

# Market Leader

Bringing you the latest news, facts and figures from the world of commercial real estate.

## Providing solutions will be key for new NAI Harcourts Gold Coast business



Prahran Victoria in 1998. He sold the portfolio of 260 residential properties to Bellers and retained the commercial portfolio of around 100 properties. They consisted of inner Melbourne industrial and commercial properties. The business specialised in selling development sites mainly large inner Melbourne industrial sites to be converted into residential developments. The projects would then be marketed on a wholesale basis to investor groups and retain some of the residential managements. One large parcel of individual titles the business sold to multiplex developments in West Melbourne was for just over \$40 million which the business then managed and carved off the individual properties to other smaller developers and investors.

Parzis and his family decided to move to Queensland for a change of lifestyle and thought it would be a better place to raise their young children. They had a window of opportunity to either start something new in Victoria or Queensland and they decided on Queensland. "We are so glad we chose the Gold Coast as we love the lifestyle it offers".

"We believe that the NAI Harcourts brand is a clean and contemporary brand and has a huge future and will continue to grow. We understand commercial property and know how lucrative it can be if you can get a piece of the market".

Parzis's vision was always to have a commercial residential mix in the business as he has operated in the past as they often go hand in hand. Parzis believes there is a huge opportunity to offer commercial agency services to clients.

"The point of difference we had in Melbourne was that clients were dealing with the principal who could make decisions quicker and had more experience that most larger commercial firms that had new recruits working on their sales and leasing properties".

Starting two new businesses one in Labrador and one in Southport has had its challenges but it provides a head start to enter into the new markets of project marketing and commercial real estate services.

NAI Harcourts has opened a new commercial location in Southport on the Gold Coast and is looking forward to providing solutions to its commercial property owners.

Australasian CEO for NAI Harcourts Richard Laery is "thrilled to welcome George Parzis and all the experience he brings to the NAI Harcourts business. With our established NAI Harcourts Hope Island business covering clients in the Gold Coast corridor, the addition of a Southport office will increase the ability to service the growing base of clients in the Gold Coast region, while also increasing awareness of the brand and what this unique business brings".

Bringing a wealth of experience to NAI Harcourts Southport is business owner George Parzis. Having run a strong commercial real estate

business in Melbourne prior to him moving to Queensland, Parzis sees huge potential in the Gold Coast. Parzis currently operates two residential Harcourts businesses but sees immense opportunity to grow a commercial arm with a solid culture and strong reputation.

"We know that it will be tough to enter into the commercial market on the Gold Coast as it is very competitive. We also know there are a lot of listings that have been on the market for a long time which would concern those owners. Our initial strategy would be to target those owners to evaluate the marketing and price of those properties and to try find a solution".

In Melbourne, Parzis started the commercial division of Beller Commercial before moving on to start his own boutique real estate office in

# Let NAI Global's international network take your business higher

The annual NAI Global Convention is a powerful reminder of the scale the NAI Global network is, and that NAI Harcourts is a part of. It's a platform to share global real estate knowledge and make international connections and in turn transactions that most real estate companies do not have the ability to do.

After recently attending the NAI Global Convention in Carlsbad, California in September, CEO for NAI Harcourts Australasia, Richard Laery says "the importance of our international connections is paramount for the future growth of the brand on an international scale. It is this global network that sets us apart from our competitors. This network is all at our fingertips and we have the ability to connect business worldwide".

With the convention being held in San Diego, USA it was a priority for Laery to connect with the on the ground NAI Global members in San Diego. Gary Swedback, President of NAI Mexico in Tijuana accommodated Laery with a visit to the NAI Mexico corporate office in Tijuana just 30 minutes south of the USA border. Business strategies, ideas and market data were shared with also a site visit to one of the industrial parks in Tijuana that are key for Mexican and international trade with the USA.

It was here that the medical division of the New Zealand Fisher and Paykel company sought their first overseas expansion project in 2008 through the commercial specialists at NAI Mexico. More recently the company has started building a new manufacturing plant on a 38-acre piece of land at an approximate cost of

\$50million. F&P Healthcare has used Mexico as a manufacturing base to supply US healthcare providers with its respiratory face masks. Both property transactions of Fisher and Paykel were facilitated by Swedback's NAI Mexico team. NAI Mexico were chosen by Fisher and Paykel as the most reputed commercial property company in Tijuana and through maintaining a collaborative relationship were appointed a second time.

Tijuana is an attractive location for manufacturing plants due its proximity for distribution to North America and its cheaper labour costs. Many international companies are situated in Tijuana for this purpose and are taking full advantage of the economic benefits such as aerospace, automotive and appliance companies to name just a few.

The NAI Convention was a meeting of the worldwide NAI Global commercial specialists. NAI Global President Jay Olshonsky and in-house council and Capital Markets Group member Alex Waddey discussed collaboration of the network to generate business beyond local markets. Olshonsky noted that this conference established a record for first-time attendees with over 100 new NAI professionals in Carlsbad, as well as members from China, Australia, Germany, Peru, Korea, Austria, Canada to name a few.

Andy McCulloch, Managing Director for Green Street Advisors, unveiled some insightful commentary on the future of business of retail.

McCulloch said there are 1200 malls in the U.S.

today and he expects 300 of them will close in the next 24 months, and more malls will close in subsequent years. "It's one property type that is ripe for rightsizing," he said.

Apparel has historically constituted 75% of mall space. It is about 50% now and will be 25% in the future, replaced by experiential retail, entertainment and more food and beverage.

While eCommerce is currently the biggest disruptor in real estate, in the next 10-15 years driverless cars will be the biggest disruptor in real estate, according to the Green Street analyst. There are 3 million driver-based jobs in America now – 2% of the workforce, driving trucks and taxi cabs. Those jobs will vanish. There are 1 billion parking spaces in the U.S. that will be cut in half or more once fewer people own cars. America has 10 times the amount of garage space than we do self-storage space. All that freed up garage space will put a lot of self-storage out of business. How this plays out in the Australian and New Zealand Markets and if this is to become a global pattern will remain to be seen.

The convention included commentary from founder and CEO of Island Capital Group, Andrew Farkas and Executive Chairman of Estée Lauder, William Lauder. Lauder spoke with authority about the many various dynamics of his business. As the third generation to lead the business it was evident how involved and passionate he is about continuing the success of the prestigious skincare business his family over three generations has created.



Richard Laery (CEO NAI Harcourts, Australasia), Frank Garrison (President - C-III Capital Partners), William Lauder (Chairman of The Estée Lauder Companies), Andrew Farkas (Chairman and CEO of Island Capital Group LLC, owner of NAI Global) Rob Forde (CEO Harcourts Pacific)