

Finance essentials for your business during another COVID year

Here we are again in another Victorian stage 4 lockdown; this is a great opportunity to focus on your business now that we have history on how the property and construction industry reacts when it comes out of lockdown in Victoria:

Things we know:

- As this is a health-induced lockdown and not an economic one, we can assume the demand for our services will continue once we are released.
- The demand for property-related services will be amplified due to people realising they may be spending more and more time confined to their homes.
- Consequently, innovative and flexible spaces in homes to accommodate whole families working from home will be in greater demand.
- The demand for people to upgrade their homes and renovate or for people to upgrade their properties will increase.
- People will be looking for flexible work/life arrangements so regional building and Metro construction demand will increase.
- Different types of properties will benefit from this pandemic; homes with indoor, outdoor spaces, separate living areas and free-flowing natural ventilation will be in higher demand.
- High density properties with common service areas with no natural ventilation will be in lower demand.
- Inner city suburbs will not be as highly sought as before with middle and outer ring suburbs going to be in greater demand.
- Cars, carparking and garages may become another focus as more people hesitate using public transport.
- Places of work will also need to change with less people wanting to work from the office full time if possible; this means less office space will be required overall
- Governments have pumped billions into the economy via relief grants, support payments and other financial incentives designed to turbo-charge the economic recovery during and after COVID

Things we do not know:

- How often our lives will be restricted by lockdowns and economies placed in hibernation
- How long we will need to live with the wider COVID restrictions
- Whether the vaccines will work with the existing strains
- How effective the vaccines will be with new strains
- Whether a COVID-Normal world will change the way we live for the foreseeable future
- How COVID impacts the way we work, learn, live and play
- If tourism and travel will no longer include international components
- Whether 'space' will become the most sought-after commodity for how we live
- If smaller community bubbles will overtake the push for massive city living, supercharging the urban sprawl
- How long and how often governments will intervene in the economy to prop up and fund businesses and people due to COVID

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Actions to consider:

- Focus on finances – both personal and business by:
 - Ensuring you are taking advantage of the historical low home loan interest rates
 - Access funds to be able to capitalise on investment opportunities as they arise
 - Access funds to ensure your business can function, grow and take advantage of the billions of dollars of government funding flowing into the construction, property and other industries
 - Look for property development opportunities if that is within your skills and abilities to do so
 - Look for credit and finance options which are flexible and do not limit your future opportunities
 - Refresh your business strategy ensuring it is focussed on the identified growth opportunities and areas which will receive focus and funding
 - Ensure your business can fund a growth strategy and able to facilitate the cash-flow required to manage more projects and jobs.

Make time to discuss your current and future situation with professional advisors who are experienced and known as experts in their industry as well as your own. E.g. Chocolate Money is the Finance Broking firm of choice for the building & construction industry since 2003.

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