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Minns takes the first big step in addressing housing supply

CEO of Urban Taskforce, Tom Forrest, welcomed the announcement by Premier Minns and Minister for Planning, Paul Scully today of incentives for developments that include at least 15% of affordable housing. Projects which comply with this affordable housing threshold will be eligible for a height and floor space ratio bonus of 30%.

This greater height and density will effectively pay for the affordable housing component, which must be made available at a discounted rental rate for a minimum of 15 years. To fast-track assessments, these projects will be assessed using the State Government led State Significant Development planning pathway.

While it's a nice problem to have, the Department of Planning can expect a flood of applications. There will need to be a triage process to ensure those with cash and capacity to deliver on approvals are prioritised.

While the devil is in the detail, this is a big step in the right direction and shows the Minns government has listened to the Urban Taskforce and is serious about fixing the housing supply crisis.

Urban Taskforce will be consulting with the Department of Planning over concerns regarding the relatively high capital investment value threshold for developments (\$75 million) to qualify for the SSD pathway and height/FSR bonuses. This may limit the locations and spread of housing and work against the Government's policy of a fairer share of housing across Sydney.

Urban Taskforce has been advocating for the abandonment of the failed inclusionary zoning policy where developers were slugged with what is effectively an affordable housing tax. This policy represented a massive disincentive to the delivery of market housing and resulted in next to no affordable housing supply.

The detail of the policy needs to be seen. The policy must apply to all Councils. There should be no exclusions. There should be scope for existing approvals to be varied, particularly where projects are to be delivered in stages. This would result in more housing supply and more affordable housing.

Urban Taskforce will be closely monitoring the program and providing feedback to Government on refinements that could make the program even more effective.

It is important that greenfield development is not wound back. This is not an either/or situation. If we are to get on top of the housing supply crisis, we need to progress greenfield development where planning is underway.

Choice of housing type is critical and we cannot afford to go backwards in any area of housing supply. Greenfield housing supply is critical to building on the Commonwealth and State Government's massive investment in the third city of Sydney surrounding the Nancy Bird Walton Airport: the Western Parkland City.

Urban Taskforce sees today's announcement as an important first step towards delivering on the targets contained within the Albanese Government's National Housing Accord.

The comments and analysis above can be attributed to Tom Forrest, CEO, Urban Taskforce.

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

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