

10 April, 2026

Ms Anthea Sargeant  
Executive Director, State Rezoning  
Department of Planning, Housing, and Infrastructure

Email: [burwood.north@planning.nsw.gov.au](mailto:burwood.north@planning.nsw.gov.au)

Dear Ms Sargeant

## **Burwood North Metro Rezoning Proposal**

I write in relation to the Department's plans to rezone Burwood North to deliver 18,300 new dwellings.

Urban Taskforce Australia strongly supports this proposal, recognising the significant contribution this will make to increasing housing supply.

This precinct is well-connected and ideally suited for higher-density housing, and the draft proposal capitalises on the opportunities a rezoning might provide.

However, we are concerned about proposed charges being placed onto new dwellings in the precinct. In the current context of rising construction costs, any impact on feasibility will have a dramatic impact on housing delivery and supply.

Urban Taskforce Australia urges the NSW Government to review proposed state and local taxes, fees, and charges being applied to development in the Burwood North precinct to minimise their potential detrimental effects on housing feasibility and to take into account the impact of construction price changes.

### **Building heights and FSRs**

The new proposal, while lifting building heights and FSRs in some areas, appears to have reduced uplift in others.

In Burwood Road, for example, the FSR has been listed as 4:1. This is despite [Council approving](#) a proposal in January, 2025, [to raise FSRs for that area to 4.5:1](#) (see Figure 9 on page 19 of the Council papers).

The Burwood North Metro Rezoning Proposal appears to revert to an earlier masterplan, reducing the potential for development in that location.

Further, the relevant building height limits appear not to be realistic for the allowable density.

The limit on buildings in Burwood Road, to continue the example, is 37m or 10 storeys. This is not sufficient to deliver a FSR of 4:1, let alone a FSR of 4.5:1. This should be amended.

Density limits in the Burwood North Metro proposal should be reviewed and increased to thresholds more conducive to the delivery of quality buildings and improved housing numbers.

**Recommendation 1: Ensure that FSRs for Burwood North are at least equivalent to, if not greater than, those levels approved by Council on 29 January, 2025.**

**Recommendation 2: Ensure that requisite building heights are set in the Burwood North precinct to allow the delivery of the prescribed FSR for properties in the area.**

### **Local infrastructure charges**

The local infrastructure levy for the precinct is proposed in the *Explanation of Intended Effect* to be 4%.

Notwithstanding Burwood Council's stated concerns<sup>1</sup> that lower levies "will possibly lead to a funding shortfall impacting councils' financial sustainability", this percentage represents a significant cost to development.

Burwood and Canada Bay Councils stand to raise considerable revenue through such a high developer contribution charge, particularly at a time when construction costs are increasing considerably, thanks to inflation and external factors such as the war in Iran.

Higher density projects deliver increased contributions, so a 4% levy will deliver a huge windfall gain with which to pay for infrastructure wish lists.

It would make Burwood and Canada Bay Councils two of the highest charging LGAs for local infrastructure contributions, beaten only by the Aerotropolis and Parramatta. Given that this is an infill renewal development opportunity, the charging of this level of local infrastructure fees cannot be justified.

These charges will come either at the expense of homebuyers or they will make home prices too expensive, killing the feasibility of development projects.

The role that a high level of contributions play in stopping the delivery of housing supply or making dwellings unaffordable needs to be factored into the feasibility equation before this document is finalised. The *Infrastructure Delivery and Implementation Plan* does not mention nor seek to justify a 4% local infrastructure levy. Further, there is no nexus between this document and the proposed levy in the EIE. The *Explanation of Intended Effects* appears to have plucked the proposed 4% local infrastructure fee from nowhere.

**Recommendation 3: Reduce the proposed local infrastructure s.7.12 levy to no higher than 3% for the Burwood North precinct, in line with Sydney and Willoughby councils.**

### **Affordable housing**

The *Explanation of Intended Effect* identifies affordable housing contribution levies of between 5 and 10 percent in perpetuity.

Further, Burwood Council has expressed its intention to "advocate for additional planning mechanisms to increase social infrastructure such as affordable housing" though local policies, adding further pressure on feasibility.

Canada Bay Council has a similar attitude towards affordable housing levies, arguing that rates are "established through detailed feasibility testing".

It is unclear how councils believe that rates of 5-10 percent are feasible, or by what criteria feasibility was assessed. There is no feasibility assessment available to justify this level of increase.

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<sup>1</sup> Outlined in a report to Council on the rezoning, dated 24 March, 2026.

A 10% levy for affordable housing in perpetuity represents tens of thousands in additional cost per dwelling. As shown in calculations later in this submission, for a two-bedroom apartment, this could add around \$140,000 to the cost of delivery, or around 11% of the sales price. These types of taxes on housing supply effectively price apartments out of the market or kill the feasibility of the project.

