precise action.
- The best negotiators are precise with every move they make at the table. They use tactical empathy™ to become trusted advisers.



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Tactical Empathy

- Tactical empathy is more than simply showing that you understand the other side. **It's making sure that they know that you know that they know that you understand them.**
- Once you've effectively deployed tactical empathy, the other side will view you as less of an adversary and more of a partner.

"He who has learned to disagree without being disagreeable has discovered the most valuable secret of negotiation"

- Chris Voss
Never Split the Difference



Some Successful Negotiations

- The 12hr Old, 26 days on market Deal.
- Used understanding of the other sides position to put a proposition to them that they hadn't even thought of.
- Secured long settlement.





The Grandma Deal

- Seller JV, long time on market.
- Almost stuffed it, need to be aware of the decision maker.
- Missed asking about the daughter.
- Used tools at my disposal to build rapport





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Vendor Finance – Caravan park

- Educate the Agent and Seller/Vendor
- Multiple visits, over extended period
- Understood vendors triggers and used Tactical Empathy





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Option Deal – The Hilton

- 3 Vendors = 3 very different personalities
- Different needs for ALL
- Motivation was the key





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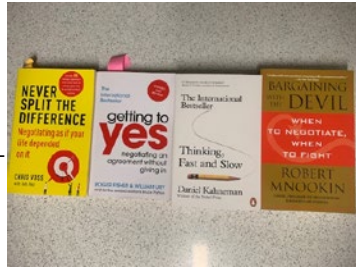
Remember...

- Great Negotiators are **MADE** not Born
- Practice, practice and practice some more.....



Books on the MUST Read list!

- Never Split the Difference – Chris Voss
- Getting to Yes – Roger Fisher & William Ury
- Thinking, Fast and Slow – Daniel Kahneman
- Bargaining with the Devil – Robert Mnookin



Questions...





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PROPERTY HEALING
DR MAHDI MASON

Property Healing
with Mahdi Mason
www.drmahdimason.com

About me
Environmental scientist
Energetic body healer
Land healer
Author
www.drmahdimason.com



What is property healing?
Raising the vibration of a property through the removal of dense energy patches on the land, or in houses and buildings.
www.drmahdimason.com



What causes a property to need a healing?

- Underground water
- Negative ley lines
- EMF
- Geopathic stress wounds
- Psychic build-up
- Spirits
- De-energised land
- Other



What are the signs your property needs healing?

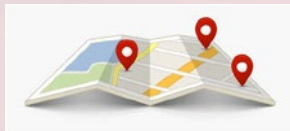
- Doesn't feel right
- Constant run of bad luck
- Can't sell
- History of bad tenants or land use
- 'Strange' things happen there
- Vegetation won't grow and wildlife won't visit
- Attracts unsavory characters
- Constant sickness

Wait a second...
Something's not right here.



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What happens during a session?



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Following a session

- You receive a written report with further actions need to be taken by you
- Reports take 2-3 days after a session (usually)
- Optional phone consult



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What can happen after a healing session?

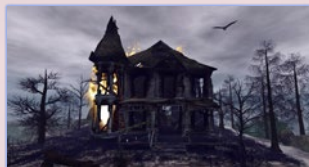
- Change can be very noticeable and instantaneous or very subtle
- Looks and feels fresher
- Influx of potential buyers or tenants
- Things start to flow
- Able to sell for a better price
- Vegetation grows better
- People move on



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Things a property healing won't change

- Divine plans
- Attachments to outcomes
- Belief systems
- Business partner relationships
- Physical design, structure or location of a property



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Other benefits of property healing

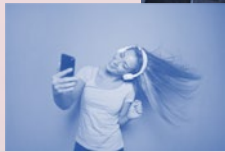
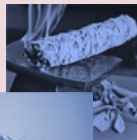
- Helps the environment
- Helps occupants' minds, bodies and spirits
- Improves property overall
- Lights up the planet



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What YOU can do to raise the vibration of your property at any time

- Clean!!!!
- Open doors and windows to let light and air in
- Play music you love
- Diffuse essential oils
- Support nature
- Make it a loving environment



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When is it a good time to get a healing?

