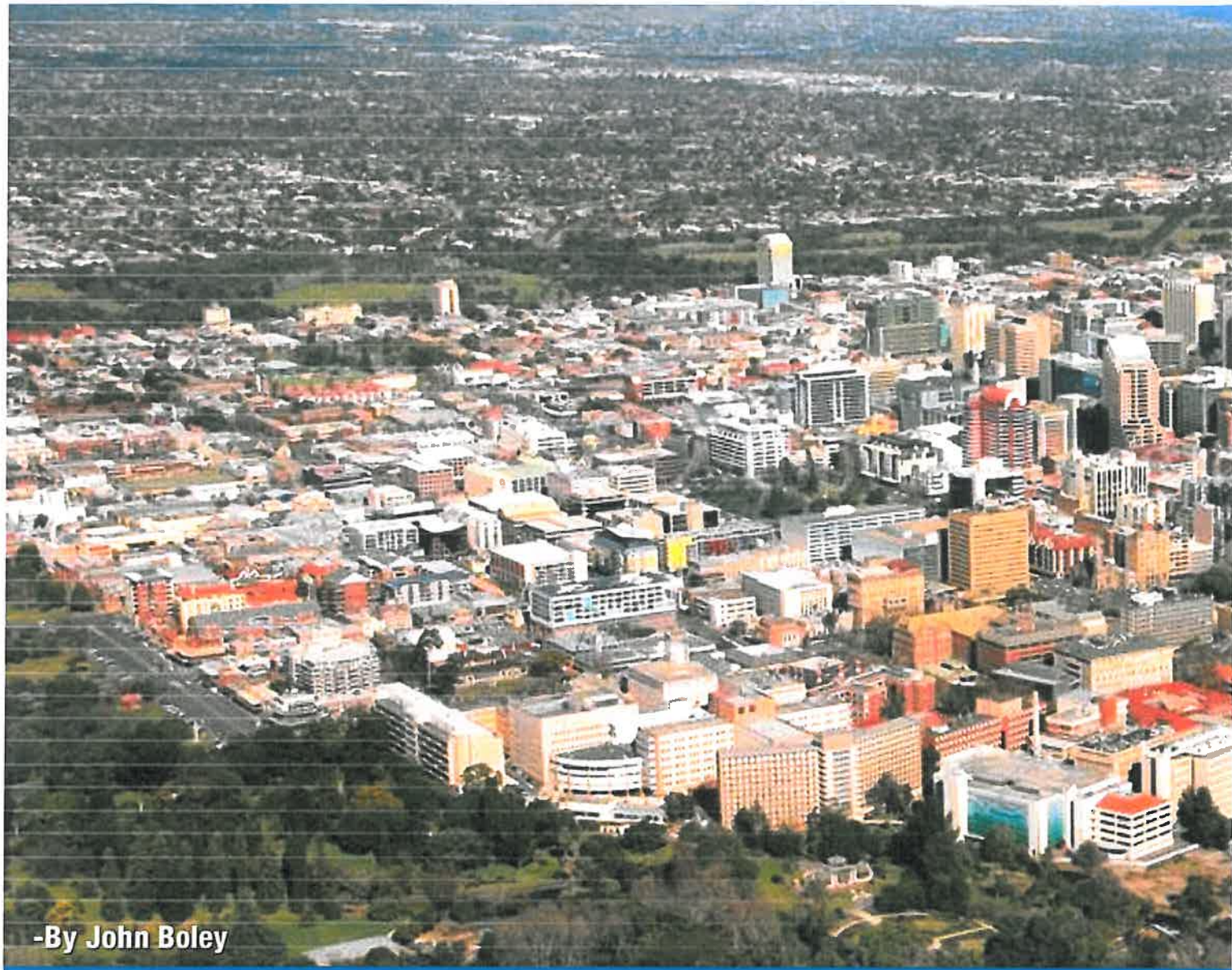


# **BUILDING ADELAIDE'S FUTURE**

**MARAS GROUP**



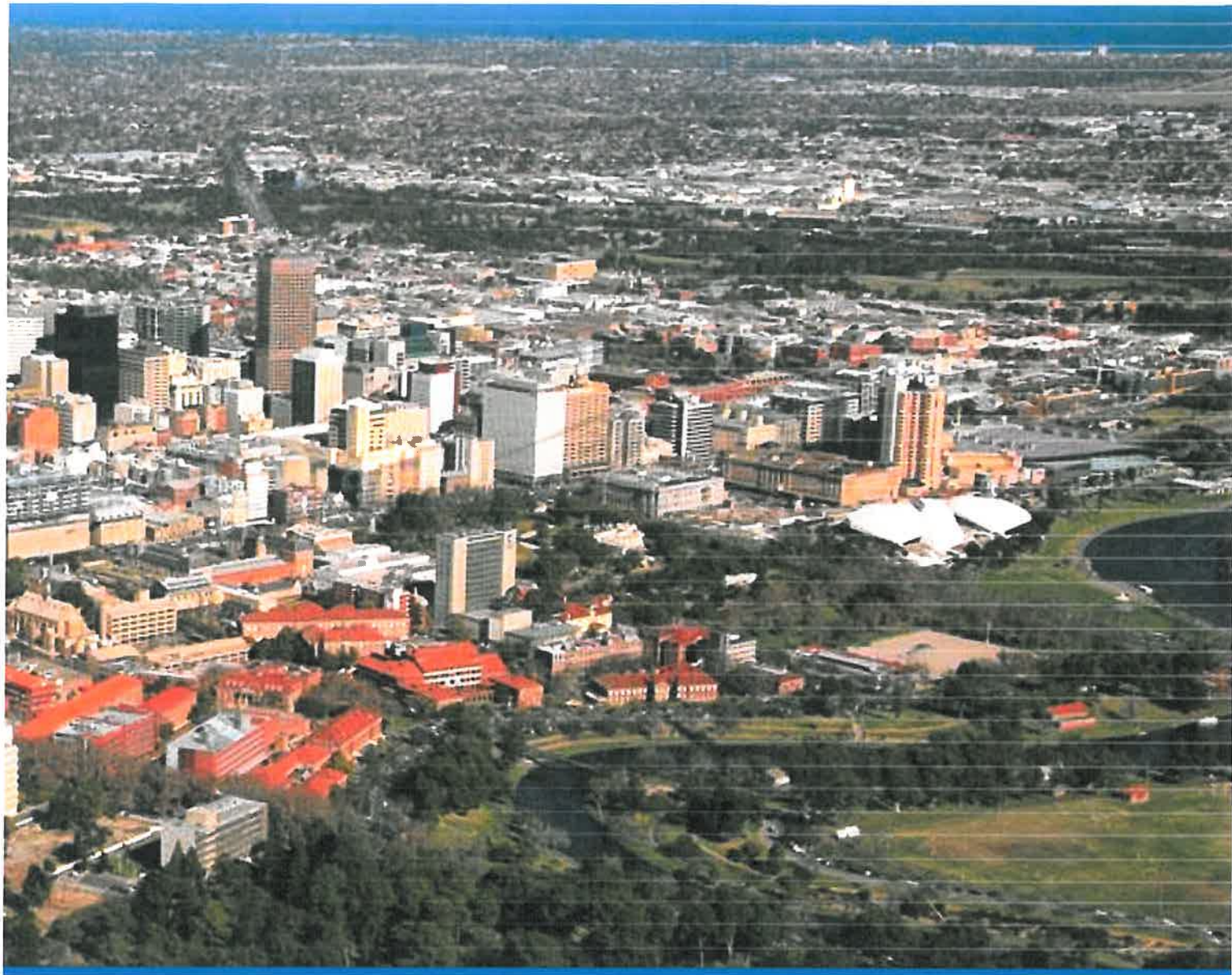


-By John Boley

# 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 Mancorp, 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 mixing them – so we don't have 13 Thai restaurants or



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KPMG is proud of our long standing 15 year relationship with the Maras Group and we congratulate them for its successful Rundle Street development.

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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."

8 Italian restaurants. We want a mix so we give the consumer a choice. The proof is that these operators have lasted a long time and are doing well."

Rundle Street East is now complete save for one more building to construct "and we are building our corporate offices on an existing building which will be ready hopefully March-April." While its management division looks after these properties, Maras Group is concentrating its development resources a short drive away.

