

## PROPERTY FOCUS

### A FAIRER WAY TO FUND TAURANGA'S GROWTH | May 2026

Over the past two articles, we've explained what development contributions are, why the current increases matter, and where Tauranga City Council's DC policy is overstepping its intended purpose.

Today we want to talk about solutions — because UTF isn't simply here to say no. We're here to advocate for a system that funds growth fairly, funds the right things, and doesn't price people out of new housing in the process.

The current trajectory is unsustainable. DCs have risen from around \$12,000 per dwelling in 2021 to nearly \$43,000 today. Council is now proposing a further 7.3% increase. These are not abstract numbers. Each increase is a Council-mandated cost that flows directly into the price of every new home built in this city. In a market where housing affordability is already at crisis point, that matters enormously.

UTF's submission makes three clear asks.

First, defer further DC increases until the Government's new development levy framework is in place. A national reset is coming. Locking in another round of increases before that framework is established is premature, and risks creating further misalignment between local and central government policy.

Second, use fairer funding tools. Mechanisms like Special Purpose Vehicles and targeted rates allow infrastructure costs to be spread across the communities that actually benefit from them, over the life of the asset. This is a more honest and equitable model than front-loading costs onto new home buyers at the point of construction — particularly for infrastructure that serves the whole city.

Third, reconsider what genuinely belongs in the DC policy. Infrastructure with a clear and direct connection to new growth: yes. Citywide community facilities that benefit all residents equally: no. And the Te Maunga Wastewater Treatment Plant situation needs a proper strategic rethink — not just another annual increase buried in the DC schedule.

Tauranga needs more homes. It needs them to be attainable. And it needs infrastructure investment that is well-considered, fairly funded, and genuinely future-proof. That's what UTF is advocating for — on behalf of the professionals working to deliver housing in this city, and the people who need to live in it.

If you'd like to know more about our submission or get involved, reach out to us directly.

**UTF**

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