

Luxury goods trio heads for SA

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Two new luxury retailers may open outlets in Adelaide Central Plaza.

Simon Evans

The owner of Adelaide Central Plaza is negotiating with Louis Vuitton and Chanel for the luxury retailers to open new outlets in Adelaide, after securing Tiffany & Co as a tenant.

Adelaide Central Plaza is owned by Shaun Bonett's Precision Group and is anchored by a 23,000-square-metre David Jones department store, with 40 specialty stores and a food court.

Mr Bonett said it took three years of discussions with Tiffany & Co, but Adelaide Central Plaza had secured the global jewellery brand as a tenant. The store was expected to open in the third quarter of 2014.

He said discussions were also being held with Louis Vuitton and Chanel.

"They're looking at various locations in Adelaide, including Adelaide Central Plaza," he said.

"These brands hunt in packs. They perform better when they are together."

The deal marked Tiffany & Co's entry to South Australia.

The brand already had three stores in Sydney, two in Melbourne, one in Brisbane, and one in Perth. Mr Bonett, managing director and owner of Precision Group, would not comment on Tiffany & Co's rent.

"It's sensitive information. We've got confidentiality agreements."

Property industry experts said market rent for prime sites in Adelaide's CBD ranged from between \$3000 a square metre to \$4500 a square metre.

Adelaide Central Plaza, on the northern side of Adelaide's prime retail strip of Rundle Mall, had faced fresh competition since April when the Alter family opened the \$385 million Rundle Place retail project.

Rundle Place included a Harris Scarfe discount department store and 50 speciality shops, and an 11-storey office tower.

Mr Bonett said there had been both positives and negatives from the arrival of the Rundle Place centre.

"One of the positives is it's definitely drawn more people to the city," he said, referring to the fact it had been a construction site for more than two years.

"On the negative, it's added an extra 50-plus speciality stores to the mall."

Mr Bonett said that added extra competition complexity for retailers deciding about store sizes and formats.

Mr Bonett said he was confident SA and its smaller population could sustain the new wave of global luxury goods retailers.

He said luxury clothing brands such as Armani and Salvatore Ferragamo were among the offerings in the David Jones store in concession areas, and there was demand from local shoppers. Global technology giant Apple opened a \$2.5 million flagship store in May in the heart of Rundle Mall.

Precision Group also owned the Pran Central Shopping Centre in the inner suburbs of Melbourne, the Port Canal Shopping Centre in Port Adelaide, the MacArthur Central complex in Brisbane, and commercial and hospitality assets.

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