

Strength through Survival

After surviving the global financial crisis and almost losing everything, Keith Johnson has positioned Johnson Property Group for a profitable and productive future.

Images by Scott Ehler

As one of the largest private developers of residential land in New South Wales, Johnson Property Group has created vibrant and sustainable master-planned communities for thousands of Australian families. With the company controlling approximately 7,000 lots across the state, strong, strategic partnerships with suppliers, subcontractors, and government are vital.

The CEO Magazine spoke to Johnson Property Group's founder and leader Keith Johnson about the company's survival during the GFC, its strong family culture, and the path ahead.

***The CEO Magazine:* What led you to establish Johnson Property Group in 1990?**

Keith: From the time I was 14, I wanted to get into property. I was told by a doctor I would have severe learning difficulties and I'd never be able to make a living, so, at 14, I was determined that I'd be successful. Even the schoolteachers had written me

off; I couldn't read or write until I was in grade 10.

I got to Sydney when I was 21 and continuously door-knocked, but I couldn't get a job. I persisted all those years, and I finally got a job in real estate when I was 24. In my first 12 months in the role, I was the top salesman for not only that office but across the whole group.

I opened up my own office in 1990 after I got my licence. In life, I try to make something good out of the bad. I started very small and built it up to where we are today.

How did you build the company from those first foundations?

Hard work. I want to be the leader in anything I do and the best at anything I do. I said to my sons, "I don't care what you do in life, as long as you're the best at what you do. I don't care if you're a garbage collector or a real estate agent; just be the best at what you do." Eighty per cent of an industry's work gets completed by 20 per cent of the people. I want to be at the top of

anything I do. I've always tried to achieve that.

Are your sons in property as well?

My eldest son is the sales and marketing director here. He started selling on his first day of kindergarten when he gave my business card to everyone, including all his teachers. When one of his teachers bought a property, he rang me up straight away to ask how much commission he'd get. He left school and came straight into the company.

Would you say you have a family culture at Johnson?

Yes, definitely. It's about hard work, ethics, doing the right thing, and looking after each other. That culture was so important in the past few years.

It's no secret that I almost lost everything during the GFC and I've had to build it all back up again. It's been a very tough time. In late 2013, we settled our last deal with the bank. It's taken me more than four years to negotiate it and pay it back. >



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How did you overcome those challenges?

I learned one thing in life: you’ve got to have a story, you’ve got to be passionate about whatever you’re doing, and you’ve got to have a better story than anybody else. I really believed in our projects, and I believed that, given time, we could sort our mess out. We’ve had to be very creative in the way we deliver land now because banks want pre-sales and it’s hard to pre-sell land. We work with our contractors where they’ve actually funded the first stage of a subdivision development, and now we’ve got people lining up to buy our properties. The last release we had we sold 32 blocks in around three hours.

We’ve negotiated our way through the tough times, and we’ve got ourselves a very solid company. A lot of good staff have stuck with us because they know our story and they’re very passionate. You’ve got to get people to excel in what they are themselves. I always try to be the weakest link and gather better people around me. I’m an expert at nothing; it’s just a matter of getting the right people beside me to make it happen.

A lot of companies have gone through similar tough times as a result of the GFC. What advice would you give to executives who are still struggling to get out of that slump?

The biggest thing is that you’ve got to have a plan that you’re passionate about, and you’ve got to bring everyone along with you through communication. For instance, when I first approached a contractor, he never had a lot of work, and I told him that we wouldn’t be able to pay him until we sold the product.

He gave us terms that allowed us to pay for it six months after registration; we were able to pay for it three weeks after registration because we had it all sold. When you believe in yourself, others will follow. It’s about trust and relationship building. We’ve done some very pioneering stuff and we think outside the box.

How have you honed and shaped your management style?

I’m a great believer in leading by example. When I started the real estate firm, each sales staff member would shadow me for the first four to six weeks side by side. I showed them what to do, and then I’d back off and slowly let them do it themselves. I’ve always implemented hands-on training.

We have team meetings every week. I think it’s just a matter of setting goals, getting results, and rewarding well. You have to let

them run the show themselves at their discretion.

What is your vision for Johnson Property Group?

We want to be in a position where we’re cash positive and we never have to go through what we’ve been through before. We want to keep growing vibrant and sustainable communities. We want to keep lobbying and making sure we’re cutting edge. We want to make sure that governments are doing what they promise to do, which they don’t at the moment. Our industry is so dependent on government. We’ve got a project which is dependent on \$15 million of infrastructure works and they won’t deliver it.

I take a holistic approach to life. For me, building the community’s bike tracks and sporting fields is just as important as putting the water and sewers in. You want to create a lifestyle for people, and that’s what we’re doing. •



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