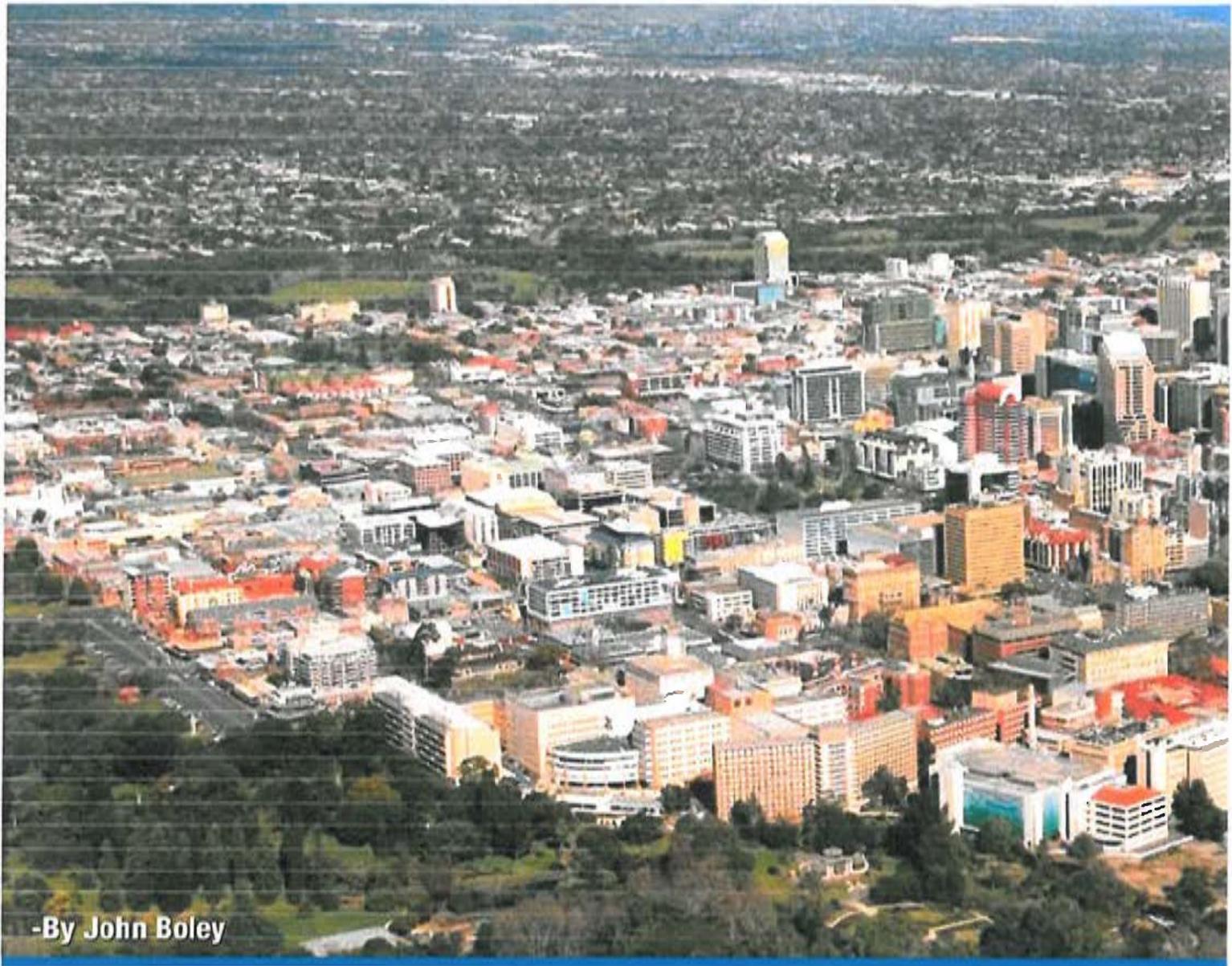


BUILDING ADELAIDE'S FUTURE

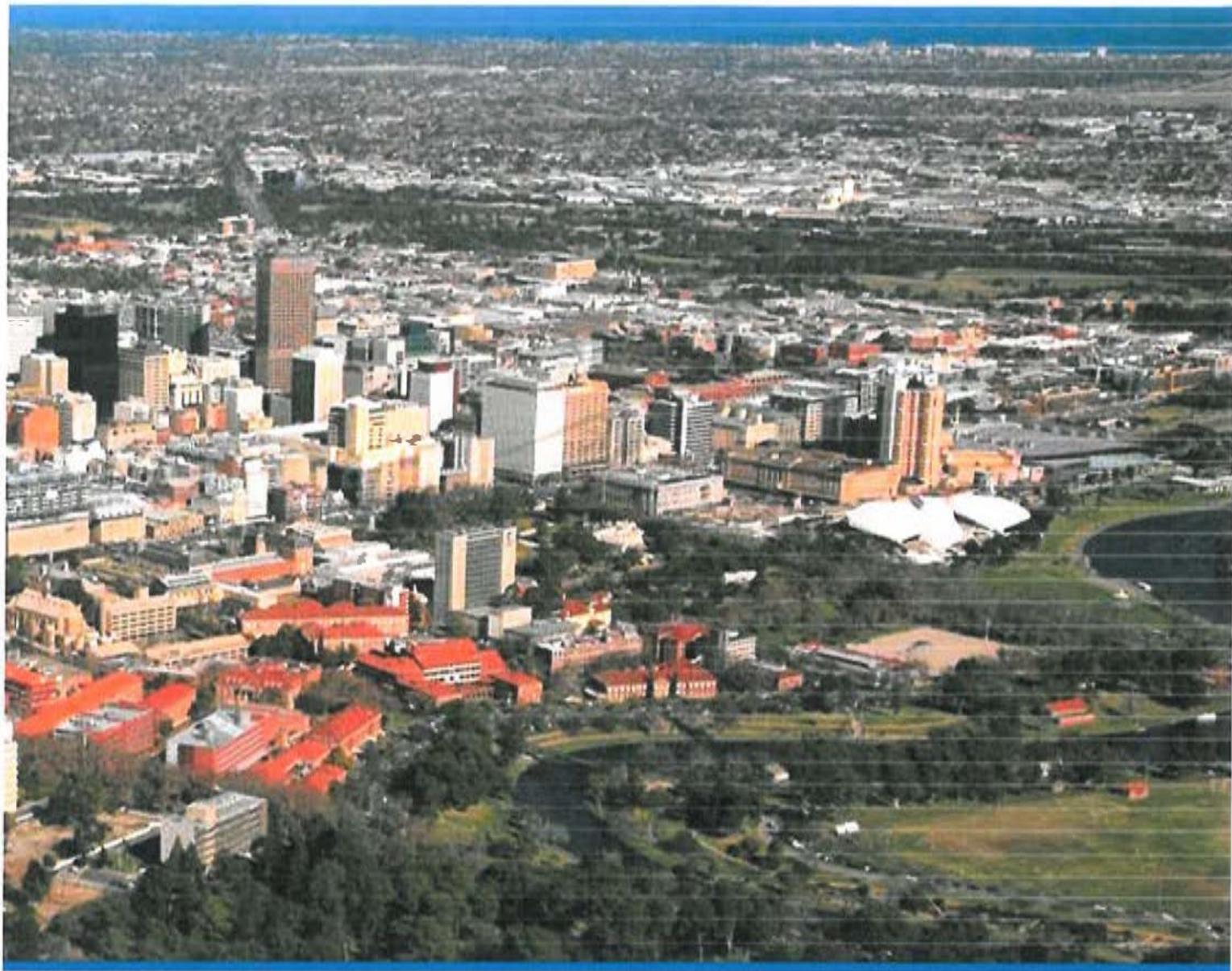
MARAS GROUP



-By John Boley

BUILDING ADELAIDE'S FUTURE

MARAS GROUP



The capital of South Australia, the country's fifth largest city, has been transformed in recent years and is set to continue with its major makeover as it prepares for the future. Not only growing with it but a central pillar in its plan is local company Maras Group, a privately owned and operated South Australian company whose Directors have been at the forefront of commercial, retail and industrial property investment and development for over 30 years.

The company's founder is Theo Maras, who as an architectural draughtsman found his way into developing and in 1980 teamed up with a partner to form Maracorp, primarily a commercial property investment and development firm that specialised in conversions of older style buildings such as old CBD office build-

ings and old factories and warehouses. A parting of the ways in 2006 led Theo to found Maras Group, at which time he brought son Steve into the business.

Steve, who had been working as a director of Knight Frank in the city, takes up the story. "We work pretty much only in SA – we like to keep it local, we know the local market pretty well and while we have looked at properties interstate, we prefer to keep it local. We manage all our properties in-house so it's easier for us, anyway, to keep it specialised."

That means the inner metropolitan area of Adelaide – "when we say SA we predominantly mean Adelaide CBD and inner metro" – and over the last 15 years or so, one of this area's most significant city transformations has been the redevelopment of the former East End Adelaide

Fruit & Produce Exchange Co Ltd, less formally known to all as the East End Markets (see sidebar – Rundle Street East).