- Every property will benefit from a healing session
- Prior to purchase
- After purchase
- Prior to building
- In between tenants
- Prior to selling



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Pricing

- Simple properties up to two acres = \$298
Top-up = \$222
- Soul awakening sessions = \$555



www.drmahdimason.com

Contact me

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Phone: 0416 031 705



www.drmahdimason.com

Audience experience with property healings

1. Have you had a property healing done in the past?
2. What was your experience?

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RAW IMPACT UPDATE











































































IRA I IMPACT ABOUT US OUR WORK OUR TRIPS OPPORTUNITIES JOIN NOW

TRAVEL MIGHT BE CANCELLED BUT CHANGING THE WORLD ISN'T!

There are so many ways you can help IRAI from where you are. You can fundraise, donate, volunteer, tell your friends about what we do... every little bit counts! We're looking forward to the day when we can have **been** trips on the ground again so if you're interested in joining us in Cambodia where international travel is on the north again, express your interest here.

[EXPRESS INTEREST IN YEAR TRIPS](#)

OUR PARTNERS
We are passionate about partnering with like-minded organizations to create powerful change on the ground in Cambodia. Want to join us? Find out more about partnering with IRAI.

IRA I IMPACT Donate

I LOVE REAL ESTATE

This year many of us have been dreaming of home. With borders between states and countries closed, families separated for months at a time, we all just want to get home for Christmas! It's the season of home and community but it's not so easy to home.

With IRAI's team this holiday season in Cambodia, we need your help to fund the homes of four of our 'Red Tag' like extremely vulnerable and vulnerable families.



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BUSINESS REAL ESTATE



Examples of Business Real Estate

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1. Management Rights
2. Rent Roles
3. Caravan Parks
4. Relocatable Home Parks
5. Retirement Villages
6. Back Packers
7. Motels / Hotels
8. Storage Sheds
9. Child Care Centres
10. Car Parking
11. Air rights – Signage and Solar

- All Active Management Strategies and can be run under management
- But if manager works out you have to run the show

1. Management Rights

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- Usually sell for a 5 to 6 times ratio
eg. If the Return is \$100,000 then the Price would be \$500,000 to \$600,000. Some really prime rights might go for 6.5 times
- Usually come with a Unit as the care takers units. Usually a ground floor 2 or 3 bedroom unit
- Heavily regulated industry
- Do a good job and the investors in the complexes tend to stay with you
- Most Ma & Pa operations don't do a good job
- Important to smooch to body corporate



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3. Caravan Parks

- **3 Styles of Caravan Parks**
 - Tourist Parks relying on holidayers and grey nomads
 - Parks that mostly cater for permanents
 - Large brand Resort Parks like the Big 4
- All have specific advantages and location specific
- Typically sell for 8 – 18% depending on location
- Park culture is very important
- Can be the best in affordable living
- Many owned by large conglomerates
- Area specific due diligence needed



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Live Deal Analysis

- Turn to Appendix 1
- Review IM
- Thoughts?
 - Is it Price Fair?
 - Do you see any issues?
 - What could you do to increase value / revenue?
 - Would you do this deal?





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4. Relocatable Home Parks

- Similar to Caravan Parks except target market is permanents
- Can be age specific Eg. Over 55 villages
- Specific legislation around selling off the buildings and keeping the underlying land which the house owner pays rent on
- Parks typically sell for around 6 -8% Cap Rate
- Sort after in prime coastal location
- Slightly higher risk than caravan parks and retirement villages



8. Storage Sheds

History of Self Storage – US & Australia



| Country | Population | Estimate # of Facilities | Estimate of rentable square feet | Square feet/person |
|-----------|-------------|--------------------------|----------------------------------|--------------------|
| USA | 317,000,000 | 52,500 | 2,500,000,000 | 7.89 |
| Australia | 23,130,000 | 1,100 | 39,826,468 | 1.72 |

