



Association of Rooftop & Airspace Development

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Productivity Commission
Housing Supply Regulation Inquiry
GPO Box 1428
Canberra City ACT 2601

Dear Commissioners,

On behalf of the Association of Rooftop & Airspace Development (ARAD), I am pleased to submit the attached response to the Productivity Commission's Housing Supply Regulation Inquiry.

ARAD welcomes the Commission's focus on practical reforms to get more homes built more quickly, particularly through approval processes, land use and housing-enabling infrastructure. Our submission is deliberately focused on one supply channel only: *rooftop housing and airspace development*.

ARAD submits that rooftop housing is not a niche architectural idea. It is a regulatory productivity opportunity. It can add new dwellings above existing buildings, civic assets and transport-adjacent sites; make better use of sunk infrastructure; support building renewal; reduce the need for demolition and outward expansion; and create a clearer pathway for lightweight and modular construction.

The central problem is not lack of market interest or technical capability. It is the absence of a clear, nationally coherent pathway that makes compliant rooftop projects predictable, assessable, financeable and safe. The attached submission therefore recommends that the Commission include a dedicated rooftop housing and airspace development pathway in its interim reform priorities.

This submission builds on ARAD's previous policy work, including our *Sydney Plan submission*, our submission to the *Select Committee on Productivity in Australia*, our *Council Magazine* article on council-led rooftop housing pathways, and our published public commentary in *The Policymaker*, *The Fifth Estate*, *Smart Property Investment* and *CBRE Talking Property*.

We would welcome the opportunity to brief the Commission on how rooftop housing and airspace development can be translated from isolated projects into a mapped, governed and investable housing supply channel while maintaining safety, design quality, amenity and community confidence.

Yours sincerely,

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Rooftop Housing and Airspace Development: *A Prescriptive Regulatory Supply Pathway*

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Core recommendation: The Productivity Commission should recommend that Australian governments establish a nationally consistent rooftop housing and airspace development pathway, including model planning guidance, rooftop opportunity mapping, standardised technical assessment, strata and ownership guidance, and fast-track approval mechanisms for compliant low-risk projects in well-located areas.

Executive summary

Australia does not only need more land for housing. It needs to use existing buildings, rooftops and infrastructure more productively. The Commission's call paper identifies approval processes, land use and housing-enabling infrastructure as key regulatory areas affecting new housing supply. Rooftop housing and airspace development sit precisely at this intersection. [1]

For ARAD, rooftop housing means adding well-designed dwellings above existing buildings and public/civic assets where structural, fire, access, amenity, services and governance issues can be resolved through clear standards. It is not a call for indiscriminate height. It is a call for a disciplined, criteria-based pathway that turns dormant rooftop capacity into new housing, building renewal and public benefit.

Why this is a material supply opportunity

Evidence signal	Why it matters for a rooftop housing pathway
1.2 million	National Housing Accord target for new, well-located homes over five years from mid-2024. [2]
Not on track	The Productivity Commission call paper states Australia is not on track to meet the Housing Accord target. [1]
112,000 homes	NSW Low and Mid-Rise reforms are expected to unlock 112,000 homes over five years. [3]
171 centres/stations	NSW LMR reforms apply around 171 town centres and stations within an 800 m or 10-minute walk catchment. [3]
up to 150,000 homes	ARAD-authored public work identifies a potential national rooftop housing pipeline of up to 150,000 homes. [5][6]
\$150 billion	CBRE Talking Property records ARAD advocacy that airspace above existing strata buildings is a \$150 billion opportunity in Sydney alone. [7]
10% / 7%	Infrastructure Australia found embodied carbon from construction activity contributed 10% of Australia's emissions in 2023, with upfront carbon contributing 7%. [8]



The regulatory problem to solve

ARAD's previous submissions have consistently identified the same core issue: airspace opportunities are being assessed as bespoke exceptions rather than as a governed supply pathway. The Sydney Plan submission called for an explicit framework with governance, assessment pathways, design excellence, engineering and safety requirements, sustainability and public benefit. ARAD's Productivity Committee submission framed airspace development as a productivity reform because it uses existing land, buildings and infrastructure more efficiently. [9][10]

In practical terms, rooftop projects are slowed by uncertainty across six recurring issues:

- Planning characterisation: inconsistent treatment of height, floor space, setbacks, building envelopes, heritage and neighbourhood character.
- Technical assessment: different expectations for structural adequacy, fire interfaces, acoustic/vibration performance, waterproofing, services and construction staging.
- Approval process: case-by-case documentation requirements, repeated information requests, uncertain pathways and no standard conditions for compliant projects.
- Strata and ownership: uncertainty about consent, air-rights transfer, common property, maintenance responsibility and distribution of uplift to existing owners.
- Financeability: higher risk premiums because owners, lenders and investors cannot rely on a repeatable assessment model.
- Community confidence: residents and neighbours see uncertainty, not a clear public-benefit compact involving better buildings, safer access, energy upgrades and amenity protection.

