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# Precision swaps offices for shops

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Precision Group founder Shaun Bonett is already planning how to reposition Brisbane's MacArthur Central Shopping Centre, which he acquired yesterday for \$119.5 million.

The British-born Australian entrepreneur, who started out buying neighbourhood shopping centres in the 1990s, said he would make the centre's ground floor more fashion oriented and customer focused.

Announcing the long-awaited deal yesterday, Precision said it had overcome the hurdles of a difficult property swap to acquire the centre, near the Queen Street mall in Brisbane's CBD.

In return, MacArthur's seller, Investa Property Group, bought Precision's office holding at 160 Ann Street for \$66.5 million.

After investing \$500,000 in due diligence costs on the \$186 million swap, which tied up his senior executives for four months, Mr Bonett said he was now aware of just how difficult it was to do such deals.

"Certainly we were fully aware they usually end up in the too hard basket," Mr Bonett said yesterday.

"The way Investa and Precision approached it, senior management met and reached an understanding and we never went backwards. We ensured that we kept to that initial agreement."

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Although MacArthur Central, which is anchored by Woolworths, Big W, Crazy Clark's and Miller's Fashion and contains more than 40 specialty shops, is 15,000 square metres, Mr Bonett said it was not his portfolio's largest asset.

The biggest is the \$200 million Adelaide Central Plaza in Rundle Mall with a six-level David Jones.

"Adelaide and MacArthur Central are our two flagship properties," Mr Bonett said.

In Sydney Precision owns the White Horse Hotel in Surry Hills and is developing a shopping centre at Chatswood, north of the CBD, while in Melbourne it is looking to acquire a substantial shopping centre.

Precision first bought into Brisbane in 2004 with the purchase of 144 Edward Street and 160 Ann Street for a total of \$98 million.

"Since that time I have also been investigating Brisbane CBD retail opportunities to take advantage of the city's strong population growth and the overall prosperity of the south-east Queensland economy," Mr Bonett said.

Simon Rooney and Geoff McIntyre of Jones Lang LaSalle and CB Richard Ellis agents Stewart Gilchrist and Bill Tucker negotiated the transaction.

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## KEY POINTS

\*MacArthur Central and Adelaide Central Plaza are now Precision Group's two flagship properties.

\*The deal involved the exchange of an office holding in Ann Street and the shopping centre.

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