

## GREG PARAMOR'S VIEW FROM THE TOP

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While artificial intelligence, robotics and the Internet of Things take hold in industries around the world, planning and building are stuck in a time warp, says Greg Paramor AO.

The managing director of Folkestone, an ASX-listed real estate funds manager and developer, Paramor (pictured) has been a property stalwart for more than 40 years.

The co-founder of Equity Real Estate Partners, Growth Equities Mutual, Paladin Australia and the James Fielding Group, Paramor was the chief executive officer of Mirvac Group for five years. He is also a past president of the Property Council.

**“We are still constructing buildings the way we were 50 years ago. Sure, they’ve become more environmentally sophisticated, but they are pretty much as they always were.**

**“And planning is still stuck in the 19<sup>th</sup> century. It hasn’t kept pace with the development of our cities,”** he says.

**“Every decade we put another million bodies into Sydney and Melbourne, and half that in Brisbane. We simply aren’t planning for that.**

**“We have people trapped on freeways for 3.5 hours a day – and it’s simply not acceptable. The cost of that in terms of lost productivity is huge.”**

Paramor would like to **“dismantle the entire planning system”** right down to the local level, and to see planning elevated to **“something of national importance”**.

**“All the infrastructure investment we have underway now only gets us to where we should have been 20 years ago. We are still behind the curve.”**

Poor planning has also cost the nation dearly when it comes to housing affordability too.

**“People are at breaking point, and have been for a while,”** Paramor says.

**Our high cost of housing is the result of an “inherently inefficient, fragmented industry,”** coupled with planning bottlenecks, land shortages, and time delays in zoning and pricing, he says.

But the industry is ripe for disruption, and Paramor expects to see new players enter the market and **“just get on and do it”**.

**“In the past, we might have spent 20 years negotiating with governments to develop a new form of taxi. Uber just did it. And governments can’t keep up.”**

Paramor finds the tectonic shifts occurring in retail **“absolutely fascinating”**, and says the Internet of Things and its integration with logistics and e-tailing are game-changing.

“Amazon has just three per cent of total sales in the United States, but as they streamline logistics and point of sale, we’ll see this increase.”

He thinks disruption in the commercial office sector is on its way, and says robotics has the potential to displace a lot of people.

“Artificial intelligence will have a big impact on professions like law and accounting,” as robots can decide whether a legal case will have legs, or crunch the numbers on a tax return more efficiently than any human.

“Is owning an office building in 10 years a good thing? Artificial intelligence will probably replace a lot of jobs, so companies won’t even need to consider outsourcing to India.

“Demand for office space will come down unless we have new industries emerging. What will they look like? We already have enough banks, fund managers and professional services, so they’ll have to be completely new industries.

“I don’t have the answers – but I think that’s what we should be asking.”

What will people do instead?

Paramor says he’d like to know the answer to that. “People have been resourceful for thousands of years. We invented robotics and artificial intelligence, after all.

“It was the same when Wilbur Wright flew his first 200 feet. People said there might be something in this airplane thing. They just didn’t know where it would land.”

After spending four decades predicting the twists and turns in the market, Paramor still has property in his blood.

Like many people, Paramor “fell into property by chance”. At age 22, after selling his first business, he applied for a job in leasing. “I turned up at the company which is now called Knight Frank and got a job as a leasing agent. Back then, you did everything – commercial, industrial and retail.”

A stint studying at night school followed and his career took off from there.

What does he love about property?

“I’m a simple soul, and at its heart property is a simple business servicing the needs of the community. Everyone needs a roof over their head.

“I’ve found it interesting, stimulating and wholesome. Of course, I get frustrated – I look at the incompetence in planning and the interference of government, but I also see evidence of really good government and periods of sound planning.

“And you can do it until you drop dead. I have mates in their mid-80s who still turn up to work every day and enjoy what they do. There is no need to hang up your boots at a particular age. And I’m not intending to do that.”

*Greg Paramor will join other industry leaders, including Charter Hall’s David Harrison, AMP Capital’s Louise Mason, QIC’s Steve Leigh and Vicinity Centres’ Carolyn Viney in ‘View from the Top’ at The Property Congress. Don’t miss your chance to join in the industry in Cairns from 18-20 October. [A limited number of tickets are left.](#)*