

19 COMMITTEE OF THE WHOLE

19.1 FUTURE USE OF 285-287 HIGH STREET, MAITLAND

FILE NO:	81898
ATTACHMENTS:	<ol style="list-style-type: none">1. Council Report – 12 December 2023 (Confidential)2. Property Advisory Panel Report – 29 January 2026 (Confidential)
RESPONSIBLE OFFICER:	Executive Manager Finance
AUTHOR:	Senior Property Advisor
MAITLAND'S FUTURE	4 Achieving together
COUNCIL OBJECTIVE:	4.3.1 Informed planning

THAT Council move into Confidential Session to discuss this item under the terms of the Local Government Act 1993 Section 10A(2), as follows: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

EXECUTIVE SUMMARY

This report seeks Council endorsement to consider the future of 285 High Street, Maitland (former Administration Building).

Since Council's December 2023 resolution, further expert property, financial and market advice has been obtained to ensure decisions regarding the site are informed, responsible and aligned with Council's strategic objectives.

The report outlines a range of potential options for the site. Council will determine the most appropriate way forward having regard to relevant financial, governance and strategic considerations.

Any future course of action will be subject to further investigation and, where required, additional reports to Council prior to a final decision being made.

OFFICER'S RECOMMENDATION

THAT

1. Council endorse Option 1 – Investigate the sale of 285 High Street, Maitland via an open market process.

REPORT

Purpose

The purpose of this report is to seek Council endorsement to investigate the sale of 285 High Street, Maitland, following a detailed assessment of options for the future of the asset. A comprehensive analysis of options, including risks and considerations, is provided at Attachment 2.

Approach to Options Assessment

Council's approach to assessing the future of 285 High Street was deliberately grounded in independent, expert advice and realistic cost and market assumptions.

To ensure Council has a clear and defensible understanding of the financial and strategic implications of each option, external specialists were engaged to provide objective advice, independent of internal assumptions.

Aplas Quantity Surveys was engaged to provide independent demolition cost estimates as well as high-level refurbishment budget estimates, ensuring Council clearly understands the cost implications associated with both demolition and refurbishment scenarios.

In addition, independent commercial property advice was obtained from Dean Carruthers, who assessed the sale and long-term lease options, including market considerations, demand, and potential value over time.

This approach provides Council with a robust, evidence-based foundation to consider the options available and to understand the financial, strategic, and risk trade-offs involved in each scenario.

Previous Council Resolution

In December 2023, Council resolved to pursue demolition of the former administration building.

Subsequent to that resolution, more robust and expert advice has been obtained, including updated property, market, and financial considerations. This has provided an opportunity to reassess whether demolition remains the most appropriate first course of action, or whether value and strategic outcomes may be better achieved through a market-based investigation.

Options Considered

Four options were assessed:

- Investigate for Sale (open market process) – recommended
- Sale to existing unsolicited offeror – not recommended
- Demolition – deferred, subject to outcome of sale investigation
- Renovation and long-term lease – not recommended

The full assessment is contained in Attachment 1.

A high-level summary of each option and its assessment is outlined below.

Option	Assessment
<p>Option 1 – Investigate for Sale (Recommended) This option involves investigating the disposal of the property through an open and transparent market process</p>	<p>High-level assessment: This option allows Council to test market interest and value while maintaining strong governance and probity. It provides flexibility, avoids committing to significant upfront costs, and enables Council to make an informed decision based on evidence. This option was assessed as best balancing financial outcomes, risk management, and strategic considerations.</p>
<p>Option 2 – Sale to Existing Unsolicited Offeror (Not Recommended) This option involves disposing of the property directly to an existing unsolicited offeror without a broader market process.</p>	<p>High-level assessment: This option was not recommended due to governance and probity risks, including the inability to demonstrate value for money and transparency. Proceeding without market testing limits Council’s ability to understand true market value and exposes Council to reputational and audit risk.</p>
<p>Option 3 – Demolition (Deferred) This option involves demolition of the existing building and clearance of the site.</p>	<p>High-level assessment: Demolition was previously supported by Council and remains a viable option. However, it involves significant upfront cost and removes the opportunity to realise any residual value in the asset. It is recommended that this option be reconsidered only if the investigation of sale demonstrates that market disposal is not viable.</p>
<p>Option 4 – Renovation and Long-Term Lease (Not Recommended) This option involves refurbishing the building to a leasable standard and retaining the asset for long-term leasing.</p>	<p>High-level assessment: This option was not recommended due to the age and condition of the building, high capital investment required, and ongoing asset and leasing risk. The return on investment was assessed as uncertain and does not align with Council’s current strategic and financial priorities</p>

Summary

Based on the high-level assessment, Option 1 – Investigate for Sale is recommended as the preferred approach. Full details of the assessment, including costs, risks, and assumptions, are contained in Attachment 2.

Property Advisory Panel consideration

This report was presented to the Property Advisory Panel for advice on 29 January 2026. While there was general support for further investigation of a market-based approach, the Panel’s advice was not unanimous. The Panel’s role is advisory in nature, and this report is now presented to Council for determination.

Next steps if sale is not viable

If the investigation of sale demonstrates that disposal is not viable or does not represent value for money, a further report will be brought to Council.

That report would seek a resolution to proceed with demolition and would outline options for future use of the site.

CONCLUSION

Investigating the sale of 285 High Street enables Council to make an informed, evidence-based decision on the future of the asset, while preserving the ability to revert to demolition if market testing does not deliver a viable outcome.

This staged approach balances governance, risk, and financial responsibility.

FINANCIAL IMPLICATIONS

The investigation of sale will require limited upfront expenditure, including valuation, due diligence, and probity costs, which can be managed within existing budgets.

POLICY IMPLICATIONS

Any future disposal or demolition of the property will be undertaken in accordance with Council's Property Policy, Asset Management Framework, and financial governance requirements.

STATUTORY IMPLICATIONS

Any disposal of Council land will be subject to the requirements of the Local Government Act 1993