

NSW

City of Sydney squanders big money as prestigious real estate is left to rot

CITY of Sydney Council is squandering hundreds of millions of dollars worth of prime real estate — leaving three and four-storey blocks in lucrative locations to go to ruin prompting Mayor Clover Moore to be labelled a “slum lord millionaire”.

JENNIFER SEXTON, Exclusive, The Daily Telegraph

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CITY of Sydney Council is squandering hundreds of millions of dollars worth of prime real estate — leaving three and four-storey blocks in lucrative locations to go to ruin.

The sites at Darlinghurst, Pyrmont and Glebe were a potential goldmine on the commercial property market, with the biggest spanning 1.213ha in Wattle St at Pyrmont and worth an estimated \$100 million.

Buildings in prime locations on Oxford and William streets have been ravaged by a decade of neglect and waste, rendering them unfit for community groups to occupy and crippling the business potential of the council’s own tenants, some of whom occupy shops next door to dead zones.



 The T2 building on Flinders St, Darlinghurst has been empty since the City paid \$6.49 million for it in 2009. Picture: Richard Dobson

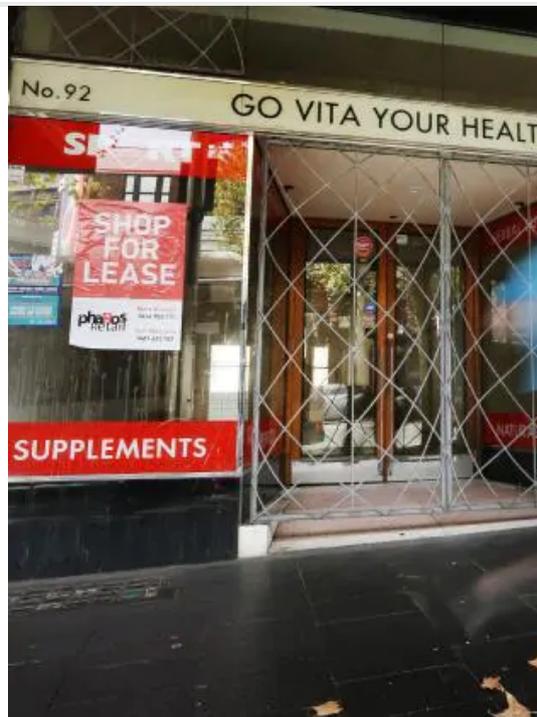




📷 Inside the T2 building things are looking decidedly derelict. Picture: Richard Dobson



📷 Wayne Nicol's shop at 122 Oxford St is next to a premises that has been empty for years.



📷 Shops on Oxford St near Taylor Square have been empty for a long time. Picture: Richard Dobson

And business owners have slammed Lord Mayor Clover Moore's City of Sydney council for acting like "slum lords", a claim strongly rejected by the council. Students at Ultimo Public have been forced to move into a pop-up school at Wentworth Park after the council and the Education Department could not

Wentworth Park after the council and the Education Department could not agree on a price for the Wattle St site.

An agreement would have allowed a new school to be built on the massive and largely empty council-owned city block, which the Valuer General's Office said has a land value alone of \$38 million.



📷 14-26 Wattle Street Ultimo. Picture: Richard Dobson



📷 The Wattle St site was to be used for a new school.

But Darlinghurst business owners said the 26 shopfronts the council owns over almost three blocks on Oxford St represent the worst failure of management and waste of ratepayers' money in the entire \$2 billion property portfolio. Several shops stand empty, some for as long as five years, while part of the ceiling of one collapsed seven months ago and remains unrepaired.

“The squandering of money is outrageous,” Wayne Nicol, owner of Oxford St store Sax Fetish, said. “You would hope that Sydney Council would subscribe to

store Sam Pugh, said. “I’d would hope that Sydney Council would subscribe to the highest standards as a landlord.

“But the way they have operated on this strip, they are absolutely slum lords.

“Under Clover the buildings have been allowed to rot, while screwing higher rents out of the poor operators in the shops.”

City of Sydney Council owns most of the three blocks on the north side of Oxford St, from near Whitlam Square to three-quarters of the block before Taylor Square.



