

# The Australian

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## Chatswood development delays trigger \$28m payout for Bonett

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SHAUN Bonett's Precision Group has pocketed close to \$28 million in an out-of-court settlement. The payout was for costly delays to the retail section of the failed \$360m Chatswood Interchange mixed-use development in Sydney.

Mr Bonett, who once topped the BRW Young Rich List, agreed to buy the retail project on Sydney's north shore for \$83m in 2005 through his company Precision Group.

However, Mr Bonett has alleged there were about \$30m worth of defects on the site and there were contractual issues regarding building management.

He has been negotiating with CRI Australia, the site's receiver, Chris Hill from insolvency company PPB, RailCorp and the Commonwealth Bank for two years about a settlement.

Mr Hill did not return a call yesterday.

Mr Bonett, who is chief executive of Precision Group, said 90 per cent of the project had been completed and he expected to open the Metro Chatswood Shopping Centre towards the end of next year. The project started in 2005 as part of a public-private partnership between the government and the private sector. But developer CRI Chatswood, a subsidiary of CRI Australia, was placed into receivership by the Commonwealth Bank in 2008 and is now in liquidation.

Metro Chatswood is part of the commercial precinct being created at the Chatswood Transport Interchange, which involved an upgrade of Chatswood station to cater for the new \$2.2 billion Epping-to-Chatswood rail line.

The Woolworths-anchored Metro Chatswood project includes 70 specialty shops over more than 10,000sq m. Last year Mr Bonett said he was hopeful of a completion late last year, but it was now expected the project would be completed late next year.

Galileo Funds Management is expected to buy the \$450m failed Chatswood Interchange residential project, after Harry Triguboff's Meriton apartments group walked away from talks.

It is understood Sydney-based Galileo will pay about \$65m for the site. Original price expectations for the property were about \$80m-\$100m.

The site is earmarked for 509 apartments in three residential towers up to 40 levels. A three-level carpark was almost completed when the project failed.

Mr Bonett said Suncorp, National Australia Bank and the failed investment bank Babcock & Brown were lenders to Chatswood Metro.

Precision Group owns a shopping centre portfolio that includes MacArthur Central Shopping Centre in Brisbane, Adelaide's Central Plaza and Port Canal centre, and Pran Central Shopping Centre in Melbourne. It also owns office buildings and undertakes property lending.

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