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Types of Storage



- Two storey with hoist
- Multiple storey with lifts
- Combination



Single storey ranch style development



Mobile

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Types of Storage

Single storey - ranch style



Summary

- First type of storage in the 70's
- Construction is cost effective
- Easiest to design
- Typically found now in areas where land is cheap
- Not efficient use of metropolitan land
- Suits regional locations
- Designs allow for drive up usage

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Types of Storage

2 level with hoist



Summary

- 2 levels
- 2nd level is accessed via a hoist
- Goods are loaded via a loading dock
- Can be in a converted building
- Can be a new build
- More efficient use of land
- Less user friendly, but tolerated by customers in dense locations
- Construction cost significantly higher than single story

Types of Storage

3 level with hoist/lift



Summary

- Usually for areas where land is scarce or expensive
- Access via a loading dock
- Customers use passenger/goods lifts to get to upper levels
- Construction costs again higher
- More suited for densely populated areas
- More popular construction type of late

Types of Storage

Multiple levels with lift



Summary

- Usually for inner metropolitan areas
- Conversion of commercial or office buildings
- Most parts of Asia are predominantly this type of self storage
- Cost of construction is very expensive but proportionally less land is required.



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Types of Storage

Portable storage



Summary

- Very convenient
- Limited usage
- Not likely to replace traditional storage
- Serves a segment of the marketplace
- Very service/business oriented
- Higher operating costs



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Types of Storage

Container Storage



Summary

- Very cheap
- Low entry costs
- Temporary
- Usually managed by a Real Estate agency
- Has a niche
- Usually used on vacant land
- Lacks sophistication and therefore commands lower price per square meter



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Types of Storage

Open Storage



Summary

- Very low yielding
- Good way to get revenue from vacant land
- Good use of land in a staged development
- Usually boats, caravans, cars, and shipping containers etc ~



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Child care as a Business

- Upside = significant positive cash flow
- Child rates per day vary from \$100 - \$200 per day depending on location
- Average turnover per annum for 100 placements is \$2.4 - \$3mil
- Profitability once trading at 80% occupancy approx \$800k per annum plus
- Managed by professional childcare specialists



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Child care centre as a rental property

- Rents dependable on placements (number of children)
- Rents vary from \$2,500 - \$5,000 per placement (area dependant)
- Tenant is responsible for fit-out (\$500-\$600k)
- Tenant is responsible for all outgoing and maintenance
- Tenant can be national or local operator



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How is a child care centre valued?

- Rent paid by the operator to the landlord (number of placements x rate per placement) divided by the CAP rate
- I.e 100 placements at \$3,000 per placement = \$300,000 divided by a CAP rate of 5% equals \$6,000,000
- Does not include the business. Free hold only.



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Example

- Land size: 1161m²
- Floor area: 913m²
- Places: 122
- Net rental per year \$488,000
- Rental per place: \$4,000
- Sold price \$11,000,000
- Yield: 4.4%





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10. Car Parking

- If you can get them in the right spot they are a money machine
- Can be worth looking at re-zoning old buildings for demolish to build car parks new transport hubs and places of high demand





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11. Air Rights - Signage & Solar

- The ability to build up can be valuable
- The ability to stop someone can also be valuable`
- Signage in desirable locations rent for as much or more than apartments
- Solar is becoming a hot ticket item on commercial buildings to sell back to the tenants – can also be written into the leases that they have to buy from you

Who would consider a Business Real Estate Deal and which one would you favour?

Discuss on your tables

Any Questions?





