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SAVE PRINT

# Taxpayers recoup \$1.18 million from \$1.1 billion East West Link mess



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12 comments

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This cute Victorian-style cottage represents the final chapter in a messy political brawl that cost taxpayers \$1.1 billion.

It is the first home to be sold by the Victorian government that was compulsorily acquired to make way for the scrapped East West Link tunnel.

The single-fronted terrace with a red front door in Clifton Hill changed hands over the Christmas break for \$1.18 million.

It represents – along with scores of other properties in Clifton Hill, Collingwood, Kensington and Parkville – the end of a bitter political stoush that saw families forced from their homes, a multibillion-dollar road project dumped, and running battles between authorities, squatters and protesters.



The single-fronted terrace with a red front door in Clifton Hill changed hands over the Christmas break for \$1.18 million. Photo: Eddie Jim

The Gold Street terrace was among dozens of properties compulsorily or voluntarily acquired to make way for the former Liberal Napthine government's signature 18-kilometre road project connecting the Eastern Freeway to City Link and the Western Ring Road.

Just before the 2014 election in the final weeks of a heated campaign,

the Napthine government signed a legally-binding contract for the East West project which then-opposition leader Daniel Andrews controversially pledged to scrap as not being worth the paper it was written on.

Once Andrews was elected and the election dust finally settled, a scathing auditor-general's report criticised both sides of politics for wasting up to \$1.1 billion in taxpayer money, a bill now likely to be partially recouped by the sale of the properties estimated to be worth \$320 million.

The Gold Street house was acquired by the government in August 2015 for \$1.11 million, property records show. The state government made a capital gain of \$70,000 in just over one year but the home struggled to sell, only finding a buyer after being passed in at auction.



Squatters from East West Link housing protested the compulsory acquisitions. Photo: Wayne Taylor

Buyer advocate Paul Osborne from Secret Agent said the government was unlikely to have made much from the deal once agent fees, marketing and other costs were factored in.

"They're lucky to get their money back. They've got a very good property market to thank for that," he said.



Inner-city property values have soared since the tunnel was scrapped. Photo: Eddie Jim

"They've got a little bit of a dark cloud over them because of the past and the fact that it could happen again. It's a tricky proposition if you're a purchaser and looking at them," Mr Osborne said.

Sales of other properties are likely to yield similar windfalls. Two other former East West Link homes in Noone Street and Alexandra Parade East are also on the market with hefty price tags of \$1.45 million and \$1.025 million respectively.

Inner-city property values have soared since the tunnel was scrapped.

Selling agent Nelson Alexander's Peter Stephens said the government had not listed more homes despite Clifton Hill's "buoyant" property market. "That's the only instructions we've got to date," he said.

Empty East West Link homes in Collingwood were occupied by squatters and became the scene of protests and calls to re-establish them as low-income housing.

Across town in Parkville, the government is preparing to sell 17 of the 173 apartments in the luxury Evo complex in Manningham Street which the Naphthine Coalition paid about \$90 million to acquire in 2013.

At least 113 homes, the entire Evo apartment block and 18 commercial properties are likely to be sold.

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