

# A Wealth of Opportunity

Folkestone is identifying and investing in forward-thinking opportunities for its investors as the company continues to evolve.

Images by Scott Ehler

**D**iversity and drive propel Folkestone forward as the real estate funds manager and developer plots its strategic course through the Australian market.

Greg Paramor, Managing Director of Folkestone, has been strategically building businesses throughout his 35-year career. He was appointed to the role of non-executive director of Folkestone in May 2010, and became managing director in April 2011 following the acquisition of Equity Real Estate Partners, which he previously co-founded.

Prior to this, Greg was the co-founder of Growth Equities Mutual, Paladin Australia, and the James Fielding Group, and was the CEO of Mirvac Group between 2004 and 2008. He previously served as the president of the Property Council of Australia and the president of Investment Funds Association, as well as being a fellow of the Australian Property Institute and The Royal Institution of Chartered Surveyors. Greg is currently a board member of the

Sydney Swans, The Garvan Institute, the National Breast Cancer Foundation, and is the chairman of LJ Hooker.

*The CEO Magazine* sat down with Greg to mine his deep deposits of industry knowledge and to hear his view on where Folkestone and the industry are going.

***The CEO Magazine: With more than three decades of experience in the real estate and funds management industry, what advice would you give to executives in the competitive Australian market?***

**Greg:** First, stay the course. They have to be prepared to accept change because nothing stays the same forever, and commerce on all levels is evolving. I think one of the most important things a CEO can do is step outside the business on a regular basis and look back into it, and to look at the landscape and environment and make plans accordingly.

I think the other important thing is to ignore short-termism. There's

too much of this: 'What can I do tomorrow?' and too much focus on the here and now and not on building sustainable, long-term businesses that can withstand shock. Things change—five years ago we went through a major one with the GFC, and it's still reverberating around the world. You have to be prepared for these things as best you can.

If you're a business builder, once you've set your course and you know what you're going to do, then I think patience and persistence are the two P's that I use all the time. You've just got to stay with it—you can't hurry things that can't be hurried.

**Since you assumed the role of MD in April 2011, how has Folkestone evolved under your leadership?**

We're a micro-company and we don't aspire to be a large balance-sheet company, quite deliberately. We have a capital base of about \$70 million without debt, a market capitalisation around \$100 million, and cash of around \$20 million. Importantly, we've grown our >

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funds under management from zero to \$700 million, so we now have a sustainable business.

We have a small team spread between Melbourne and Sydney, and they're the two main markets where we like to participate. We've executed on the things that we've said that we would do and that we wanted for our business, such as our childcare real estate business, where we are the largest landlord in Australia with some 400-odd centres.

**What do you think have been the most significant milestones for Folkestone in recent years?**

The original intention when I started with my colleagues at Equity Real Estate Partners was to stay private, having been involved in, and building, public companies for some time. Folkestone, an ASX-listed property development company, was presented to us as an opportunity that was going nowhere, but it had a core, which

allowed us to access the capital markets again, which we did.

From that point and our initial capital raising in April 2011, we have successfully transformed the business from a pure real estate developer to a real estate fund manager with development capability. We then identified real-estate-related social infrastructure as a sector we wanted to get into. We successfully acquired the Austock Property funds management business in 2012, which included four funds—two listed on the ASX and two unlisted funds.

**How have you engaged and communicated with your employees?**

It's a small team, so it's very intimate. We spend a lot of time together. I spend my time between Sydney and Melbourne where the teams are, and likewise they move when necessary between the two cities. We have strong face-to-face

communication, as well as normal email and phone communication. When you're building teams, and have a team as good as mine, it's about the face-to-face encounters, moving with them, assisting them with what they do, and being there to help.

**How do you collaborate with suppliers and partners to ensure success?**

Since we're a financial services business and we acquire real estate and package into funds on behalf of our investors, we've got a range of people who provide services. The most important thing is that we tend to stick with the same suppliers. Once we're dealing with someone who is on our page and whom we like, we don't change. We have people who've been providing accounting, legal, and property advice and services to us for well over 30 years. We have dealt with the same people in the same organisations, so we are very focused on being honest with



them, and vice versa; we expect them to assist us and be loyal, and in return we're loyal to them.

**Are those same values spread throughout Folkestone?**

I would think so. People see how you lead and what your approach is, and people tend to gravitate to the same type of people and the ones that they like. I've built a number of teams over my career, and every business is a little different. We've got a great team of people; they're very focused on delivering for our investors. I always say that you've got to have a little fun along the way as well. You spend a lot of time in an organisation and at your place of work, so it has to be an enjoyable experience—and with that comes having a bit of fun and having a laugh.

**How would you describe the culture at Folkestone?**

Culture evolves, and it tends to be driven by the people at the top of the organisation. Our culture is about getting in and getting it done, helping one another, and no politics. I can't stand politics. It doesn't work in any business and it certainly doesn't work in a small business. It's very open, and if you've got something to say, you shouldn't be afraid to say it.

You also shouldn't be afraid to make the odd mistake, because we all do if you're working hard. Then it's a matter of working with people to fix it. It's not a crime to make an error, whether it's judgement or otherwise, so we tend to be pretty open

about those things. I think the culture is really about how you perform and how you behave, and it evolves with time.

**You're a director of a number of not-for-profit organisations, including the Garvan Institute of Medical Research and the National Breast Cancer Foundation. What prompted that decision? Is this philanthropic focus something that you've spread throughout Folkestone?**

I've been lucky enough to be able to participate in a range of things over my life. It's just in my nature, I suppose. I came from a family that was pretty committed to helping others, in one form or another. It doesn't necessarily mean throwing a lot of money around, but just doing things in the community, and I guess that stayed with me.

I've been asked to do a number of things, which I've done to the best of my ability, and I found that thoroughly enjoyable. I think it is beholden on all of us to put back into our community. I've always managed to build businesses and found the time to put something back into the community, whether it's a charitable pursuit or an industry pursuit. That's my nature. All the people at Folkestone know that, and they're at liberty to participate as well. Most of my team are a lot younger than I, so they're all raising their kids, and that's a very busy time of life, so they don't have a lot of time to devote to other things. I know most of them participate in some way with the wider community, and I thoroughly encourage that.



**Where do you see Folkestone and the industry going in coming years?**

The real estate funds management and development industry in which we're involved evolves all the time and it goes through market cycles. Folkestone will evolve. We provide real estate wealth management solutions for private investors, and that's a growing need in Australia as more and more people head towards retirement and desire exposure to income-producing real estate. That's what we do, so it's just about building better and better investment opportunities for our investors. •

## A partnership in success

Holding Redlich is proud of our association of more than 15 years with Greg Paramor and the team at Folkestone and congratulate them on their outstanding success.

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