"Now we are focusing on an inner north-

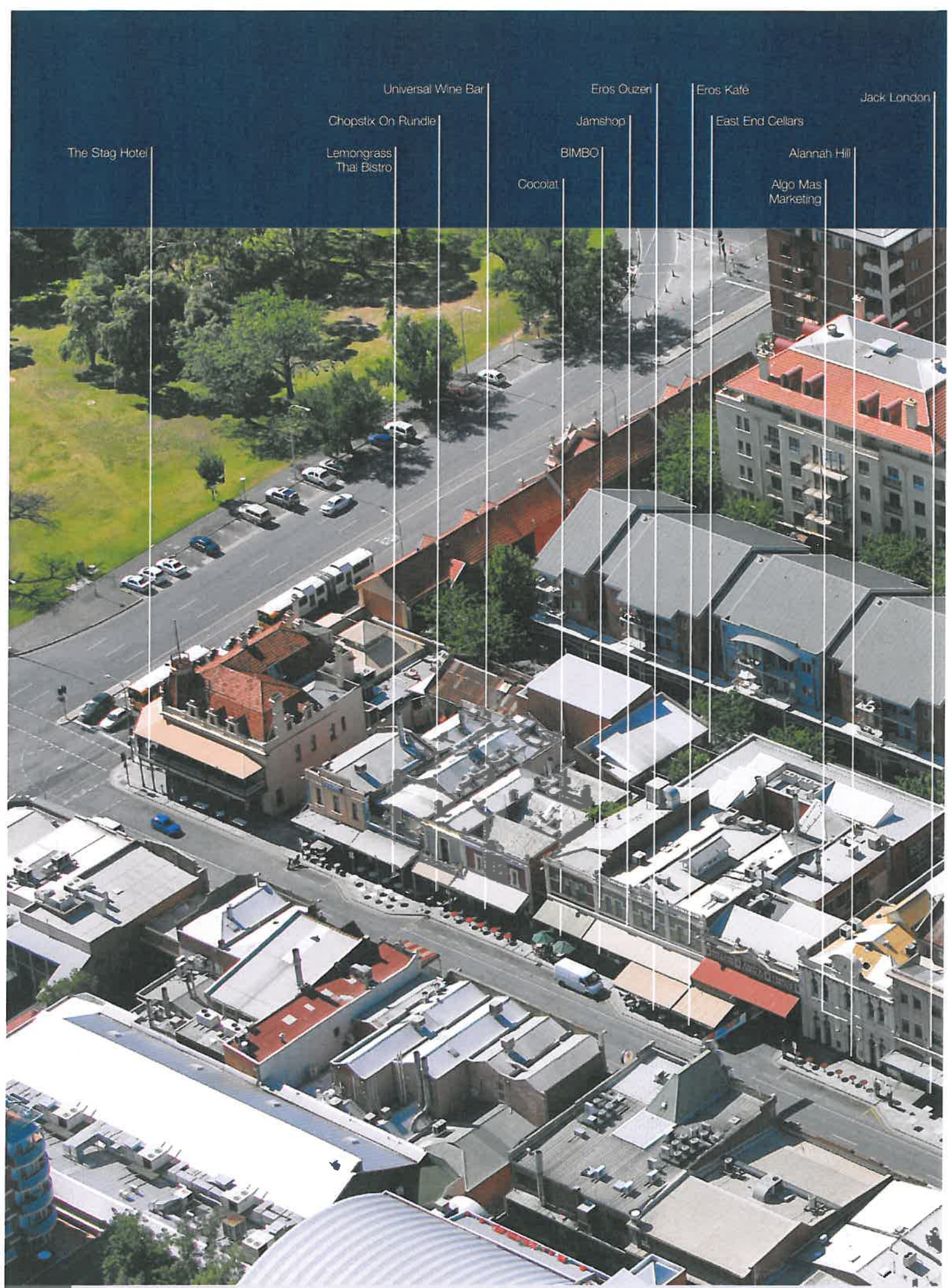
ern main road called Prospect Road, about 4 km north of CBD. We started looking about four years ago – it's a very affluent district, considered to be one of Adelaide's three most livable suburbs." There are many buildings dating back to the early 1900s, and Steve maintains that its heart of commercial/retail properties has not kept pace with residential development, in terms of either the property and upgrades or its pricing.

"We managed to buy a couple of sites right in the village heart. Currently, following four years of planning, the Pros-

pect council is upgrading the four or five blocks of Prospect Road – total road resurfacing, expansion of footpath, creation of outdoor dining areas, revamp of all areas of public seating and lighting, commissioned artworks to put on the street – to do something that will totally transform that strip and make it into an attractive high street which we hope in turn will encourage some of the owners down there to upgrade their buildings or put in development applications to build new."

Now, adds Steve, there is also the prospect of being allowed to take your site







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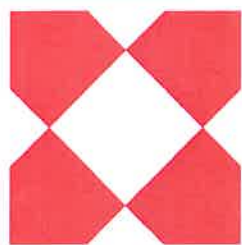
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\*algo más: Spanish for 'something more'





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 fashion and eateries and we’re looking at a cinema complex on upper levels very similar to Rundle St – or we could be looking at a mix of offices and housing. We’d 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 Maras 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 stay within 10 km radius of the CBD and there are still pockets (certainly to Adelaide’s north and south) that are underdeveloped.” New developments will be permitted to 5-6 storeys and beyond, designed to keep population growth within the area and not exacerbate sprawl. It is vital 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.”





**M A R A S**  
Group  


**Unit 7, Building C, 240 Currie Street**

**Adelaide SA 5000**

**Telephone 08 8212 4766**

**Facsimile 08 8212 7220**

**Email [info@marasgroup.com.au](mailto:info@marasgroup.com.au)**

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