

Sydney City Council affordable housing tax will threaten housing supply

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The proposals by the City of Sydney Council to tax new housing up to 24% for affordable housing will have a negative impact on housing supply, says the Urban Taskforce.

"We seem to have each council developing different affordable housing levies with no state government co-ordination," says Urban Taskforce CEO, Chris Johnson. "The Sydney City proposal includes taxes as high as 24% to provide for affordable housing for certain areas in the Sydney LGA, which is even more than the Inner West Council proposal of a 15% tax."

"On top of this Parramatta City Council, is proposing to introduce hefty new levies on development in the CBD to fund \$1 billion of infrastructure. They are yet to add an Affordable Housing tax. The Greater Sydney Commission (GSC) has also suggested 5% to 10% of floor space uplift dedicated to affordable housing in certain areas depending on financial viability."

"There seems to be as feeding frenzy on taxing developers to fund affordable housing by councils and governments. The problem with this is that housing projects will become financially unviable and will not proceed. 24% of nothing will not help with affordable housing."

"Strong leadership is needed from the NSW Government to ensure a fair and viable approach is taken consistently across Sydney's councils."

"The Urban Taskforce is keen to work constructively with the NSW Government to help with housing supply and affordability but this must be done as a positive approach that understands economic viability. The very councils that are proposing to add levies to housing projects are also holding up projects in the planning system therefore adding large holding costs that ultimately adds to the cost of new housing."

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

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