

Subject to Copyright. See Copyright information at the end of this article.

Interchange site for supermarket

Jason Clout

The Australian Financial Review | 19 Feb 2008 | Page: 62 | Property

Precision Group's first foray into NSW has gained momentum, with Woolworths agreeing to anchor its Metro Chatswood shopping centre.

Woolworths has signed a 20-year lease for a 2700 square metre shopping centre in the 11,500 sq m centre on Sydney's lower North Shore.

The deal was clinched when Precision bought an adjoining vacant office building from Sydney Water Corp for \$14.1 million. The ground floor of that building will be converted into the Woolworths supermarket and the upper four floors refurbished for potential tenants.

Metro Centre should be open by the end of this year. Precision's general manager, Neil Proudlove, said the new Chatswood to Epping rail link was scheduled for completion in November or December.

"So the centre will be open then so people can hop off the train and do their shopping," he said.

Chatswood's growing importance as a transport hub was one of its attractions, Mr Proudlove said.

The \$360 million Chatswood Transport Interchange was a major public-private infrastructure project. Apart from Metro Chatswood, it included a new railway station, two additional rail lines, a new bus interchange, a retail complex and two new rail bridges with three residential towers with a combined total of 500 units over the railway station.

"Chatswood is already renowned as a major transport spot. That will only grow if the rail line extends further," he said, referring to ideas floated to link Chatswood to Parramatta.

The private Precision Group's shopping centre portfolio exceeded \$1 billion, Mr Proudlove said. It included Pran Central in the Melbourne suburb of Prahan, MacArthur Central Shopping Centre in the Brisbane CBD and Adelaide's Central Plaza.

"Metro Chatswood fitted the mould of those assets," he said. "We like either CBD or near CBD. Metro Chatswood is the heart of the lower North Shore, close to the city and has an affluent demographic."

Some listed retail assets have been under pressure recently but Mr Proudlove said there were a lot of good and well-managed shopping centres. "It's been hard what has happened in the listed property

Subject to Copyright. See Copyright information at the end of this article.

trust sector," he said. "However, we are already being offered what could be good opportunities.

"With the aggressive pricing of shopping centres in recent years, it has been hard for a private group like ours at times. We'll have to see what happens to yields and also the interest rate rises will increase the cost of funds, but I think the outlook for retail is not as bad as has been made out."

CRI Australia, which is developing the Chatswood Transport Interchange in partnership with Transport Infrastructure Development Corp, said last week the project was on track for completion and handover to RailCorp in June 2008.

Construction will start soon on three residential towers above Chatswood railway station.

KEY POINTS

Woolworths will anchor the Metro Chatswood shopping centre.

Precision Group's shopping centre portfolio now exceeds \$1 billion.

© TM © | afr.com material is copyright & is published by Fairfax or under licence. Except for the temporary computer cache copy & a single permanent copy for personal reference, it may not be used, copied, reproduced, published, distributed, sold or resold, stored in a retrieval system, altered or transmitted in any form or by any means in whole or part or otherwise disseminated to others (except by fair dealing) without the prior written approval of Fairfax or the relevant licensor. AFR, afr.com, the AFR logo & the newspaper mastheads are trademarks or registered trademarks of Fairfax & its related bodies corporate. Other trademarks & logos of a third party may be displayed from time to time, but no display grants any licence or right of use of any such trademark or logo without the express written permission of the relevant owner.