In other words, to deliver more affordable housing, the proposed charges will make market housing unaffordable and unfeasible.

Urban Taskforce contends that the only affordable housing policy that has worked is the successful Infill Affordable Housing Bonus Strategy now codified in the Housing SEPP.

This program incentivises developers to deliver affordable housing without the loss of value. It facilitates the attainment of finance for projects and ensures that housing is provided for a set period – 15 years, the length of time within which an apartment would have to be refurbished – after which time it would revert to the owner for sale as market supply or for purchase by a CHP.

While in-perpetuity affordable housing sounds appealing in principle, in reality it makes it difficult for a development project to stack up, which potentially means that no housing – affordable or otherwise – ends up being delivered.

The incentive-based Infill Affordable Housing Bonus Scheme should be adopted for Burwood North.

**Recommendation 4: In perpetuity affordable housing levies should be replaced with the Infill Affordable Housing Bonus Scheme in the Burwood North Metro region.**

### **Value capture**

While not covered in the Burwood North Metro Rezoning Proposal, Burwood Council has proposed – in its draft *Planning Agreements Policy* – to apply a value capture charge of either:

- **50%** of any increase in residual land value; or
- **\$1,795** for every additional square metre above the development standards,

for residential developments with uplift within Burwood North, applying whichever methodology is bound to deliver higher revenue. This is in addition to the exorbitant s.7.12 local infrastructure fees proposed (see recommendation 3). This matter is being considered by Burwood Council on Wednesday 15 April 2026.

Council is not sure how this position will apply to zoning in the precinct, whether it will be applied to increases on the existing LEP or increases on properties rezoned by the State Government.

If applied to new developments, the charge will be more than enough to stop a project. As will be shown below, taxes, fees, and charges on new developments put many of them into unfeasibility even before a value capture charge is applied, effectively requiring developers to lose money in order to build anything.

This is only getting worse under current economic conditions, with quantity surveyors estimating that there has been an increase of 10-15% on construction costs since the beginning of 2026.

Value capture, taken before a sod has been turned, takes collateral away from a project, which means that a developer may be unable to raise the funds needed to build.

It takes a share of a perceived benefit without any attempt to determine whether such a charge is sustainable or appropriate.

Higher density is not a licence to print money. It increases costs to deliver additional accommodation without necessarily increasing returns substantially.

The only people who benefit – apart, of course, from councils – are the landowners who claim a higher sale price on the basis of potential uplift.

Applying value capture to a development, particularly on top of all other fees, taxes, and charges levied on the project, will actively discourage the delivery of new housing.

**Recommendation 5: DPHI needs to step in to put an end to the proposed value capture charges proposed for developments in the Burwood North precinct by Burwood Council.**

### **Costs add up**

Recent analysis by Urban Taskforce has shown that taxes and fees can add as much as \$400k to the price of a new unit, which is more than enough to kill feasibility.

The State and local fees, taxes, and charges amount to \$287,448 (including stamp duty).

To accommodate this very high level of fees, taxes and charges, the price needed to be charged at the point of sale is already beyond what new apartment buyers are prepared to, or able to pay.

Charges this high mean that units could be priced to a level where they may never sell, or where a developer would be forced to their reduce their margin to zero.

Tailoring those calculations to Burwood North suggests that the problem could be even worse in that location.

The total cost to build a two-bedroom apartment in the precinct, (based on 2025 construction costs), is **\$1,324,045**, not including land costs.

Taxes, fees, and charges for this development (including stamp duty) constitute around **\$453,539**, or 34% of the developer cost, including an affordable housing charge of \$140,000.

But the apartments are selling for around **\$1,260,000 (today's dollars)**. This represents a loss of **\$64,045 per apartment** – or a total loss of \$6.4 million across the whole development.

**This lack of feasibility will only get considerably worse if Council were to apply a value capture charge** on top of affordable housing levies, public art charges, infrastructure "contributions", and other taxes, charges, and fees.

The project in the below example would obviously be unfeasible and would not proceed.

