

PROPERTY

Precision seeks stores partner as Shaun Bonett eyes new deals



Shaun Bonett, managing director of Precision Group.

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Sydney-based Precision Group has launched a process to find a joint venture partner on its two prized CBD retail assets, MacArthur Central in Brisbane and Adelaide Central Plaza, which are worth about \$800 million in total.

The group will sell the stakes in the shopping centres, either in one line or individually, as long-time owner, the *BRW* rich-lister Shaun Bonett, seeks to pour funds into new investments and the prices of city retail centres soar.

Precision, founded by Mr Bonett in 1994, has held Adelaide Central Plaza since its development in 2000 and MacArthur Central for the last decade.

“Both these centres have gone through a long journey from core-plus assets to core institutional grade,” Mr Bonett said.

“Now is the right time to be taking on a partner.”

Precision is well known for securing the support of the Bank of China as a debt provider in the wake of the global financial crisis and Mr Bonett is keen for the financier to stay involved.

“To have an international bank, at some level in these assets, would be a favourable position,” he said, noting the relationship had been a strategic one.

The shopping centre investor also played down the oft-hyped potential impact of Amazon on local centres, noting the US group’s business model was transforming.

“It was a pure online business and now it’s broadening its business model to incorporate a bricks-and-mortar operation,” Mr Bonett said.

The process will be run by JLL’s Simon Rooney, who noted the rarity of such assets. There are just 12 Australian CBD shopping centres of over 15,000sq m in size nationally and the two Precision centres are in this premium grade.

Precision also has a 23-year track record, with its retail operation run by former Westfield and Woolworths senior executive Trevor Dill.

MacArthur Central is anchored by the only full-line Woolworths supermarket in Brisbane, a Big W discount department store and the country’s top Apple store.

It also sports a JB Hi-Fi, 39 specialty shops and kiosks and spans a gross lettable of 15,085sq m.

Sitting among the high-end luxury retailers along the Edward Street strip, MacArthur Central houses brands including Orotton, Tag Heuer, Hardy Brothers, Hugo Boss.

An incoming partner will have the opportunity to add value via reweighting towards more international and high-end brands.

Adelaide Central Plaza is a luxury-based shopping complex, anchored by a strong-performing 22,922sq m David Jones department store, as well as a Chemist Warehouse and Tiffany & Co mini-majors, 44 specialty shops, and spans a gross lettable area of 27,801sq m.

The complex is also being chased by new international retailers seeking to establish flagship stores and could accommodate a residential tower.

Mr Rooney said investors remained “very attracted” to major Australian CBD retail assets for their defensive nature and strong income growth, value add profile.