



# MEDIA RELEASE

## IPART REVIEW MISSES CHANCE TO LOWER HOUSE PRICES

**19 May 2020 (Illawarra, NSW)** – Leading development industry body, the Urban Development Institute of Australia (UDIA) NSW is calling for an independent review of the cost of infrastructure works in West Dapto, after the release of the final IPART report on the West Dapto Contributions Plan.

Contributions in West Dapto have risen from \$30,000 per lot in 2017, to \$45,000 now. Wollongong City Council proposes to increase this to \$52,950 from 1 July.

While the IPART review has recommended a small 3.9% reduction in costs, developers are still being asked to pay for almost \$1 billion for infrastructure in West Dapto. They will pay more than \$50,000 per lot, which makes West Dapto one of the most expensive places to develop housing in NSW.

Infrastructure contributions would make up about 13.6% of the price of a new lot in West Dapto. That's almost a third higher than in Western Sydney.

What's more, these charges are inevitably passed on in the price of a new home.

"West Dapto is at risk of becoming out of reach of the next generation of homebuyers. The whole release area is burdened by overly high contributions rates, and it is time for an independent review of costs," said Regional Manager Keiran Thomas.

In its submissions to Council and IPART, UDIA NSW identified potential savings of \$200 million (a saving of more than 20%) through more efficient road and bridge designs. Unfortunately, these potential savings have been ignored. It is now up to the NSW Government to listen to the industry's call for a review. An Independent Review of the cost of works should be commissioned by the Planning Minister within 12 months as part of the next steps for signing off on the West Dapto Contributions Plan.

IPART has also suggested contribution rates be split in different parts of West Dapto, which would mean houses in Stage 5 (Yallah Marshall Mount) would pay around \$33,000 and houses in Stages 1-4 would pay around \$58,000.

"Depending which end of Marshall Mount Road you're on, you could be paying \$25,000 more in contributions than your neighbour down the road.

With the long-term impacts of COVID-19, West Dapto could have been an opportunity to boost economic recovery in the Illawarra region through a double delivery of more construction jobs and more housing supply.

"Following coronavirus, more people are looking for affordable housing products and the rising ability to work from home could position the Illawarra as an attractive opportunity for first home buyers."

“Developers are going to be facing increasing difficulty to get financing and pre-sales for new projects. The West Dapto area needs the support from government to lower costs so the industry can deliver much-needed housing at an affordable price.

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**Media contact:** Keiran Thomas 0435 243 182 or Mia Kwok 0435 361 697

**Email:** [media@udiansw.com.au](mailto:media@udiansw.com.au)

UDIA NSW Southern Regional Manager Keiran Thomas is available for interview.