



THE BUSINESS OF

LEAVING A LEGACY

It's been a long strange trip

The Amex boys, says Adam Shephard, is how he and his brother are known in industry circles. They have built up a reputation, much like they have built up a following in the industry. The family company was founded by David Shephard, who had a plethora of careers and bright ideas including a stint as a concert event coordinator. "My father built the company from scratch, and you could classify my father as a serial entrepreneur, who has done a lot of things in his life like a Woodstock revival concerts in Perth 30 years ago," Adam laughs, saying that it was an interesting move, but resulted

in a bit of a failure. The concert was headlined by Cold Chisel. He says that the problem with this idea was that Mother Nature was not co-operative and it rained the entire time.

"He has done many things in his life, including establishing a home building company called Glenway Homes in Perth 40 years ago." The elder Shephard then moved on to the supply side of the business. "Here he founded a company called Stateside Hire, which supplied your scaffolding and site equipment. That grew to be very successful." While he was building this company, David used the profits to apply towards another initiative in property transactions.



A LEGACY



“In about 1987, the date that we consider the beginning of Amex Corporation, my father started focusing on land subdivisions,” says Adam. “We are a family company and since 1987 have focused on this market, but we are also aware that the Perth property market has high peaks but even bigger troughs. It is a very cyclical in the market because of its reliance on the mining industry. This is still the case today.” While exploring this market, David Shephard did not want to diversify the company into commercial and industrial capabilities. “What he wanted to do was to focus solely on residential sub-divisions. This is, the business of strategically acquiring land on city fringe, value adding through a rezoning process and then ultimately developing them into individual allotments available for sale,” says Adam. That model has been maintained to this day.

Amex acts as the project manager on its projects, partnering with lead consultants, contrac-

tors, marketers, sales agents and home builders in bringing their product to market. Adam Shephard himself started his career as an accountant with Arthur-Anderson, and then moved on to investments with Babcock & Brown. He has both a Bachelor of Commerce degree from the University of Western Australia and a MBA from the Melbourne Business School. He moved back to Perth to rejoin the family company in 2000. He says his brother took the other road, working with property companies, and joined the company in 1995. “While I have the title of Managing Director, the truth of the matter is that we jointly run the company. He’s the property guy, and I am the finance guy,” says Adam. “When you are doing property transactions those are pretty much the two disciplines that are essential.”

The company grew very quickly after moving into Queensland and Victoria in the 1990s. They chose to move into the Queensland market be-

cause they found the housing market was very similar to the one they experienced in Perth. Victoria they moved into because the housing prices were very reasonable and allowed the company to get a lot more distance out of every dollar put into the area. “I don’t consider us a big company, we only have six projects on the go right now, two in each state,” says Adam. “However, these projects are all of such scale that they are, or will become, a significant project in the markets that they operate in.” Amex differentiates itself from other private companies by focusing on one sector of the property industry, being residential land subdivision, and diversifying its risk by operating in three states. This provides Amex with a depth of experience and knowledge that can only be matched by the large public companies.

Selling to the market

“We typically use the big brand names to sell our home sites to the retail consumer. Amex is purely

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Adam Shephard



Cameron Shephard



David Shephard



Peter Dawes

the developer and project manager of the project,” says Adam. “While there is sometimes confusion between our company and a credit card provider, the reality is we rarely directly promote our products to the retail consumer. The Amex name has been around for a long time, and people remember who we are when we are dealing with them one on one. My father and his business partner were known as the Amex boys, and now my brother and I are as we fly around the country. We get introduced that way and it’s a memorable thing that people have latched onto.”

According to Adam, by spreading out their holdings they were able to spread their profits around the country, shoring up areas that were in a down cycle and remaining active in the others. “We are anti-cyclical investors,” he says. “A lot of people get themselves in trouble when they buy properties at the top of the market, whereas we really focus on areas that are experiencing a slow down.” Adam says that they also make sure that the markets have

an underlying reason for their low value and once that event or issue has passed, the markets they operate in will swing back up. “We look to invest at the bottom of the cycle.”

Longevity and legacies

Adam says that one advantage that they have is their longevity. “We have a solid balance sheet and that allows us to invest for the longer term. The projects that we buy can have anywhere from a 20 to 25 year duration. This means that when we are buying the land we already know that we will experience two or three economic cycles over its lifetime.” He says that maintaining this long term strategy reduces the risk of these market cycles. “We try to get the bottom of the market, but we don’t always. We try and get the top of the market, but we don’t always. This is a business where you can not always be right, but what you need to make sure of is that you don’t make a fundamental mistake,” he says.

He says that both he and his family take a lot of

pride in the projects that they manage, and because it is a family company the success or failure of each holds more stake than if it were not a family company. “Leaving a legacy is something that we take very seriously. I want to be able to take my seven-year-old son, and my five-year-old and 10 month old daughters, – I want to be able to take them to these places in 20 years time and be proud of the legacy that we have left behind. This is something that my brother and I talk about, and not just between ourselves but also with our senior management team.” Adam says this is a goal that he thinks everyone in this business should be aiming for. “We are creating the communities of tomorrow. Once the roads and houses are built, it is very hard for you to change it. This is a very important function that the development industry has; you can’t go back and fix it. You must get it right, as it will affect the communities that live there forever more. It’s about leaving legacies.”

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The role that their consultants play towards this goal is an important one. “For each of the projects we work on, we select the consultants that we think are the best fit for us and the project. We also look to instil in them our same vision of leaving legacies with the projects,” he says. He says that these consultants also work for what he considers the big competition in the market, and says that he has to find a way communicate these values without seeming overbearing. “We work closely with them and try to make it a bit more fun, and we treat these consultants as our key strategic partners.” He thinks that AMEX has been very successful in creating a sense of pride when they work on projects together. One of the basic things that they do is celebrate our achievements with the whole Amex team including our strategic partners. “It’s sometimes a frustrating business, so when we achieve something, we celebrate it, we want everyone to feel part of the team,” says Adam.

“Every project that we are involved in has its own challenges,” he says. “Each element provides issues, but none is really more challenging than the next.” He says that when the company was first founded there were make or break projects, but now it is the everyday operational challenge that they must meet. By remaining financially conservative with their investments into properties, Adam says that they only take on projects that have the solid

backing of local and state authorities. “If there is a chance that the project will not happen, we aren’t going to touch them. We are not gamblers in this industry.”

Every plan is a long term one with Amex, and now they have established themselves firmly in the development industry the future is easier to see – since they have already chartered their way to it. As Adam said, they firmly believe in leaving positive legacies, meaning that they have focused on being ahead of the curve when it comes to development and building practices. “We are very much ahead of the environmental policies in Australia; we make sure that the developments are future proof and future ready.” The same thing can be said for Amex: they are future proof and future ready.

Amex is a private family company with a long term strategic focus. They pride themselves on being trustworthy and like to work in collaboration with all project stakeholders including local and state authorities. They strive for gold medal in all aspects of their work with a key focus on community building and sustainability, and they are respectful to the views of others. It’s what makes Amex different, and what provides them with the ability to deliver on their primary objective of leaving legacies. It’s the Amex way.





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