**Burwood North, 2 bedroom, 80sqm apartment in a 100-unit development<sup>2</sup>**

<b>Sale price per dwelling</b>		<b>\$ 1,260,000<sup>3,4</sup></b>
GST	Commonwealth	\$ 114,545 <sup>5</sup>
Company tax (based on 15% pre-GST developer margin)	Commonwealth	\$ 51,545 <sup>6</sup>
Local Infrastructure fees (4%, s.7.12)	Local	\$ 30,000 <sup>7</sup>
HPC	State	\$ 25,812 <sup>8</sup>
VPA	Local or State	\$ - <sup>9</sup>
Affordable Housing Contribution (10% in perpetuity)	Local or State	\$ 140,000 <sup>10</sup>
Water Infrastructure DSP	State	\$ 3,500 <sup>11</sup>
Land Tax (based on 3-year land holding)	State	\$ 11,298 <sup>12</sup>
DA lodgement fees (typical SSDA fee)	State	\$ 600 <sup>13</sup>
Payroll Tax (5.45% of wage costs)	State	\$ 13,625 <sup>14</sup>
Public art levy	Local	\$ 7,500 <sup>15</sup>
Cost of Preparing a DA to satisfy the SEARs per dwelling (all consultant reports plus planner and architect)	State	\$ 3,800 <sup>16</sup>
Stamp duty	State	\$ 51,312 <sup>17</sup>
<b>COST OF TAXES AND FEES (incl. stamp duty)</b>		<b>\$ 453,539<sup>18</sup></b>
<b>COST TO DEVELOP (Incl. margin but excluding stamp duty)</b>		<b>\$ 1,324,045<sup>19</sup></b>
<b>DIFFERENCE (a loss per unit)</b>		<b>\$ 64,045</b>

**The following calculations do NOT include:**

- Costs associated with the RAB Act and the DBP Act (which only exist in NSW, adding cost to development in this state), including the requirement for OC audits, and 10 years' defect liability warranty
- The requirement for 2% strata bond payments which are held for 2 years
- The delays caused by current requirements for lodgement of registered drawings for construction even with minor amendments to design
- The cost of connections to the Ausgrid or Essential Energy network (this used to be covered by the State but has been shifted to private funding)

<sup>2</sup> Assumes uplift from 80 to 100 units

<sup>3</sup> Cost of construction is assumed to be \$750k per apartment

<sup>4</sup> The total purchase price including stamp duty would be \$ 1,311,312

<sup>5</sup> Included within the sales price

<sup>6</sup> Company Tax assumes a 15% developer margin on costs

<sup>7</sup> Proposed s.7.12 levy for Burwood North

<sup>8</sup> Current HPC rate for infill development, plus infrastructure surcharge

<sup>9</sup> It is not clear what additional fees might be applied through a VPA, beyond value capture, which is not included in these calculations

<sup>10</sup> Affordable housing contributions are based on the lost revenue arising from the transfer of title or the relevant published cash contribution – a 10% rate, shared amongst the remaining 90 units

<sup>11</sup> Water DSPs are based on actual charges in the relevant locations

<sup>12</sup> Land tax is calculated based on land value being one sixth of the sale price for apartments and one third of the sale price for a greenfield separated dwelling – calculated for a three-year holding

<sup>13</sup> DA fees assumes all projects are assessed through the SSDA pathway and applicants are required to respond to SEARs

<sup>14</sup> Payroll tax assumes that 33% of construction cost is labour

<sup>15</sup> % public art levy in Burwood North

<sup>16</sup> Cost of preparing a DA includes cost of consultant reports required to address Secretary's Environmental Assessment Requirements (SEARs), architect fees, and SDRP meetings

<sup>17</sup> Stamp duty is an additional tax on the property sale price and affects project feasibility

<sup>18</sup> Total taxes and fees, including stamp duty

<sup>19</sup> Construction cost (\$750k) + 15% margin on pre-GST sale price + land cost + taxes and fees, less stamp duty

## Conclusion

While Burwood North represents a great opportunity to add to the supply of new housing and to address the current affordability crisis, it is disappointing to see State and local governments adding more and more costs into the mix.

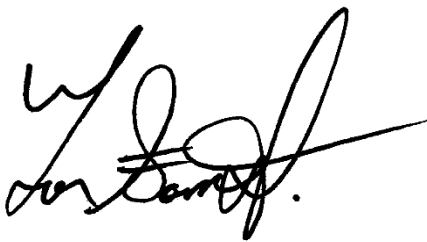
Project feasibility is becoming harder and harder to achieve, and the range of taxes, fees, and charges being applied to new development is proving to be a huge disincentive to creating new housing.

Urban Taskforce Australia is steadfast in its support for this rezoning proposal but doubts that it will deliver the 18,300 new dwellings proposed in the *Explanation of Intended Effect*.

We urge the NSW Government to reconsider some of the proposed charges and to look at helping project feasibility, so that the development sector can build the housing urgently needed by the residents of New South Wales.

Should you wish to discuss any aspect of this submission further, please call our Policy, Planning, and Research Analyst, Paul Waterhouse, on 0411-875-366 or via email [paul@urbantaskforce.com.au](mailto:paul@urbantaskforce.com.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a large, sweeping flourish extending to the right.

**Tom Forrest**  
Chief Executive Officer