

# Parramatta Council Affordable Housing Policy needs to understand the market

Monday, 09 July 2018

The Draft Affordable Housing Policy to be considered by the City of Parramatta Council at tonight's Council meeting, needs to better understand market conditions, says the Urban Taskforce.

"The City of Parramatta Council recently deferred it's Draft Planning Agreements Policy to an independent panel for review and the same should occur for its Draft Affordable Housing Policy due to be considered at its meeting tonight," says Urban Taskforce CEO, Chris Johnson. "The Planning Agreements Policy included mandatory affordable housing contributions as a significant component so if the council was concerned about the impact on the market of the Draft Planning Agreements Policy and deferred this to an independent panel then clearly the same should occur for the Affordable Housing Policy. The two policies are clearly intrinsically linked and should be reviewed together."

"The draft policy for Affordable Housing includes a proposal to phase affordable housing contributions out of the Planning Agreement process and to replace this with an Inclusionary Zoning approach that could require developers to give up to 10 percent of new housing projects back to council for affordable housing. Presumably the Planning Agreement Policy will still have the 50 percent of uplift to be given to council so developers will be contributing even more back to council."

"In the current environment where the feasibility of new housing projects is diminishing as prices are dropping across Sydney the Affordable Housing Policy will only make projects less feasible and potentially stop them from going ahead."

"It is vital that the City of Parramatta Council get input from the risk taking real world of the development industry before locking in this Affordable Housing Policy. The independent panel already appointed by council should involve industry in the review of these new policies."

"The opportunity to also involve two recent appointments by the NSW Government should also be taken by the independent panel. The appointment of a NSW Productivity Commissioner and of a NSW Chief Economist includes a brief for both to look at housing affordability from an economic system perspective. Their input into the approach proposed by the City of Parramatta Council would benefit the potential roll out of affordable housing policies to all of Sydney's councils that could flow from Parramatta's leadership."

"The Urban Taskforce is keen to be involved in discussion with all parties involved in Affordable Housing Policy to ensure that a sustainable, market based, approach occurs."

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

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