PLATINUM
ACCELERATOR

**UNDERSTANDING BUSINESS
STATEMENTS**

SESSION NINE

Understanding Business Statements

PLATINUM ACCELERATOR
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Business Accounts

| | |
|---|---|
| <p style="text-align: center;">Assets</p> <p style="text-align: center;">Liabilities</p> <p style="text-align: center;">Equity</p> <p style="text-align: center;">Appear on the Balance Sheet</p> | <p style="text-align: center;">Revenue (Income)</p> <p style="text-align: center;">Expenses</p> <p style="text-align: center;">Appear on the Profit & Loss Statement</p> |
|---|---|

PLATINUM ACCELERATOR
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1. Assets

- An asset is something that the business owns.
Eg. Land & Buildings, Equipment, Motor Vehicles, Inventory, Accounts Receivable
- Something that the business owns / has purchased that will provide it with a benefit into the future
- Current assets** – converted to cash within 12 months
- Non current assets** – converted to cash 12 months +





Example Balance Sheet

| Assets | | Liabilities | |
|-----------------------|---------------------|----------------------------|---------------------|
| Current Assets | | Current Liabilities | |
| Bank Account | \$ 10,400.00 | Accounts Payable | \$ 1,000.00 |
| Accounts Receivable | \$ 800.00 | Non Current Liabilities | |
| Inventory | \$ 33,800.00 | Long term loan | \$ 28,000.00 |
| Fixed Assets | | Equity | |
| Plant & Equipment | \$ 24,000.00 | Owners Contribution | \$ 15,000.00 |
| Acc Depreciation | \$ (1,000.00) | Current/Retained Earnings | \$ 24,000.00 |
| Total | \$ 68,000.00 | Total | \$ 68,000.00 |



4. Revenue (Income)

- Revenue is what the business earns through its trading activity and other sources such as interest.
- **Total Revenue** – also known as turnover - is the total amount of money earned for all of the invoices that the business sent to its customers for a period (e.g. monthly, annual, etc).





5. Expenses

- Expenses are all the costs incurred in running the business – usually broken down into:
- **Fixed costs** – costs that do not change regardless of how much trading activity occurs e.g. salaries, leases
- **Variable costs** – (operating costs) costs for items that contribute directly to sales and therefore change as trading activity changes e.g. materials, shipping





Profit and Loss Statement

- The Profit and Loss Statement is a report indicating what the result of all trading activity was for a particular period of time.
- Comprised of:
 - **Revenues – Expenses = Trading Profit or Loss**
- If Revenues are higher than Expenses, we make a profit
- If Expenses are higher than Revenues, we make a loss

$$\text{PROFIT} = \text{INCOME} - \text{EXPENSE}$$



Example Profit & Loss

| Profit & Loss | |
|-------------------------|---------------------|
| Income | |
| Sales Revenue | \$ 47,900.00 |
| Less Cost of Goods Sold | \$ (14,200.00) |
| Gross Profit | \$ 33,700.00 |
| Expenses | |
| Advertising | \$ 500.00 |
| Accounting | \$ 1,200.00 |
| Wages | \$ 6,200.00 |
| Training | \$ 1,800.00 |
| Total Expenses | \$ 9,700.00 |
| Net Profit | \$ 24,000.00 |



How the Financial Statements are connected...

- **The profit or loss of the current reporting period is transferred across to the balance sheet as Current earnings.**
- **The profit or loss of previous reporting periods is shown as Retained earnings (earnings from previous years).**
- **Whether we make a profit or a loss in the business affects how much equity is available in the business.**



Things to look for...

Goodwill

- Intangible asset – represents the value paid for things like reputation, established customer base, etc.
- It is recorded as an asset and remains on the books
- It is negotiated between the buyer and the seller
- If the business has been sold before and goodwill is on the balance sheet it may inflate asset values



Things to look for...

Depreciation

Depreciation is a tax deduction – recorded as an expense – which writes down the “book value” of an asset

Beware - It is sometimes manipulated to make a business look healthier in terms of profit and asset values





Things to look for...

Value of Inventory

As a buyer, you need to understand how the stock has been valued – cost, market selling or replacement

It is sometimes manipulated to make a business look healthier in terms of asset values and/or profit

Make sure you do a stock take and include the specifics in the contract of sale

Look out for obsolete stock!!



Things to look for...

Leases

- If taking over equipment or building leases make sure to check terms

ATO

- Confirm IT, GST, PAYG W, payroll tax etc. all up to date and paid (will depend on how you purchase the business)



Contract of Sale...

