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# Precision buys Brisbane office

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The Sydney-based Precision Group is buying Zurich's Brisbane office building for \$49 million.

Precision, a private investment group, made its first foray into Brisbane in October last year when it beat a strong field to acquire the Axa Centre for \$44.65 million.

Its chief executive, Shaun Bonett said yesterday that the Axa building and 160 Ann Street were viewed as long-term investments for his group.

He said other potential acquisitions were being investigated in Brisbane, in the retail and hotel sectors as well as the commercial market.

Precision's bid for 160 Ann Street was made on an unconditional basis and is due to settle on July 5. The sale price reflects an 8 per cent yield.

Other interested groups in the Zurich tower at 160 Ann Street are understood to have included the acquisitive Abacus Property Group.

Zurich Australian Insurance Limited formally marketed its 22-level office building through Colliers International's Bruce Baker and Knight Frank's Dave Fowler at a time when interest in Brisbane's office market continues to run hot. Mr Baker was unavailable for comment and Mr Fowler declined to discuss the deal yesterday.

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Zurich Australia bought the 160 Ann Street complex in November 1995 for \$41.75 million.

Zurich's disposal of its Brisbane office tower will mark its exit from its Australian property portfolio which has occurred over the past four years.

The complex incorporates 16,304 square metres of offices and two levels of parking for 63 cars.

The tower at 160 Ann Street is fully leased, underpinned by Queensland government commitments that run until the end of 2009 and by Suncorp.

Suncorp occupies about 3300 sq m on a term due to expire in December 2007.

Precision's purchase further highlights the current weight of private funds chasing office holdings in Brisbane and closely follows Bramley Properties paying \$40.9 million for a riverfront complex at 145 Eagle Street.

In other major private deals this year, local development group Indigo outlaid \$57 million to snare the Brisbane Administration Centre, and Stencraft spent just under \$23 million to buy MBF House.

The next property expected to change hands in Brisbane is 10 Felix Street, being sold by an open-ended property fund managed by SAITeysMcMahon.

This complex is expected to attract a price of about \$18.5 million.

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In other sales activity, Cromwell earlier this month called a June 6 meeting for investors in its Riverfront Planned Investment scheme to vote on the sale of its 301 Coronation Drive office building at Milton.

The property is under contract to be sold to private investor HA Bachrach for \$22.98 million.

Cromwell's single-asset vehicle bought the property in December 1999 for \$17.5 million.

Elsewhere in Brisbane Allco Finance Group is understood to be negotiating to buy Kevin Seymour's office tower at 260 Queen Street for close to \$60 million.

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