



## **Advantages in cash management for real estate - by Anthony Mormile**

September 22, 2020 - Spotlights

The real estate sector is discovering both promise and challenge in responding to impacts of the COVID-19 Pandemic. As we adjust to concepts such as Zoom showings and brick and mortar properties, shifting to a delivery model, streamlining daily business functions for efficiency and savings is more important than ever.

Banks offer cash management, a treasury cash management solution, providing a wide range of flexible tools reducing administrative tasks and saving time by handling inflow, outflow, and reporting while allowing realtors to focus on their core function of servicing customers. Products such as escrow management, remote deposit, lock box, positive pay, mobile banking, and risk-fraud analytics can be optimized for each firm and include 24/7 access and real-time reporting. When coupled with a bank's ability to originate and structure mortgages, the result is a powerful, timesaving means of reducing overhead and improving service, especially if it is community-based and responsive to local business.

GVC Bus Co., the operator of one of the largest school bus fleets in the Bronx, is an example of how cash management can be beneficial in real estate transactions. They also have tenants and find that cash management, from Orange Bank & Trust, streamlines their operations. GVC partner Mike Lavelle says that being able to access the tenant's accounts, combined with mobile banking, seamless integration with their software, and quick responsiveness from the bank's team means, "We don't have to go to the bank anymore." He especially likes the "Positive Pay" feature, which allows his staff to view every check transaction quickly. Because of the existing relationship, when GVC decided to acquire and renovate new headquarters property in Westchester Square, they found it easy to finance the \$16 million acquisition and refinance \$7 million for their current location. Lavelle estimates savings in overall costs of \$45,000-50,000 in the first year of using cash management and the acquisition process.

Justine Broderick, the owner of Lion's Gate Property Management of Carmel, N.Y., specializes in condominium association management. She uses cash management because she finds it helps her company grow and relieves a large burden of back-office functions. Even pre-COVID she says it moved her into the 21st century by organizing her clients for online banking, helping her make and maintain connections, and allowing her to work from home. The bank trained her staff and met with clients to help them become comfortable using the products. She sees cash management as a

“win-win” for her company and her clients.

In deciding to implement cash management, it is important for Realtors to determine that a bank is a good fit for their operations and culture. Access to the bank’s team, the ability to reach decisions quickly, and a comprehensive understanding of the real estate business are vital to realizing all the available benefits. Those benefits will be critical in navigating both the promises and challenges for the real estate industry moving forward.

Anthony Mormile is senior vice president, commercial loan officer at Orange Bank & Trust Co., Middletown, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540