

# Parramatta Road housing reduction and proposed levy could slow down development

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The announcement by the NSW Planning Minister Rob Stokes that the final strategy for the revitalisation of the Parramatta Road Corridor has reduced the number of homes and added a new levy could slow down development and negatively impact housing affordability throughout the area, says the Urban Taskforce.

“While it is good to see the finalisation of the 2015 draft strategy for the transformation of Parramatta Road it is disappointing that the proposed housing targets have been reduced by a third,” says Urban Taskforce CEO, Chris Johnson. “It was only a few months ago that the Planning Minister announced that Sydney’s population growth was stronger than previously anticipated in the Sydney Metropolitan Strategy, requiring 10% more than expected, so a 33% reduction in housing targets in the very desirable inner city area seems to be contrary to government’s policy.”

“The very detailed planning documents demonstrate significant analysis of the various precincts and seem to have retained heights up to 25 storeys in key locations. The urban amenity plans demonstrate a strong focus on the public domain.”

“The 5% affordable housing levy is an inclusionary zoning tax on development and it will clearly have a negative impact on the feasibility of development along the Corridor. Forcing developers to donate 5% of dwellings to a community housing provider is likely to increase the cost of the remaining 95% of dwellings.”

“Hopefully these negative signals to the development industry will not dissuade them from developing in this precinct as Sydney is in dire need of more housing supply.”

“The Urban Taskforce supports the need for more affordable housing but we have proposed an incentive based system to encourage 20% additional affordable housing based on a similar floor space uplift. The Parramatta Road approach seems to be an overall reduction in floor space with an added tax to produce affordable housing and this could negatively affect the feasibility of projects.”

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

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