

Apr 21 2016 at 1:00 AM

Precision Group looks to Auckland for next acquisition



Shore City in New Zealand has been identified as having high growth potential. **Supplied.**



by [Mercedes Ruehl](#)

BRW Rich Lister Shaun Bonétt's Precision Group is in final due diligence to buy Shore City Shopping Centre in Auckland, New Zealand for more than \$NZ90 million (\$81 million).

The asset was the last property to sell as part of the wind up of JP Morgan's Aviva Investors Asia Pacific Property Fund.

It is the first New Zealand play by Mr Bonétt, whose wealth is estimated at \$478 million by the BRW Rich List. Precision Group is backed by the international financier Bank of China who also set up their bank in Auckland just over a year ago.

Shore City occupies nearly an entire city block in Takapuna on the city's north shore. When it went up for sale the sub-regional shopping centre generated around \$NZ7.4 million in net annual rental income. The sale will reflect a yield of about 8.5 per cent.

Aviva bought the centre in August 2011 from the former Westfield Retail Trust and Westfield had extensively refurbished the centre in 2010. The property comprises 14,139 square metres of gross lettable area and includes a Farmers department store, a Les Mills International Fitness Centre and approximately 74 speciality shops with a food court and 850 multi-level car park adjoining.

New Zealand is also attractive to offshore investors because, like Australia, it has appealing transparent legal and tax structures. The Auckland region is also experiencing its lowest retail vacancy rate since the global financial crisis.

Auckland is also undergoing a major planning transformation. Shore City has been identified by Auckland Council as a metropolitan centre with high growth potential due to its transport links, amenities and infrastructure.

Precision Group, founded in 1994, has had a lot of success in redeveloping retail assets, most notably MacArthur Central in Brisbane where technology company Apple set up its largest Australian flagship store. Its other centres include Chevron Renaissance in Queensland and Adelaide Central Plaza.

It is understood that the transaction has been negotiated by Philip Gartland of Stonebridge Property Group. Neither Mr Bonétt or Mr Gartland were available to comment on the transaction.

Last year, Aviva decided to wind up its Asia Pacific Property Fund. The Australian properties, which have now sold, included 160 Sussex Street and the Bulgari store in Sydney, Alinta Plaza in Perth.