

AP286 BRISBANE BUILD-TO-RENT INCENTIVE POLICY

OVERVIEW

Brisbane City Council has identified as part of *Brisbane's Sustainable Growth Strategy* an initiative that enables the delivery of housing supply through the build-to-rent housing form to meet the challenges of population growth and changing housing needs of our diverse community.

The financial impact associated with recovering upfront construction costs when developing new residential housing for Brisbane can be significant and can act as a deterrent in delivering managed rental accommodation direct to market. This policy supports the construction of new build-to-rent residential multiple unit dwellings in appropriately zoned locations.

APPLICABILITY

Council will defer the payment of Council infrastructure charges by up to 5 years for new build-to-rent developments where the requirements of this policy are met.

In this policy, **build-to-rent development** means a new purpose-built large scale multiple dwelling residential development in which all dwellings in a building constructed are to be retained in one ownership for the purpose of being managed for a minimum of 10 years as long-term rental housing. The tenants of the building must have access to 24-hour building management services.

POLICY

Eligibility Criteria

Development that meets all the following criteria (Eligibility Criteria) will be eligible to make a request to Council for the deferred payment of infrastructure charges.

1. There is a development approval in effect under the *Planning Act 2016* for a material change of use for a multiple dwelling use under [Brisbane City Plan 2014](#) (Eligible Use). The approval must have been issued by Council by 30 June 2025.
2. The development for the Eligible Use is on premises:
 - a. within the High density residential zone, Mixed use (Inner city) zone, Principal centre zone or Major centre zone under [Brisbane City Plan 2014](#); or
 - b. another location which Council determines at its absolute discretion to be suitable for build-to-rent development and an eligible location for the purpose of this incentive where:
 - i. a development approval that includes a build-to-rent development that is consistent with high density residential development under [Brisbane City Plan 2014](#); or
 - ii. the build-to-rent development is being delivered, owned and maintained by a registered not-for-profit housing provider.

Note: Eligibility as a registered not-for-profit housing provider can be demonstrated by meeting the Eligible Community Organisation provisions of the Brisbane Infrastructure Charges Resolution.
3. To Council's satisfaction, the development for the Eligible Use is able to demonstrate that the residential use of the building is an entirely build-to-rent development.
4. To Council's satisfaction, the development for the Eligible Use is able to demonstrate that it has made suitable provision for onsite carparking, is located for convenient access to public and active transport infrastructure, and minimises any adverse on-street parking impacts.

5. The development does not have, or seek to have, individually titled dwellings irrespective of whether they are intended to be retained in the same ownership for the purpose of rental accommodation.
6. The development has not commenced construction or commenced use, and the levied infrastructure charge for the development has not yet been paid, at the time of the request.

Note: in this policy, construction will be considered to have commenced if actions or activities have occurred specifically to carry out the approved development. Examples include earthworks to dig a basement in accordance with an approval, establishment of footings and foundations, materials, equipment and structures on site for the purpose of the development.

Site preparation activities such as clearing and demolition works associated with ceasing the existing use of the premises (i.e. works that could typically be carried out without reliance on development approval or change application) may occur without making the development ineligible, subject to any other required approvals.

7. Where the development is by a registered not-for-profit housing provider it may also receive a benefit under the Eligible organisation charges reduction. Any other development has not (and will not) receive a benefit under another development incentive of Council.
8. There are no development offences being committed in relation to the development.

Where only part of the development meets all Eligibility Criteria, only that component of the development is eligible for the incentive (Eligible Component). An example is where a building is providing ground floor retail tenancies in addition to multiple dwellings. Only the multiple dwelling component will be eligible under this policy.

Request for incentive

Council will only accept a request under this policy if

1. the request is received by Council after 1 July 2023 but before 1 October 2025;
2. all of the Eligibility Criteria have been met; and
3. the request is made by an entity who has the obligation to pay the levied charge for the development and is authorised to enter into an Infrastructure Agreement under the *Planning Act 2016* (Eligible Entity).

However, Council may accept a request from an entity who is not the Eligible Entity if the entity has the written consent of the Eligible Entity.

An entity must make a request to Council for the deferred payment in a form approved by Council (if applicable) that demonstrates it complies with the requirements in this policy. The approved form may require:

1. evidence that the Eligibility Criteria have been met; and
2. evidence that the person requesting the deferred payment is the Eligible Entity or has obtained the written consent of the Eligible Entity to make the request; and
3. any other material relevant to requesting an Infrastructure Agreement with Council.

Council will not provide pre-approval under this policy and will assess requests for deferred payments at the time when compliance with the Eligibility Criteria can be demonstrated.

Deferred payment for eligible development

If Council is satisfied that the development meets the Eligibility Criteria, Council will enter into an Infrastructure Agreement with the Eligible Entity under the *Planning Act 2016*. The Infrastructure Agreement will include, but not be limited to, provisions that:

1. Require the Eligible Component to be maintained as a build-to-rent development for a minimum of 10 years after the use has commenced.
2. Defer a proportion of the infrastructure charges payable for the Eligible Component for up to 5 years from when the use lawfully commences under the *Planning Act 2016*. The proportion of the charges being deferred is as follows (Deferred Charges):
 - a. Prior to commencing use - no payment required, 100% deferred
 - b. 1 year after commencing use - 20% payment required, 80% remains deferred
 - c. 2 years after commencing use - 20% payment required, 60% remains deferred
 - d. 3 years after commencing use - 20% payment required, 40% remains deferred
 - e. 4 years after commencing use - 20% payment required, 20% remains deferred
 - f. 5 years after commencing use - 20% payment required, 0% remains deferred.
3. The proportion of the infrastructure charge that relates to the Eligible Component will be determined by Council having regard to the relevant *Brisbane Infrastructure Charges Resolution* for the development. Any remaining proportion of the charges payable to Council not relating to the Eligible Component are paid in accordance with the timing under the *Planning Act 2016*.
4. The Deferred Charges will become immediately payable by the Eligible Entity, along with any associated interest or penalty:
 - a. upon the sale or individual titling of any dwellings in the Eligible Component; or
 - b. if the development ceases being maintained as build-to-rent development, including the provision for onsite management; or
 - c. if Council determines a relevant development offence has occurred.
5. The Infrastructure Agreement will terminate if construction has not been completed and lawfully commenced use within 3 years from the date of entering into an Infrastructure Agreement with Council.
6. Indexation will be payable on infrastructure charges, including the Deferred Charges, in accordance with the provisions of the *Planning Act 2016* and any other relevant policy of Council.

This policy does not apply to infrastructure charges levied by the distributor-retailer (Urban Utilities).

Time period

Council will consider all eligible requests (made after 1 July 2023 but before 1 October 2025) by 1 March 2026. Council will not consider or determine any requests, or enter into an Infrastructure Agreement related to this policy, after this time period expires.

AUTHORITY

Council (Resolution): 22 June 2023

POLICY OWNER

Divisional Manager, City Planning and Sustainability

FURTHER ASSISTANCE

For further assistance, please contact the Principal, Infrastructure Charges and Policy, Infrastructure Coordination, City Planning and Economic Development, City Planning and Sustainability.

RELATED INFORMATION

Brisbane Infrastructure Charges Resolution

REVIEW DATE

This document will be reviewed annually in conjunction with the development of Council's budget.