Turnover among tenants in such a development is bad news, so is there a knack to choosing stable tenants and avoiding "churn"? "I don't think there's any secret to it, but we are very careful," says Steve. "We very much investigate who the group is that's coming in. We like to get to know the people on a personal level, so we can learn quite a bit about their background and their trading history so we know what we are dealing with. With all these things there is an element of luck – you dodge the hard times when the economy changes – but really it's about knowing what type of operator you want and making them – so we don't have 15 Thai restaurants or

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RUNDLE STREET EAST, ADELAIDE

Maras Group was responsible for turning the southern side of Rundle Street, bounded by East Terrace to the east and Union Street to the west, into a thriving and bustling mix of uses which includes retail, office, café/restaurant and licensed premises. In partnership with the state government, the strip has been completely redeveloped with a mix of refurbishments and new buildings, which include Vardon Avenue and Ebenezer Place to the rear.

With its eclectic mix of uses and operators, the strip is now considered one of the most popular in South Australia and is home to the Adelaide Fringe and a host of other festivals and events. It is also regarded as Adelaide's most popular high-end 'boutique' fashion destination, including brands such as SABA, Morrison, MIMCO, sass & bide, LISA HO, Calibre, Zimmermann, Alannah Hill, Jack London and many others.

When the plan was put to international tender, Mancorp (as it still was then) tendered for the commercial/retail outlets and Liberman Group tendered for a residential high-rise in the centre where the original market stood. In the commercial category Mancorp was the only Australian company to reach the final five and won. The state government required that many gabled and arched facades, which had formed the entrances to the market, should be retained while the tin sheds in the middle that actually housed the market would be removed.

The former Adelaide Fruit and Produce Exchange site has been developed in nine stages by Rundle Street East Company Pty Ltd (Mancorp) and the Liberman Group, as shops, business premises and residential accommodation, 'Garden East', as it is sometimes known, is consistent with Adelaide city council's progressive residential development policies (its plan foresaw by 2010 a resident population of 34,000, a city workforce of 111,000, average daily visitor numbers of at least 150,000 and at least 66,000 students in institutional learning) and the state government's emphasis on 'urban regeneration' in the city and



other established parts of metropolitan Adelaide.

Focusing on the rejuvenation of the area, Maras "wanted to establish something Oz didn't have at the time, namely a dedicated national fashion hub," explains Steve. Accordingly, his team set out to find reliable, good-name, high-end tenants that would stay for a long time to add to many established businesses (such as the Stag Hotel, on its corner location since 1873 and – claiming to be the "worst vegetarian restaurant in Adelaide" – one of the city's best-loved watering holes).

To supplement the eateries, Maras Group decided on fashion. "There had previously been a mix of shops without a common thread," says Steve. "Because of the quality of the street, regarded as one of Adelaide's premier high streets, we looked for a point of difference." They went to top-end fashion operators. "Because we controlled one side of the street we could produce a proper fashion hub and offer them a site where they need not be concerned about having something unsuitable next door – for example, if I put Lisa Ho in a tenancy, I am not about to put a fast-food outlet next door.

We looked at this as a five-year plan but it happened over less than 2 years." Even Steve sounds impressed. After all, "these are some of the most sought-after names in the country."

It takes resources. We were a bit of a boutique business at first. The profit is not the operator. We used a long time and are doing well."

Rundle Street East is now complete and for the next 12 months is expected to be an exciting and corporate office in an existing building which will be ready by the end of March/April. This is management's vision for the next five years. Maras Group is committed to developing resources and infrastructure.