Seller's Perspective

Tax implications of:
 Goodwill
 Plant and Equipment
 Stock on Hand





Seller's Perspective

Goodwill

- Subject to Capital Gains Tax and can be reduced by the Small Business CGT concessions potentially to nil

Plant & Equipment

- Difference between sale and closing written down value at the time is included as income or an expense

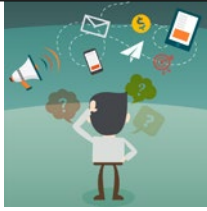
Stock on Hand

- Considered normal sale of stock so sales/income



Contract of Sale...

Buyer's Perspective

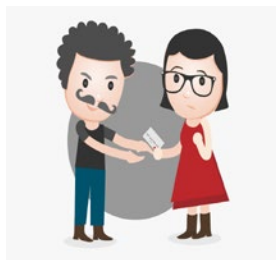


Tax implications of:

- Goodwill – asset with no depreciation
- Plant and Equipment - depreciable
- Stock on Hand – how is it valued? Will be considered as stock purchases and deductible



Contract – Buyer V's Seller



For tax purposes:

Seller will want goodwill to be high and stock and P&E to be valued low

Buyer will want goodwill to be low and stock and P&E to be valued high



Adjusted Accounts...

When buying a business, be aware that the financial reports provided to you will be adjusted for the sale

- Balance sheet – tidied up and consolidated
- Profit and Loss – items “added back”
 - Non cash items – Depreciation
 - Personal items – may not apply to buyer
 - One off items / extraordinary items / not continuing

Adjusted Accounts...

Sample Profit & Loss

Identify the items that would be added back on the Profit and Loss



What is the Adjusted net Profit for this Business?

Adjusted Accounts...

Items to be verified:

Sales figures

- BAS statements lodged with ATO
- Analyse Director's Loans for "fudge factor"
- Check for increases in Trade Debtors

Adjusted Accounts...

Cash -v- Accrual Accounting

Has an impact on the way the results are reported and therefore the value of the business

Cash – only records transactions that have actually been paid or received

Accrual – records transactions that have been invoiced / supplied but not yet paid or received



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How is the price determined?

Negotiated between buyer and seller as the value of what is in the business PLUS an amount for the future potential of the business, recorded as goodwill

Usually calculated as a multiple of the annual profit
Eg. \$100k profit x 3 years = \$300k

Multiple differs depending on the type of business / industry



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SAV – Stock at Value

Goodwill



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Different types of Businesses have different multipliers

- Businesses which are relatively hands off have higher multipliers
- Businesses with good trail income have higher multipliers
- Businesses which require owner work have lower multipliers
- Businesses with good client retention have higher multipliers



Use Ratios...

- To provide meaning financial ratios need to be compared
 - Over the past year or so
 - To competitors
 - Industry benchmarks
 - Budgeted results
- Nonfinancial ratios may highlight issues not relevant to balance sheet
 - Staff turnover, product returns, customer reorder



Financial Ratios...

Liquidity Ratios – ability to pay debts

Profitability Ratios – indicator of returns or yield

Leverage Ratios – proportion of assets needed to pay off debts



Financial Ratios...

Return on Equity Ratio

Also known as yield

| | | | | |
|--------------------------|------|-----------|--|-------|
| Net Profit | e.g. | \$50,000 | | |
| <hr/> | | <hr/> | | = 10% |
| Equity (Amount invested) | | \$500,000 | | |



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Financial Ratios...

Working Capital Ratio

Used to determine the liquidity of the business – how well positioned it is to pay its short term debts

$$\frac{\text{Current Assets}}{\text{Current Liabilities}} \quad \text{e.g. } \frac{\$100\text{k}}{\$50\text{k}} = 2:1$$

This means that for each \$1 of Liabilities, the business has \$2 of assets to cover them



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Financial Ratios...

Debt to Equity Ratio

Compares the value of the total liabilities to the amount of total equity

$$\frac{\text{Total Liabilities}}{\text{Equity}} \quad \text{e.g. } \frac{\$50,000}{\$200,000} = 25\%$$



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Financial Ratios...

