

## PROPERTY FOCUS

### TAURANGA'S HOUSING COSTS KEEP RISING – AND COUNCIL'S OWN CHARGES ARE PART OF THE PROBLEM | May 2026

This week, Urban Task Force for Tauranga lodged a formal submission opposing Tauranga City Council's proposed 2026/2027 Development Contributions Policy. Our position is straightforward: these increases are making Tauranga's housing affordability crisis worse — and the community deserves to understand exactly how.

Let's start with the basics, because this is a charge that affects every single person buying or renting a new home in this city — and most people have never heard of it.

A Development Contribution (DC) is a charge levied by Council on developers every time a new dwelling is consented. The principle is fair: new growth should help fund the new infrastructure it requires. Roads, pipes, parks, stormwater systems. Growth pays for growth.

Here's the part that rarely gets explained: this is a fixed, non-negotiable charge set entirely by Council. Developers have no ability to absorb or negotiate it — it becomes a fixed cost of building, just like materials or labour, and it flows through directly into the price of every new home and section. When Council raises DCs, the cost of new housing rises with it.

In 2021, DCs in Tauranga sat at around \$12,000 per dwelling. Today they're approaching \$43,000 — and Council is now proposing a further 7.3% increase on top of last year's 15% rise. That's over \$30,000 added to the cost of a new home in just five years, driven entirely by Council charges — before construction costs, land prices, or interest rates even enter the picture.

UTF's submission also raises a specific concern that demands public attention: the Te Maunga Wastewater Treatment Plant. Council continues to increase DC funding for this plant year on year — yet the site has now been identified as highly vulnerable to coastal inundation. Expanding a critical piece of city infrastructure on a flood-risk site and loading new home buyers with the bill through development contributions, is a decision that warrants serious public scrutiny.

The people quietly bearing the cost of these decisions are not developers. They are the families, first home buyers, and renters trying to find a foothold in an already stretched housing market.

In our next article, we'll look at what DCs are actually supposed to fund — and where the current policy is crossing a line.

**UTF**

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