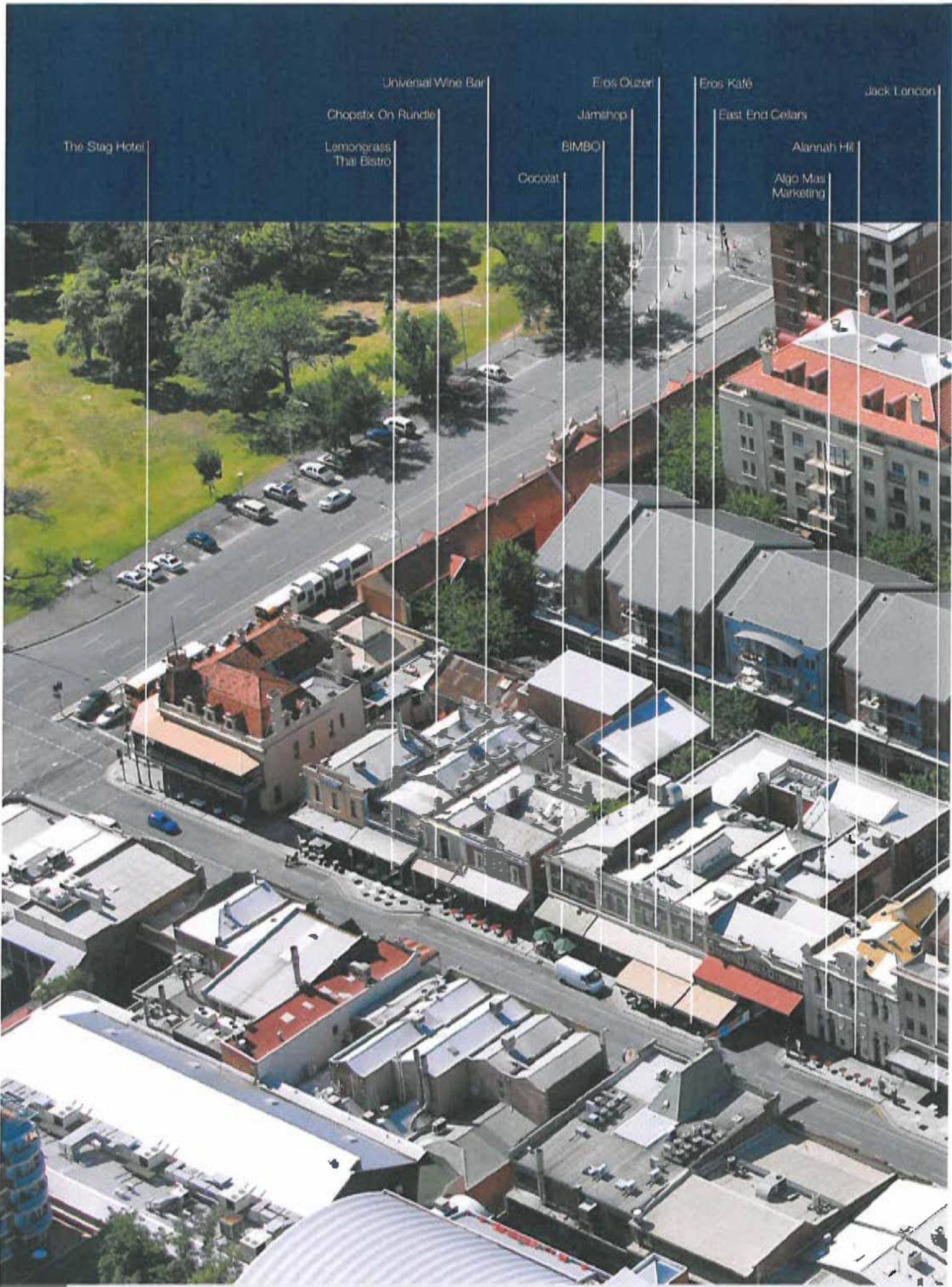
Now we're looking at a new project

an urban area called Project Road about 4 km north of CBD. We started looking about four years ago – it's a very urban area, residential in the core of Adelaide. One of the main streets. There are many buildings dating back to the early 1900s and have a mix of uses. A lot of commercial and properties has not kept pace with residential development, in terms of either the property and upgrades or is going

We managed to buy a couple of sites right in the village heart. Currently, the focus is on the planning of the

new street is upgrading the core of the village of Project Road – real estate, including expansion of hotels, creation of outdoor dining areas, removal of all traces of public seating and lighting, professional services to put in the street – to do something that will really make the site and make it into an attractive high street that we hope it will encourage some of the owners down there to upgrade their buildings or put in some special applications to build new."

