

# Aiming for Xmas trading

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MELBOURNE-based developers of a key property in Townsville's CBD say they still hope to have its tenants trading by Christmas despite delays to its redevelopment.

National Retail Group had announced in May plans to redevelop the former Dimmeys Arcade property which fronts Flinders and Sturt streets.

Chemist Warehouse has traded in a Sturt St tenancy in the property but much of the 5000sq m site has been vacant for more than a decade.

Earlier this year, NRG director Michael Spektor announced \$3m would be spent redeveloping the site to accommodate tenants including gym operator Anytime Fitness and retailer Skin, Ski & Surf. They had hoped to be trading by September.

But on Friday Mr Spektor said NRG had been delayed in getting the building permits it needed, predominantly because of the difficulties in working with an old building.



New tenants Skin, Ski & Surf operator Marvin Baumeister (left) and Anytime Fitness northern franchisee Troy Cooper (right) with Colliers associate director Neville Smith (second left) and National Retail Group director Michael Spektor outside the Flinders St building which will be redeveloped.

"It was an old building slated for demolition. We are working through some of those issues so we can revive it to last for the next decade," Mr Spektor said.

"It's predominantly to do with the age of the building. We are addressing some of the longstanding issues of neglect."

Anytime Fitness is looking

to relocate from City Arcade into a bigger 900sq m gym based on a former Woolworths supermarket site in Sturt St.

Skin, Ski & Surf is

relocating from its current Flinders St shop into a bigger 500sq m site with extra ceiling height to rebrand and expand its offer.

NRG has appointed builders AMS Constructions to undertake the refurbishment.

Mr Spektor said a lot of the stripping out work had been done.

NRG hoped to get the permits it needed to create the tenancies by the end of the month.

"We are still hopeful to get the tenants to open by Christmas," Mr Spektor said.

The Dimmeys property had been slated for demolition when a joint venture involving one-time Direct Factory Outlet shopping centre owners Austexx planned a big retail development taking up much of the block in 2007.

But Austexx collapsed into receivership and the owners of Chemist Warehouse picked up the Dimmeys Arcade property for \$3.5m in 2011, almost half the price it achieved way back in 1995.

Property records show its 2020 site value is listed at \$175m.