Gross Profit Percentage

Indicates what percentage of total sales is available to cover all of the operating costs

$$\frac{\text{Gross profit}}{\text{Total Sales}} \quad \text{e.g. } \frac{\$180,000}{\$300,000} = 60\%$$

Laundromat 2

Profit & Loss Statement

July 2018 through June 2019

| | |
|-----------------------|--------------------|
| Income | |
| Washers | \$47,562.11 |
| Miscellaneous Income | \$1,621.85 |
| Total Income | \$49,183.96 |
| Expenses | |
| Bank Charges | \$203.09 |
| Depreciation | \$2,646.96 |
| Electricity | \$2,085.59 |
| Gas | \$2,549.49 |
| Electrical Work | \$1,263.54 |
| Rent & Outgoings | \$21,413.28 |
| Repairs & Maintenance | \$373.48 |
| Telephone | \$944.79 |
| Sundry Expenses | \$2,415.25 |
| Total Expenses | \$33,895.47 |
| Operating Profit | \$15,288.49 |
| Other Income | |
| Other Expenses | |
| Excess Water | \$300.00 |
| Total Other Expenses | \$300.00 |
| Net Profit / (Loss) | \$14,988.49 |

Laundromat 2

Balance Sheet

As of June 2019

| | |
|-----------------------------|--------------------|
| Assets | |
| Current Assets | |
| Cash On Hand | |
| Cheque Account | \$5,423.02 |
| Total Cash On Hand | \$5,423.02 |
| Total Current Assets | \$5,423.02 |
| Other Assets | |
| Security Deposits | \$500.00 |
| Total Other Assets | \$500.00 |
| Fixed Assets | |
| Shop Equipment | |
| Shop Equipment at Cost | \$60,000.00 |
| Shop Equipment Accum Dep'n | (\$27,000.00) |
| Total Shop Equipment | \$33,000.00 |
| Goodwill Purchase | \$20,000.00 |
| Total Fixed Assets | \$53,000.00 |
| Total Assets | \$58,923.02 |
| Liabilities | |
| Current Liabilities | |
| Trade Creditors | \$623.11 |
| Client Deposits | \$200.55 |
| Total Current Liabilities | \$823.66 |
| Long Term Liabilities | |
| Loan from Directors | \$28,289.99 |
| Loan Other | \$2,388.66 |
| Total Long Term Liabilities | \$30,678.65 |
| Total Liabilities | \$31,502.31 |
| Net Assets | \$27,420.71 |
| Equity | |
| Retained Earnings | \$12,432.22 |
| Current Year Earnings | \$14,988.49 |
| Total Equity | \$27,420.71 |

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

| | Note | 2017 \$ | 2016 \$ |
|---|------|------------|------------|
| INCOME | | | |
| Sales | 2 | 408,326 | 404,309 |
| LESS EXPENDITURE | | | |
| Accountancy Fees | | 4,620 | 4,310 |
| Advertising | | 11,222 | 13,771 |
| Bank Charges | 3 | 2,842 | 2,721 |
| Borrowing Costs | | | 293 |
| Chemicals & Cleaning | | 929 | 1,328 |
| Depreciation - Property Improvements | | 865 | 867 |
| Depreciation - Plant & Equipment | | 9,647 | 11,526 |
| Depreciation - Motor Vehicles | | 686 | 918 |
| Depreciation - Office Furniture & Equipment | | 173 | 257 |
| Depreciation - Furniture & Fittings | | 1,336 | 1,431 |
| Electricity | | 43,985 | 35,486 |
| Filing Fees | | 249 | 246 |
| Freight & Cartage | | | 256 |
| Gas | | 7,480 | 11,260 |
| Insurance | | 5,544 | 9,082 |
| insurance - WorkCover | | 2,696 | 2,873 |
| Interest Paid | 4 | 1,446 | 2,890 |
| Laundry & Dry Cleaning | | 2,661 | 2,629 |
| Legal Fees | | | 1,009 |
| Motor Vehicle Expenses | | 4,767 | 5,162 |
| Office Supplies | | 3,027 | 3,039 |
| Pest Control | | 126 | 13 |
| Printing & Stationery | | 285 | 149 |
| Property Maintenance | | 3,895 | 3,430 |
| Rates & Taxes | | 3,918 | 3,644 |
| Rent | | 85,368 | 82,623 |
| Repairs & Maintenance | | 7,686 | 8,124 |
| Replacements & Linen | | 3,570 | 2,456 |
| Staff Expenses | | 300 | |
| Sub Contracts (Relief Managers) | | 5,709 | 7,800 |
| Subscriptions | | 1,504 | 2,173 |
| Sundry | | 2,719 | 1,692 |
| Superannuation Contributions - Directors | | 45,000 | 31,500 |
| Superannuation Contributions - Employees | | 3,023 | 3,231 |
| Telephone | | 4,721 | 4,773 |
| Uniforms | | 463 | 346 |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