New Adelaide Street. There is also the prospect of being allowed to take part in



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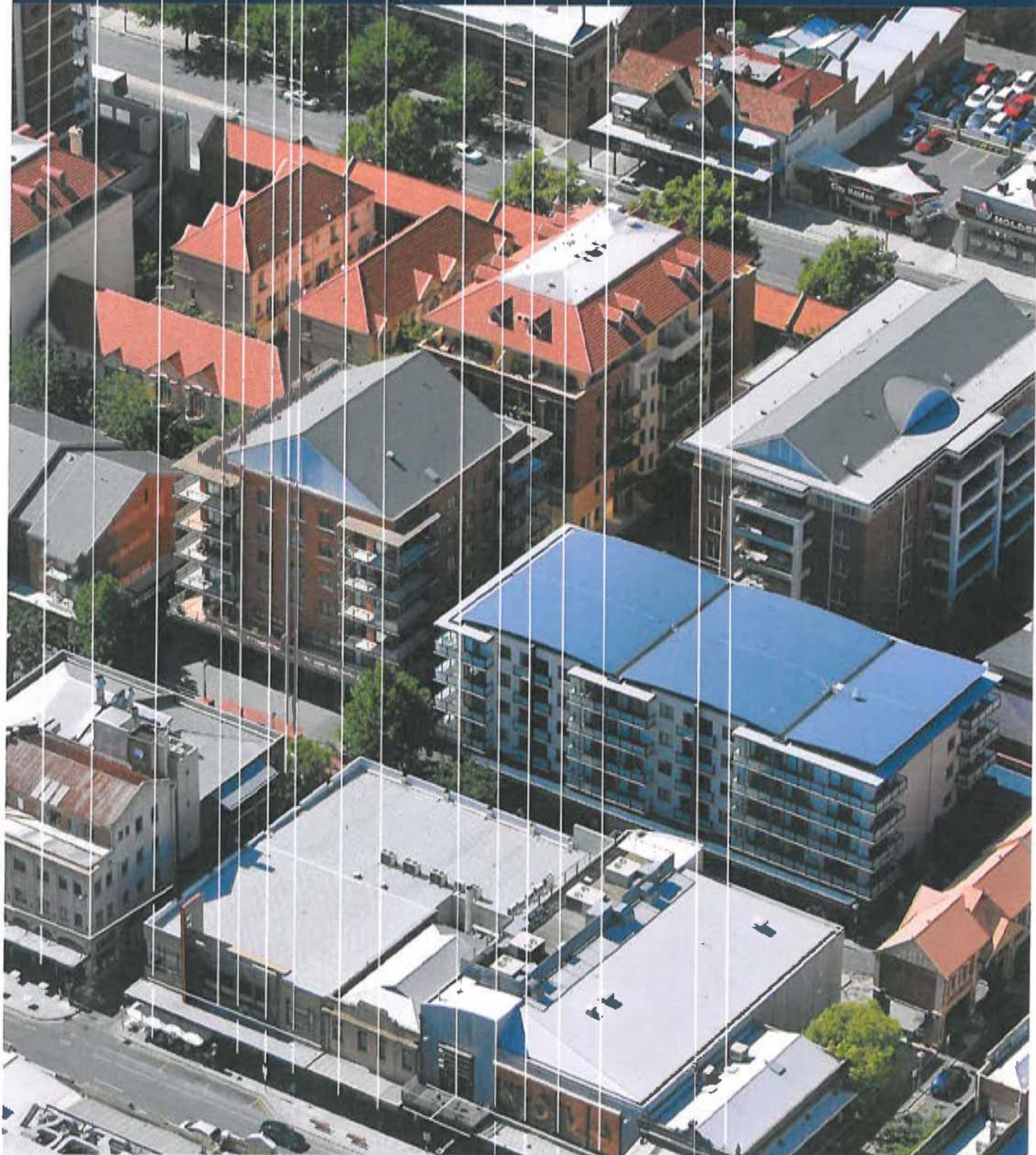
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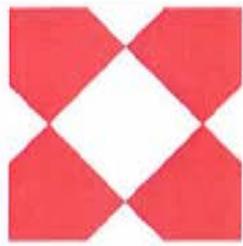
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upwards in terms of height (previously mainly ground floor with some first level) now there is the idea of shop-top housing, as well as more boutique office space and the like.”

Maras Group is working on the western

side, where there is “about 4,000 metres of new building space – ground floor retail and offices and we’re looking at a rezoned complex on upper levels very similar to Bridge St – so we could be looking at a mix of offices and housing. We’ll look at this because there is huge demand in

Prospect for apartment living, something never done in the past but given its location and accessibility to the centre, it’s a good idea to look at buildings with living space in them too.”

On the company website, Steve Maras talks of being committed to “taking Muras to the next level,” so where is that? “We are a privately owned group, we don’t answer to anyone other than ourselves,” he responds. “We’re about creating communities within communities. Like Prospect – we are looking to build pockets of mixed-use and we want to be able to set our mark in that sort of development, breaking away from traditional city or CBD-type generic development work and creating sustainable long term multi-use developments that are community-oriented.”

“We prefer to say within CBD areas of the CBD and there are still pockets (particularly in Adelaide’s north and south) that are underdeveloped.” New developments will be permitted to 5-6 stories and beyond, designed to keep population growth within the area and not elsewhere around the city to retain the feel and nature of long-established areas, Steve stresses, but in addition, “we want to see an Adelaide City that progresses” – he believes it lagged rather in the past two decades – “it needs more progress in fostering more residential living to not only encourage population growth but also accommodate the growth we are anticipating.”



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