📷 The historic toilet block at Taylor Square in Darlinghurst has been locked for several years. Picture: Richard Dobson



📷 The historic toilet block at Taylor Square is derelict. Picture: Richard Dobson

This includes the most valuable retail space on the strip, on the corner of Crown St, once the site of American Apparel and now occupied periodically by pop-ups.

The Valuer General has assessed the land alone on this block, between Crown and Palmer streets, is worth \$13.9 million.

“Their (the council’s) management of the buildings on this street is a story of failure,” Stephan Gyory, president of the Darlinghurst Business Chamber, said.

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Ken Holmes, operator of clothing store Daly Male, said a chunk of his ceiling collapsed in June last year, destroying shop fixtures and light fittings — and narrowly missing him.

He is still waiting for it to be repaired and has been forced to use a bucket to catch water whenever it rains.

“Above us there should be a massive restaurant, with magnificent views of Sydney,” Mr Holmes said.

“To me they are using taxpayers’ money in the wrong way. This could be the most exciting gay strip in the world.”



 Ken Holmes is still waiting for his ceiling to be repaired. Picture: Richard Dobson

Independent councillor Kerryn Phelps said this Saturday’s Mardi Gras parade is expected to be bigger than ever, yet with so many shop fronts empty, the council has created a “sense of abandonment”.

“With commercial and residential space in the city being in such high demand, it beggars belief that the use of such precious public resources cannot be optimised for the benefit of the community, either through public use or through rental income. You can’t get a rental income from a derelict property,” Ms Phelps said.



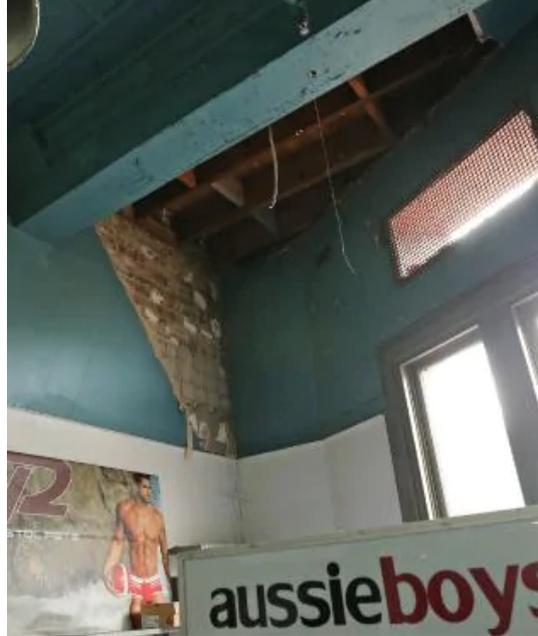
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📷 Pictured is part of the ceiling that collapsed at a shop on 82-106 Oxford Street.



📷 An empty shop on Oxford St that has also lost part of the ceiling.

Liberal councillor Craig Chung said the council's policy of allowing cultural businesses to rent shops for \$200 a week on Oxford St was a failure.

“Long-suffering small businesses along Oxford St have had to put up with empty, derelict and neglected council properties for way too long. These hardworking mum-and-dad businesses have struggled to pay rent, rates and soaring costs while the Lord Mayor conducts her social experiment of engineering the tenants in each building,” Mr Chung said.

Seven months ago the council announced it was considering putting the Oxford St property goldmine out to tender to find a long-term property manager, based on the QVB's 99-year lease model under which the building has thrived as a retail mecca.

But a council spokesman said the tender process had not yet begun. Nor had any progress been made in plans to sell several vacant sites, including the

any progress been made in plans to sell several vacant sites, including the prime but deserted building Stockton House in William St, Darlinghurst.



 No progress has been made in plans to sell several vacant sites including Stockton House. Picture: Richard Dobson

Mr Nicol said the council was never short of good ideas, but has failed to execute any when it comes to fixing Oxford St.

A spokesman for Ms Moore said “we strongly refute” claims the council had neglected Oxford St, blaming online shopping and a competitive retail environment for the area’s woes.

As for claims of the council acting like “slum lords” the spokesman said “properties have received appropriate maintenance and repair”. “The properties are compliant and all fire safety requirements have been met,” he said.