

Media Release



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INFILL TARGETS REQUIRE INCENTIVES - UDIA

The peak body representing the property industry in WA has responded to the state government's launch of the Directions 2031 Spatial Framework today by requesting incentives to reach the density and infill targets that have been set.

"It is great to see the government prioritising the need to plan for Perth and Peel's rapidly growing population," UDIA CEO Debra Goostrey said. "However in order to reach some of the targets that have been set, incentives will need to be put in place."

The framework sets a target of 47% infill development in Perth.

"Infill development is proven to be much more expensive than greenfield development due to higher construction costs and infrastructure upgrading requirements," Ms Goostrey said.

"If there is no incentive such as a tax break to take on this kind of risk associated project, why would a developer do it...it is also likely to cost new home buyers at the end of the day if product is more expensive to develop."

"While UDIA agrees that an increase in infill development is required to sustainably accommodate growth, it is not going to happen without appropriate mechanisms in place to entice development companies to get on board," Ms Goostrey said.

"Various state governments have had goals to increase urban density and infill development over the years," Ms Goostrey said. "Despite this, low density dwellings still constitute two thirds of all recent building approvals and this has barely changed over the last decade."

"This shows an obvious need to do more than set aspirational goals."

"In order to keep affordability at reasonable levels, tax incentives and other initiatives to offset some of the extra cost will need to be introduced," Ms Goostrey said.

"UDIA will be analysing the growth strategies carefully over the coming weeks, however already feedback is that inadequate land has been identified and in Peel, the emphasis on Keralup as the major source under investigation for land supply, could create issues going forward as that development faces significant environmental constraints and will be expensive to bring to market."

End.

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