

Parramatta value capture will stop development unless industry input is considered

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The proposed value capture policy by the City of Parramatta Council has not responded to earlier industry concerns that the policy could stop development, says the Urban Taskforce.

"The Draft Planning Agreement Policy to go to the meeting of the City of Parramatta Council on 10 September has not responded to industry concerns despite referral to an Independent Panel Review," says Urban Taskforce CEO, Chris Johnson. "The Urban Taskforce presented concerns to a council meeting on 25 June and specifically requested deferral to a workshop with industry groups."

"The concern our members had was that the consultant advice that council was getting on the policy did not seem to understand real world economic viability. We expected the Independent Panel to request submissions or hold public hearings as required by item 4 of the council resolution that established the panel but it seems they only relied on advice from council's consultants."

"The Review Panel in item 9 of their overview state 'This review did not specifically test the 50% value sharing ... as to feasibility.' The review only relied on advice provided by council's consultants. These are the same consultant that the Urban Taskforce met with previously where a number of errors in testing feasibility were found."

"The Urban Taskforce urgently requests the City of Parramatta Council to have a detailed workshop with the development industry as we originally requested and as was required by the motion that established the Review Panel. We recommend that council defer the item until there has been proper industry input into the financial viability implications of the policy."

"The value capture policy was evolved in the first half of 2017 when the housing market was very healthy and put on exhibition on 23 August 2017. Since this time there has been a big drop in home sales prices and in apartment pre-commitments which is leading to a drop in the economic feasibility of projects. The Urban Taskforce assumed we would have the opportunity to convey these concerns to the Review Panel and that this would have led to a rethink of the policy."

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

Media Enquires: Chris Johnson, Chief Executive Officer: 0412 258 283.

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