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Bank of China backs Gold Coast centre: Apple a likely tenant



Chevron Renaissance Shopping Centre, Gold Coast Millars Photographic Service

by Matthew Cranston

The Bank of China has backed the \$75 million purchase of a Gold Coast shopping centre by Shaun Bonett's Precision Group.

As foreshadowed by [AFR.com](#) late last year, Precision Group has acquired the [Chevron Renaissance shopping centre](#) from Morgan Stanley's Arena Investment Management.

Mr Bonett, whose wealth is estimated by the [BRW Rich List](#) at \$375 million, confirmed he had the full backing of the eighth-biggest bank in the world.

"My experience with the Bank of China is that they are extremely competitive with all their commercial terms and even the approval process was undertaken in record time," he said.

Despite a crackdown on foreign investment purchases of real estate this week, foreign investors that are regulated by the Australian Prudential Regulation Authority as authorised deposit-taking institutions do not need to notify the government when they take security over an asset as part of a lending agreement.

"I think the rule is fair – I think its giving the foreign banks an even playing field in Australia and that's a positive thing for more transactions in Australia," Mr Bonett said.

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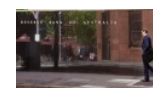
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It is believed the partnership between Mr Bonett's Precision Group and the bank is now worth more than \$500 million.

Mr Bonett established a relationship with the Bank of China over five years ago after Mr Bonett [secured one of the Bank's biggest clients, global technology giant Apple, as a tenant for his retail development MacArthur Central in Brisbane](#) for at least 15 years. That store is the largest Apple retail store in Australia.

Mr Bonett, who has had multiple successes in redeveloping retail assets, most notably MacArthur Central, hinted at the possibility of another major new tenant such as Apple at the 9700-square-metre shopping centre.

"Chevron was the epicentre of the Gold Coast for a long time and my ambition is to restore it back into the epicentre and the bringing of international tenants will be part of that strategy," he said.

The centre is anchored by a Coles supermarket, the largest supermarket in the Gold Coast region, and a Liquorland. Their leases expire in 2020 and 2016, respectively. There are also 78 specialty retail and office tenancies in the centre. Colliers International's Stewart Gilchrist negotiated the deal.

"I believe the purchase is at the right time of the Gold Coast's turnaround," Mr Bonett said, "The Gold Coast is showing positive signs that it has stabilised with many projects now at various stages of development."

In August last year US investment giant [Morgan Stanley, which is now looking to sell its Investa Office business](#), announced its intention to wind up the bulk of its Arena investment and divest about \$500 million worth of real estate contained in three frozen funds. The Chevron Renaissance fund was one of those funds.

Morgan Stanley took control of the Arena platform, formerly known as Orchard, and recapitalised its funds in a \$200 million deal three years ago.

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