



Media release

The Hon David Hodgett MP

Minister for Ports

Minister for Major Projects

Minister for Manufacturing

Friday 20 December 2013

Coalition Government delivers on its promise to reduce rents for new Epping Wholesale Market

- **Melbourne Market's relocation to Epping a step closer to completion**
- **Reduced rents announced for stand and store holders**
- **New rents 27% lower than previously announced rents**

Strong project management has allowed the Victorian Coalition Government to deliver on its commitment to further reduce rents for tenants at the new Epping wholesale market, Minister for Major Projects David Hodgett said today.

"The final rents for the trading floor complex of the new market are 27 per cent less than those announced a year ago," Mr Hodgett said.

"I am also pleased to announce that almost every one of the 141 storeholders has signed leases for the new Epping market.

"In direct contrast to the previous Labor Government's complete financial mismanagement of this project, the Coalition Government has worked hard to drive down costs and pass those savings on via rent reductions to market tenants.

"Under Labor's massive debt plans for the market, tenants would have faced rents which were two or three times what they currently pay. This would have simply been unaffordable for most market tenants.

"The Melbourne Market Authority's decision to contract Plenary Asset Management to manage the new facility has allowed for reduced costs that will deliver significant savings."

Mr Hodgett said rents paid by tenants recover market operating costs and debt service obligations for the trading floor complex but do not include recovery of capital costs of \$466.7 million which remains a taxpayer subsidy for the market relocation.

"The Coalition Government has also expanded on an offer made in February 2013 to storeholders to include the upfront capital cost of store fit-out works in the rental calculation," Mr Hodgett said.

"Rents for store holders now include the cost of insulated ceilings, sprinklers, steel beams to support conventional cooling systems, and insulated rear doors with wall claddings.

"The decision to include these costs within rents will significantly reduce the fit-out cost per store as well as preventing storeholders from needing to pay large capital costs up front.

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“The Coalition Government has delivered on its promise to the market community to keep rent increases at reasonable levels and achieved this within the funding envelope established for the Melbourne Market Relocation Project.”

Maximum rents for the Trading Floor Complex (\$ per square metre)

	Footscray Average Rents (2012 Dollars)	Epping Dec 2012 Max Rent (Converted to June 2014 Dollars)	Epping Dec 2013 Final Rent (Converted to March 2015 Dollars)	Percentage Change From Dec 2012 rents %
Fruit and Vegetable stand	385	531	387	-27
Fruit and Vegetable stores	273	478	350	-27
Flower stands	472	531	385	-27
Flower cool rooms	231	260	190	-27

“Planning is well underway to manage the transition to the new market in late 2014, and all sectors of the market community stand to benefit from the opportunities available in the new modern facilities at Epping,” Mr Hodgett said.

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