

The Advertiser Business Daily

SOUTH AUSTRALIAN BUSINESS JOURNAL EVERY TUESDAY

A growth environment for LBW

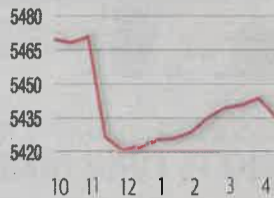


ASX 200

5435.90

-35.40 -0.64%

The market has ended the week with a fall, hurt by financial and resources stocks amid concerns about Deutsche Bank's future



ALL ORDINARIES

5525.20

-33.00 -0.59%

BEST & WORST

MEDIBANK PRV

\$2.48

+0.08 +3.33%

SUNCORP GRP

\$12.11

-0.24 -1.94%

SA

76.1

-0.52 -0.67%

OIL

\$48.08

+0.14 +0.29%

IRON ORE

\$56.68

+0.20 +0.35%

Hot Prospect based around Village Heart

RICHARD EVANS

BETWEEN 2008 and September 2014 there was not a single property sale along the commercial strip on Prospect Rd that has become known as the Village Heart.

Just over 4km to the Adelaide CBD, the stretch has long been used as a thoroughfare from Adelaide to the north and the countryside beyond. A Norwood Parade or Jetty Road in Glenelg it is not, but change is afoot, Prospect Mayor David O'Loughlin said.

"The most commonly asked question of me, is when will we have a pub?" he said.

A benign inquiry on the face of things but it says much of the transformation of Prospect Rd, and the work ahead.

"The reason there is no pub in our Village Heart is that the Methodist church, which was very strong in the early 20th century, was against it, so it didn't happen," Mr O'Loughlin said. "Now we have 15 licensed premises there."

The answer to the pub question is simple, he said.

"As soon as the government extends the small bar licence to the suburbs."

The demographics and dynamics of Prospect - 13,000 souls strong - are, however, moving at a faster pace than state government bureaucracy.

"The amount of families with young children has increased significantly over the last decade," Mr O'Loughlin said.

"We have one of the youngest profiles for a council in the state, 36 years - lower than the national average.

"The new profile is evident in the schools, which are chock-a-block."

It's a demographic that translates to the commercial, as Adelaide developer Steve Maras - who played a lead role in the transformation of Rundle St two decades ago - testifies.

"More people are moving to inner-city areas like Prospect and Bowden, Kent Town and Mile End," Mr Maras said. "We have a different profile of resident living there, that's in-



CHANGE IS COMING: Steve Maras examines plans for the cinema with CBRE's Ben Heritage. BELOW: An artist's impression of the project.

Picture: ROY VANDERVEGT



stores instead of two under the previous planning regimen. The \$20 million development is expected to generate more than 300 jobs during and after construction.

The ground floor will be retail, with shops, cafes and restaurants on the ground floor. There is 1100sq m of A-grade office space on the top floor and undercover parking for 54 vehicles plus bikes and motorcycles.

"Early on, we experienced various planning issues and realised that without a relaxing of the building height restrictions that prevailed at the time, the project would not go ahead," said Steve Maras.

"This will have a huge impact on the amount of available space and activity along the main road," Mr O'Loughlin said.

"It's the tallest building aside from St Cuthbert's Church. We hope it will help change thinking around this scale and bring other developers along."

"New ownership brings change and opportunity."

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teresting developers. There are Vietnamese and Mexican restaurants on Prospect Rd that wouldn't have opened five or 10 years ago. They're catering to the needs of the younger generations."

The upgrade of Prospect Rd and nearby Churchill Rd has been fundamental.

"We wanted to transform the Village Heart to make it a place people wanted to come to, to bring cafes and coffee shops," said Mr O'Loughlin.

"Churchill Rd is the most significant corridor development zone in the state. The intention was to stop demolition of lovely old homes and creating maisonettes, and move

to greater density on the main roads and have more of a visual impact."

A perusal of the three Prospect Rd commercial property sales this year - a significant volume given the previous barren spell which Mr Maras suggests was due to owners holding on for better things - shows price increases of close to 50 per cent in the past two years. The sale of 113 Prospect Rd, leased to Bank SA until October 2018, to a private developer for \$1.717 million at \$2054 per sq m is the most recent gauge.

The buyer will simply sit on the site and monitor the uplift, said CBRE's Ben Heritage,

who led the frenzied auction. Much will change though in 12 months' time when a nighttime economy comes into view. The catalyst will be a 14-screen, art deco-themed cinema, operated by Palace Nova Cinemas, to open in the Village Heart, Mr O'Loughlin said.

The Maras Group, behind the East End Nova Cinemas in Rundle St, bought a row of old shops and factories eight years ago to build the Prospect Rd cinema - although the issue of height delayed construction earlier this year.

The state government's 30-year plan has allowed for increased scale, enabling the Maras Group to build to four

Deutsche doubts spook investors

THE share market has ended the week with a fall, hurt by financial and resources stocks amid concerns about Deutsche Bank's future and the possible implications of its financial woes.

The benchmark S&P/ASX 200 index fell by 0.65 per cent, a day after hitting a one-month high on the back of OPEC's surprise decision to cut oil production. Ten of the 12 market subsectors lost ground following falls on Wall Street and Germany's market.

Deutsche Bank's US shares were heavily sold off on media reports some hedge funds had cut their financial exposure to Germany's largest lender. Morgans senior private clients adviser Bill Chatterton said local banks have been caught up in the sell-off.

"Our banks aren't about to fall over but the reality is you get caught up in the negativity," Mr Chatterton said.

Macquarie Group led the financial sector lower, dropping \$1.34 to \$81.94. Commonwealth Bank shed \$1.10 to \$72.40, Westpac lost 41 cents to \$29.51, National Australia Bank fell 27c to \$27.87 and ANZ slipped 19c to \$27.63.

Rio Tinto and BHP Billiton also came under pressure, falling 24c to \$51.61 and 2c to \$22.38, respectively.

Order lights up Redflow

SOLAR storage battery company Redflow has received its first major Australian order for the recently-imported ZCell.

The 48 ZCell batteries, worth about \$600,000, were ordered by Melbourne's Standard Solar, one of the company's seven installers across the country. ZCells can "shift" solar power from day to night and store off-peak power for peak periods. The system is likely to cost up to \$19,500.

Redflow received its first shipment of batteries from North American manufacturer Flex this month and will start deliveries in the next two weeks. Its shares closed almost 10 per cent stronger at 40c.