

Tauranga Home Buyers Paying \$43,000 in Council Levies Before a Single Brick Is Laid

A 258% increase in 5 years

TAURANGA 8 May 2026: A local property industry advocacy group is calling on Tauranga Tauranga City Council (TCC) to freeze its development levies, warning that charges now exceeding \$43,000 per new dwelling are pricing first home buyers out of the market.

Urban Task Force (UTF), which represents developers, builders and construction professionals working to deliver housing in the city — has lodged a formal submission opposing the Council’s proposed 2026/2027 Development Contributions Policy

UTF Chairman Scott Adams says every time the Council raises these charges, the cost flows directly into the price of every new home built in this city.

Development contributions are fixed, non-negotiable charges levied by council to developers every time a new dwelling is consented. The principle is new growth should help fund the new infrastructure it requires. Roads, pipes, parks, stormwaters systems. Growth pays for growth.

In 2021 the charge sat at \$12,000 per dwelling. This year it is \$43,000*, following a 15 percent rise last year, including the proposed 7.3% Council increase this year.

“That is a whopping 258 % increase, and more than \$30,000 extra to the cost of a new home in five years, before land, construction costs or interest rates enter the picture,” says Adams.

UTF’s submission challenges not just the scale of the increases but what the money is being used for. Under the Local Government Act, development contributions must have a direct

link to infrastructure demanded by new growth.

“New home buyers are subsidising infrastructure for everyone else. TCC is including costs that fail that test — among them, upgrades to indoor courts and aquatic centres used equally by existing residents across the city,” he says,

The submission singles out the Te Maunga Wastewater Treatment Plant for particular scrutiny. The site has been formally identified as highly vulnerable to coastal inundation, yet Council is continuing to increase DC funding for its expansion and charging the cost to new development.

“Charging new home buyers to expand critical infrastructure on a known flood-risk site, without any public examination of alternatives, is not acceptable. This is a city-wide strategic risk. It should not be quietly added to the development contributions schedule year after year,” says Adams.

UTF is asking Council to defer any further increases until the Government’s new national development levy framework is in place; shift to funding tools such as Special Purpose Vehicles and targeted rates that spread costs equitably across the communities that benefit, and strip from the DC schedule any items that do not meet the legal nexus test.

“Tauranga needs more homes and it needs them to be attainable,” Adams says. “That’s why UTF is advocating for – on behalf of the professionals working to deliver housing in this city, and the people who need to live in.”

ENDS