

# COLLABORATE newsletter

MAY 2015

## Reality TV Property Shows - Good or Bad for Business?

You have to have lived under a rock not to have seen at least one reality TV property show on either paid or commercial television. Whether it was this month's *The Block* auctions, *Selling Houses Australia*, *House Rules*, *Grand Designs* or Sarah Beeny's *Double Your House for Half the Money*, it's a fair bet if you are into property, you've watched one, if not all of them!

There is no doubt that these shows make 'experts' out of people in their lounge rooms across Australia. But what do these shows do to the property market? What does it mean for developers and investors doing multiple housing or unit developments? One of the biggest changes has been in the increased expectations and sophistication of buyers.

No longer can you just slap on a coat of paint and change the carpets for a renovation and expect to satisfy people. When wanting to sell a multiple unit development, the show

home needs to be "dressed" to a new exacting standard.



Buyers have a keen eye now for what to expect, because reality TV has prepared them.

When budgeting for a development whether new build or renovation, it's essential to now include, at a minimum, a well dressed show apartment, and to use good quality

fixtures and finishings throughout the rest.

To get the maximum wow factor, use the best type you can afford as cheap furniture and cabinetry will be spotted a mile away. If the decor theme you have chosen does not match the type of build or the area, then buyers will notice this because they have been trained by the likes of Shaynna Blaze from *Selling House Australia* to pick up on these things.

The down side for you is this boom has made for arm chair experts. Everyone has an opinion on the render colour or the type of plants used in the garden. What this means at the sale end, is that your sales force will need to be well equipped to handle the 'feedback' they are likely to receive. Ensure that they are polite, and more importantly, up with what's happening on these shows so that they can talk with confidence about what you have chosen in your development and why.

## The Money Pit

### Your Business Systems - Are they costing you money?

Accounting system, Marketing system, HR system, Training system, Sales system, Customer Relationship system, Project Management system you have all of these for your business right? If you are a typical small businesses then you may not have very many at all. The biggest barrier to implementing systems in a small business are money and time.

Often 'good' systems can cost a lot of money and are out of the reach of many businesses. But if you elect to go with a smaller based solution then it can often mean more time for you to implement or keep up to date. A balance needs to be found.

The reality is, a business with no systems is often leaving money on the table. One small business we know did not have a way of recording hours worked other than the owner remembering to invoice for it. It was estimated they "forgot" about \$25-

\$30,000 worth of work each year because by the time the end of the month came, they never remembered the small 2-3 hour jobs they did in between the big ones. For some businesses this could be deadly. By introducing a service/project reporting system, they were able to invoice weekly, which improved cash flow, and also meant that all jobs were accounted for. A bonus spin off from this was the ability to quote similar jobs later by reviewing how long the previous jobs took to do. This 'system' consisted of specially printed reporting books. That's it.



Take a look at the systems you have (or don't have) and work out where you are 'leaving money on the table' by not having even a small system in place.

Where you see the gaps work out what you need and try to implement even a simple system to help you get on top of what has been missing.



# Signature message

by Dean Gavrilovic

The month of April proved to be a very bad month for building in Sydney. A normal April can include Easter and Anzac Day, as it did this year, which will include industry "lock-down" weekends (meaning no work on the weekend). This April we had the added rain and high winds which pounded the East coast of Australia. I couldn't help feeling for our builders at the end of April



with cashflow well below forecast and construction sites forced to close due to the wild weather. The consequence is not just limited to rainy days, as it takes several more days to pump water and wait for the sites to dry. The weather man says we're in for a dry winter, fingers crossed for good building weather over the coming months.

## Is your business ready to enter an Industry Award?

Do you ever ask yourself could we win a business award? Year after year you see businesses enter industry awards and while only some of them win, it seems those that enter get great exposure from it. Even the finalists get featured in magazines and the press, so perhaps it's worthwhile? What benefits can your business receive besides the chance of winning the award itself?

One of the key benefits of entering an award process is the detail often required to enter means you are effectively reviewing all aspects of your business, whilst filling in the application form. Entrants into the Telstra Business Awards often talk about the lengthy process just to enter, but how beneficial it is to their business, to have to go through the long (often arduous) application process. It helps you review what is going well and identify areas where you could improve. What other key benefits are there?

- It provides an opportunity for you to benchmark your work against other like products in your industry (eg: Show homes, multi-unit or commercial developments);

- It's a chance for your efforts to be recognised by peers in your industry which could lead to business relationships that may not have happened as they didn't know you existed;
- It's a great way to reward your staff, when you turn up to the awards dinner together and celebrate your achievements (regardless of whether you win or not);
- It gives you credibility with the general public and your customers, and
- It provides exposure for your business especially within the media.

Most businesses could benefit from some, if not all of the above. For the building industry the main awards are those from Master Builders Australia. You can see the different categories at the following link:

<http://www.masterbuilders.com.au/events/national-awards>

There are many awards for small, medium and large businesses across a wide range of categories. Take a look through them and see which ones may



suit your business. Start by reading the category requirements, and if you think you fit why not enter and have a go? If nothing else, you will be able to look at your business in a new light, as you put it on display for others to see.

## Latest News

### ABS March Dwelling Data Summary

When driving through housing developments, do you ever think, "how long can they keep building so many houses and units for?" It would appear, for a bit longer yet! The Australian

Bureau of Statistics March new dwelling approvals show a record high of 19,419 which is 2.8% above February. Units approvals are slightly higher than houses but the most interesting thing is that year on year figures show unit

approvals are up 57.9%. Over 60% of these were for development in blocks of four storeys or more. It is interesting to note that Sydney, Melbourne and Brisbane approvals are now at record highs.

## Thought of the Month ...

*"The key to success is for you to make a habit throughout your life of doing the things you fear." - Vincent Van Gogh*



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