

MEDIA RELEASE

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Town Hall Square a costly vanity project

City of Sydney Council's plans to demolish seven buildings to create a new plaza is a costly vanity project that makes no sense in the current economic climate, according to Acting Urban Taskforce Australia CEO, Paul Waterhouse.

Urban Taskforce opposes this fanciful and unnecessary splurge on an unwanted piazza that will cost jobs and destroy a critical shopping option for people living and working in our city.

The replacement of around \$400 million in revenue generating assets – currently thought to be returning more than \$20 million in rent per annum – with an open square is practically throwing money away at a time when the Council's own budget is under pressure.

Council currently estimates the cost of construction to be \$150 million but its staff previously stated in 2023 that it would be well over \$200 million, so this could be an effective loss for the City of over half a billion dollars.

The City of Sydney has claimed that it would be too costly to upgrade the existing buildings to modern office standards.

This is short-sighted – the Council has more than a binary choice between an upgrade or demolition.

Council currently owns six buildings and is negotiating for a seventh in a prime location.

Council controls the zoning, the density, the heights, and the FSRs of each site.

Council has a strong commitment to affordable housing.

Council has an opportunity to deliver on that commitment.

These sites are ideal locations for mixed use development. The City could partner with industry to put market and affordable housing on top of these properties, maintaining retail and commercial activities. This could create hundreds of new homes for new residents within this city block alone.

In turn the redevelopment of these buildings would inject vitality into the area on weekends and at night.

As the owner of the buildings, Council can easily dedicate the land for this purpose, which would reduce the cost of construction and allow a number of affordable dwellings to be built (with some market housing to make the project feasible), while allowing the lower floors to remain available for commercial activities.

This would not only preserve 44 active businesses and around a thousand local jobs in these buildings but would help to increase housing diversity within the City of Sydney and increase the availability of affordable and market housing in the precinct.

More importantly, the Council would get new buildings with retail rents without having to undertake costly upgrade works.

Lord Mayor Clover Moore said that the proposed square will be “an enhancement for people wanting to visit, work, and invest”, but in what?

Fewer buildings means less office space, less residential space, less opportunity, and less revenue for Council.

Successful businesses will be driven out and services will cease, simply so that the Council can have open space in front of the Town Hall that will eventually just become another empty space for feeding pigeons and dumping Lime bikes.

The City has an ideal opportunity to deliver on its own priorities by creating more housing diversity and improving affordability.

The redevelopment of these buildings would be a drawcard for people to live in the CBD, stimulating a night-time economy that will attract more people to participate in activities outside of standard office hours.

This vanity project is currently opposed on all fronts by the NSW Government, the union movement, and industry.

Council should scrap the square, part with the piazza, and accept affordable and market housing as the future for its properties.

End

*The comments and analysis above can be attributed to **Paul Waterhouse**, Acting CEO, Urban Taskforce.*

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*The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*