| | Note | 2017 \$ | 2016 \$ |
|--|------|--------------------------|--------------------------|
| Wages - Directors | | 59,320 | 58,220 |
| Wages - Employees | | 31,765 | 27,204 |
| Waste Disposal | | 8,477 | 7,653 |
| | | <u>372,023</u> | <u>356,385</u> |
| | | <u>36,303</u> | <u>47,924</u> |
| NET OPERATING PROFIT | | <u>36,303</u> | <u>47,924</u> |
| Distribution to beneficiaries: | | | |
| [REDACTED] | | 18,152 | 23,962 |
| | | <u>18,151</u> | <u>23,962</u> |
| Total distribution | | <u>36,303</u> | <u>47,924</u> |
| RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR | | <u><u> </u></u> | <u><u> </u></u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

BUSINESS SUMMARY

1) Price

| | |
|--------------------------------------|----------------|
| | \$ |
| Goodwill including Plant & Equipment | 580,000 |
| Total Price | 580,000 |

2) Business description

Pine Country Caravan Park is located in Mount Gambier in the Limestone Coast region. Mount Gambier is strategically located midway between Melbourne and Adelaide on the Melbourne to Adelaide touring route. This provides the Pine Country Caravan Park with the opportunity to leverage marketing value from Victorian, South Australian and Tourism Australia's promotion of this route, one of the nation's most popular touring routes which includes the iconic Great Ocean Road. The park, ideally located on 13.7 acres of well-maintained lawned area, is walking distance from the world renowned Blue Lake and consists of:

- 17 ensuite cabins – include colour TV, microwave, electric cook top, fridge, heating/cooling, crockery and cutlery
- 1 standard cabin
- 42 powered sites with 6 ensuites
- 16 residential sites
- Unlimited unpowered sites
- Tennis court
- Camp kitchen
- Undercover BBQ area
- Large ample shedding
- Separate office and reception
- 2 main amenities blocks
- Children's playground
- Coin operated laundry facilities – including washing machines and 2 dryers (cleaning of linen is outsourced)
- The park is a member of the Family Parks Group

The large 3-bedroom residence featuring kitchen, lounge, and dining area is one of the better residences you will find in caravan parks/motels and is an ideal family environment with 2 ensuites and rear private garden.

3) Financial summary

| | Sales \$ | Return to Owner \$ |
|-----------|-------------|--------------------------|
| 2015/2016 | 404,309 | |
| 2016/2017 | 408,326 | |

The return to owner is a net return to two working owners after all expenses and wages but excluding the vendors' wages.

