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Precision wins Victory for \$22m
By Bob Wilson

SYDNEY-based private investment company The Precision Group has boosted its portfolio in Brisbane with the \$22 million acquisition of the Victory Hotel in Edward St. Precision bought the city night spot with an 18-year lease to hotel operator ALH but has flagged its ambition to redevelop the property.

The deal was done in just seven days after the offers closed.

The sale, negotiated by John Livingstone of Jones Lang LaSalle, represented a big windfall for the long-term owners, a private consortium including Tim Crommelin, Howard Stack and John Jamieson. They bought the Victory in 1981 for \$1 million, according to Cityscope.

The unconditional deal follows Precision's \$50 million acquisition of 160 Ann St, an office building previously owned by Zurich Australia. Last year Precision paid \$44 million for the Axa Building in Edward St.

Precision's chief executive, **Shaun Bonett**, said the group still had an appetite for property in Brisbane, ideally a shopping centre, despite having already invested \$116 million in the city.

"My group has come into Brisbane for a long-term hold," he said.

"All of the properties we've bought have the ability to be redeveloped to some extent and the Victory is a site which can be fully developed.

"There is a development clause in the lease which allows something else to be done there with a hotel on the ground level."

Mr Bonett said Precision Group had been welcomed in Brisbane's investment market because of its ability to move quickly.

"There are lots of buyers in the market, but very few who do things simply and unconditionally. When you're a vendor in selling mode, invariably that's the factor that makes people like dealing with us."

Precision appointed Savills to manage and lease the Axa Building after settling on the property last year. Since then the remaining vacancies were taken up by a lease to Energex and now the building is almost 100 per cent leased.

The Precision Group, a syndicate of Melbourne and Adelaide private investors, owns property in other states including the David Jones department store in Adelaide's Rundle Mall, which it bought for \$85 million.

The \$22 million paid by Precision Properties for the Victory Hotel mirrors the price paid by ING Real Estate Entertainment Group for the GPO in the Valley and the Stock Exchange Hotel, which sits opposite the Victory.

In 1997, some of the city's savviest investors packed into the Riverside Centre auditorium to bid on the Stock Exchange. At the time, the 911sq m Edward and Charlotte St corner was considered to be the ideal location for a new office tower. The two-level Stock Exchange was passed in on a bid of \$5.075 million and has changed hands several times since then.

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