



Precision announces \$20 million refurbishment of MacArthur Central retail complex

Private Sydney investor Precision Group has announced that it will embark on a major \$20 million upgrade of MacArthur Central Shopping Centre in Brisbane's CBD.

A key component of the works program will include a repositioning of the Centre's heritage MacArthur Chambers space into a high-end retail precinct called "MacArthur on Queen".

At the same time, Precision has negotiated a new lease with anchor tenant Woolworths to undertake a 50% expansion of its current 2,000 square metre store to a full, 3,000 square metre outlet, making it one of the first full line supermarkets in any Australian CBD location.

In another significant coup for the Centre, Australia's largest home entertainment retailer, JB Hi-Fi, has also been secured as a major new tenant to anchor the food court level. At the same time, the food court will be refurbished, extended and provided with a new escalator access directly off Queen Street.

Precision's Chief Executive Officer Shaun Bonett said the new leases, refurbishment and strategic repositioning of the 15,000 square metre MacArthur Central complex responded to the changing demographic profile of Brisbane's CBD, which was experiencing a rising number of inner-city residents.

"To have negotiated and agreed new leases with both Woolworths and JB Hi-Fi, accounting for a total of 3,800 square metres, in just three months, is an outstanding outcome for our business in the current market," he said.

Precision acquired the shopping centre for \$119.5 million in May 2006 as part of an ingenious property swap, which involved Precision selling its office building at 160 Ann Street Brisbane to Investa for \$68 million, as part of the deal.

MacArthur Central, which is 98 percent occupied, is currently anchored by Woolworths and Big W, together with 42 specialty shops. The historic MacArthur Chambers space is currently temporarily occupied by established local Brisbane retailer Book Stars on a short-term arrangement, pending the site refurbishment.

Speaking of the changes about to be made in the Centre, Mr Bonett said, "The program of works in MacArthur on Queen will allow us to maximise the potential of arguably Brisbane's and one of Australia's, most strategic retail sites. It offers international and national retailers the opportunity to position themselves in a truly unique and iconic building, in the very heart of the Brisbane CBD."

The Woolworths' expansion will include a move into space currently occupied by Crazy Clarks and Millers Fashion stores. Woolworths, which has agreed a new 20-year lease with options, will continue trading in the Centre while extensions are completed and before its new store opens in mid 2010.

JB Hi-Fi is a new entrant into the Centre and will occupy a purpose-created, 800 square metre tenancy, directly overlooking Queen Street. They have also made a long-term commitment to the Centre, having signed a new 10-year lease. Fit-out works for this store are already underway, with the new outlet to be open and trading before Christmas.

Mr Bonett confirmed that 2010 will see the refurbishment program commenced to restore the historic MacArthur Chambers space. Originally built in 1931 as the AMP Society Headquarters for Queensland, the building was subsequently renamed after Gen. Douglas MacArthur, who used it as his headquarters to command the Allied Forces Pacific Fleet, during World War 2.

"When we purchased MacArthur Central in 2006 we saw a fantastic opportunity to enhance the international profile of the retail component of this truly iconic Brisbane heritage building. We are committed to doing this in a manner which restores the grandeur of the AMP Banking hall to its former glory. We see this as a significant milestone not only for the building, but also for international brand retailing in the Brisbane CBD.

"Our ability to embark on a project of this magnitude is evidence of the financial strength of the Precision Group and the astute property skills of our people."

Mr Bonett said that the investment in the MacArthur on Queen works program demonstrated Precision's counter-cyclical investment strategy and its ability and commitment to successfully address more complicated retail projects.

"Precision uses a long-term strategic approach in the ownership and management of its assets. We take pride in our ability to increase the value of our properties and at the same time, we always remain committed to developing iconic pieces of real estate," he said.

During the past decade, Precision Group has established an investment and development portfolio totalling approximately \$1 billion, with properties in South Australia, Victoria, New South Wales and Queensland.

Along with MacArthur Central, Precision's Brisbane property investments include the commercial office building at 144 Edward Street and the Victory Hotel which has recently been completely refurbished.