4) Staff summary

Staff as at the 26/07/2017 are as follows:

| Name | Duties | Casual P/Time F/Time | Hourly Pay rate \$ | Hours Worked per week |
|----------|-----------|----------------------------|-----------------------------|--------------------------------|
| Sally | Cleaner | Casual | 23 | 9 |
| Natalie | Cleaner | Casual | 23 | 6 |
| Cheryl | Cleaner | Casual | 23 | 6 |
| Sharon | Reception | Casual | 23 | 9 p/f |
| Meredith | Reception | Casual | 23 | 9 p/f |

Notes

The vendors have one day off per week

The cleaners are paid \$20 per cabin and paid \$23.00 per hour for other work

5) Lease summary

| | |
|-----------------------------|---|
| Current rent | - \$85,000 per annum + GST |
| Lease term | - 5 years |
| Original lease commencement | - 28/02/11 |
| Current lease commencement | - 28/02/16 |
| Current lease expiration | - 27/02/21 |
| Remaining right of renewal | - 4 x 5 years |
| Outgoings | - Paid by tenant |
| Adjustments | - CPI annually with market review every 5 years |
| Landlord | - W Barton, R Barton and P Barton |

An extract of the lease is attached to this profile and a full copy of the lease is available.

It is anticipated that the purchaser of this business will have the existing lease assigned on the same terms and conditions.

6) Reason for selling

After running the park for 6 years, the vendors now wish to retire.

Caravan Park

Plant & equipment

Main sheds and park grounds

Bench grinder
Misc. hand tools and power tools
Stihl BR500 back pack blower
Stihl KM90R multi-tool
 -hedge trimmer attachment
 -whipper snipper attachment
 -chainsaw attachment
Push mower & self-drive Honda
Misc. Garden tools
Honda garden edger
Wheel Barrow
Ferris 72" IS300 ride on mower
Gas gun
Misc. benches
Misc. water softeners
Security/boom gates
Playground
Misc. hoses and sprinklers

Vehicles

Massey Ferguson tractor
 - PSP 666 (not road registered)
 - Slasher & grader blade
Subaru station wagon
 - VRC 162 (registered)
6x4 Trailer
 - TWX 592

Office

Computer, monitor, keyboards and mouse
Gas heater
2 x Wooden filing cabinets
Fridge
Microwave
Washing machine
Cordless telephone
Fax machine
Printer
Misc. advertising material
Misc. books-book exchange
Misc. cutlery, crockery and glassware
Misc. pots and pans
Misc. blankets, quilts and pillows
Misc. irons, kettles and toasters
Misc. cleaning equipment
Misc. fans and electric heaters
Misc. electric cooktops
Porta cot and highchair
New split system (Air conditioner)

Amenities Block

Bore pump and storage tank
2 x Pressure pumps
3 x Commercial Maytag washing machines
2 x Maytag dryers
2 x Tables
2 x Electric hand dryers
4 x Soap dispensers

Camp kitchen

Fridge
Microwave
TV
Stove and oven
3 x Built in BBQ
Misc. tables and chairs
5 x Outdoor table sets

Old Stable/Shed

Misc. Spare TV's
Spare green mattresses
Misc. fans
Misc. tables and chairs

2 Bedroom ensuite cabins – 5 Berth (C1 to C6)

TV
Table and chairs for 5 guests
Cook top
Fridge
Microwave
Reverse cycle split system air conditioner
Kettle
Toaster
Cutlery, crockery and glassware for 5 guests
Pots and pan
Misc. Cooking utensils

2 Bedroom ensuite cabins – 6 Berth (C15 to C16)

TV
Table and chairs for 6 guests
Cook top
Fridge
Microwave
Reverse cycle split system air conditioner
Kettle
Toaster
Cutlery, crockery, and glassware for 6 guests
Pots and pan
Misc. cooking utensils

1 Bedroom ensuite cabins – 4 Berth (C7 to C14 and C18)

TV

Table and chairs for 4 guests

Cook top

Fridge

Microwave

Reverse cycle split system air conditioner (C18 is not a split system)

Kettle

Toaster

Cutlery, crockery and glassware for 4 guests

Pots and pan

Misc. cooking utensils

Basic Cabin C17 (4 Berth)

TV

Table and chairs suitable for 6 guests

Cook top

Fridge

Microwave

Kettle

Toaster

Cutlery, crockery and glassware suitable for 6 guests

Pots and pan

Misc. cooking utensils

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