

Australian Property Review

Precision picks up Pran Central

by Stephen Naylor : Friday, November 10, 2006

Private Sydney-based investment group Precision has acquired Melbourne's Pran Central retail centre from Walker Corporation for \$34.5 million. The deal has been struck on a 6.5% yield.

The off-market transaction was negotiated by CB Richard Ellis Regional Director Stewart Gilchrist.

Pran Central comprises 5350 sqm over three levels and incorporates 38 tenancies, with a strong leisure, food and fashion offering. Tenants include Sportsgirl and Sussan, and there is a ten store foodcourt.

The centre, located at the intersection of Chapel Street and Commercial Road in Prahran, is anchored by a Strike Bowling Bar, Fernwood gymnasium and a Medicare outlet.

Precision Chief Executive Officer, Shaun Bonett said Pran Central is a key addition to Precision's property investment and development portfolio, which now includes prime retail assets spanning from Adelaide to Brisbane.

"It is a superb retail position with Chapel Street one of Australia's premier fashion strips. Two supermarkets and the iconic Prahran Markets immediately adjacent also provide a strong food and convenience focus. This, an inner Melbourne Prahran address and a location having an improving demographic profile provides us with a compelling retail opportunity," Mr Bonett said.



Precision's existing shopping centres are underpinned by strong food and fashion offers and benefit from prime retail positions in some of Australia's strongest trading environments; Queen Street in Brisbane, Rundle Mall in Adelaide and Victoria Avenue in Chatswood.

"Importantly each of these shopping centre assets feature a food court which we believe represents a critical growth sector as entertainment and dining will play an increased role in the retail experience," Mr Bonett said.

The latest acquisition caps off a year in which the company executed \$250 million in retail

property purchases. In late 2005, Precision finalised a commitment to pre-purchase the 10,000 sqm retail component of Sydney's Chatswood Transport Interchange from CRI for \$83 million. This was followed in May 2006 by the \$119.5 million purchase of MacArthur Central Shopping Centre in Brisbane from Investa Property Group as part of a property swap transaction.

"The initial focus in 2007 will be both the integration of recent purchases into the portfolio and ensuring that we successfully unlock the full value potential of our assets," said Precision General Manager Neil Proudlove.

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