This is a regulatory design problem. Standards should remain high, but the pathway should be clearer, faster and more consistent for projects that satisfy defined criteria.

Prescriptive reform package

Reform lever	Prescriptive action	Expected regulatory effect
1. Formal recognition	Commonwealth, state and territory housing programs should recognise rooftop housing and airspace development as an eligible infill/adaptive-reuse supply pathway, rather than treating it as an exceptional planning anomaly.	Creates market confidence and signals that compliant projects can be assessed consistently.
2. Model planning pathway	Develop model guidance for eligible rooftop projects covering height, floor-space treatment, setbacks, solar/daylight, privacy, heritage interface, fire/egress, acoustic performance, services and construction staging.	Moves projects from bespoke negotiation to predictable assessment.
3. Rooftop opportunity mapping	Require councils and state agencies to prepare first-pass rooftop opportunity maps using building footprints, heights, roof form, strata/ownership, heritage, transport proximity, age, and infrastructure/service capacity.	Turns an abstract idea into a visible, prioritised pipeline.
4. Fast lane for compliant projects	Create a pre-lodgement and assessment fast lane for low-risk projects meeting predefined criteria, supported by standard conditions and documentation templates.	Reduces back-and-forth without reducing safety or amenity standards.
5. Technical playbook	Publish a structural, fire, acoustic, vibration, constructability, waterproofing, services, lift/access and maintenance checklist for engineers, certifiers, councils, financiers and owners.	Reduces over-testing, inconsistent advice and risk premiums.
6. Strata and value-sharing guidance	Clarify consent, air-rights transfer, common-property treatment, maintenance responsibility, upgrade funding, resident protection, and benefit-sharing expectations.	Converts dormant rooftop value into building renewal, not conflict.
7. Public asset pilots	Identify a first wave of government and council-owned sites - car parks, libraries, depots, civic buildings, health and transport-adjacent assets - for demonstration projects.	Builds public confidence, proves constructability and creates repeatable templates.



How the pathway should operate in practice

ARAD recommends a practical two-gate model. Gate 1 should test whether a proposal is eligible for the rooftop pathway. Gate 2 should test whether the proposal satisfies technical, amenity and governance standards. This keeps inappropriate proposals in the ordinary DA system while giving compliant projects a predictable assessment route.

Gate	Purpose	Minimum matters to verify
Gate 1: Eligibility	Confirm that the proposal is suitable for the rooftop pathway.	Existing building or civic asset; well-located site; no fatal heritage or environmental constraint; credible structural feasibility; clear owner/agency consent pathway; proposed public or building-renewal benefit.
Gate 2: Compliance	Confirm that the project can be approved through standardised conditions.	Structural certificate; fire/egress strategy; access and lift plan; services and utilities plan; construction staging plan; privacy/daylight/noise response; strata/value-sharing plan; maintenance plan.

A 24-month implementation roadmap

Timing	Focus	Minimum deliverable
0-6 months	Define pathway	Publish a model definition, eligibility criteria, pre-lodgement checklist and template evidence pack for compliant rooftop projects.
6-12 months	Map and pilot	Require councils/agencies to publish first-pass opportunity maps and nominate initial demonstration sites on public or civic assets.
12-24 months	Standardise and scale	Publish the technical playbook, strata/value-sharing guidance, and standard conditions; report on pipeline, approvals and dwellings.

Indicators the Commission should recommend

A rooftop housing pathway should be evaluated through delivery and quality indicators, not approvals alone. ARAD recommends the following minimum indicators:

- Number of candidate rooftops mapped and classified by feasibility tier.
- Number of public/civic asset pilots nominated, approved and commenced.
- Median approval time for compliant rooftop proposals compared with standard DA pathways.
- Dwellings delivered, including affordable/key-worker dwellings where applicable.
- Building-renewal outcomes funded by air-rights proceeds: lifts, waterproofing, fire upgrades, facade works, accessibility, solar and energy upgrades.
- Embodied-carbon and demolition avoided, using simple reporting proxies.
- Community outcomes: resident satisfaction, construction disruption, amenity complaints and public-realm improvements.



Direct response to the Commission's information requests

IR1: Which regulatory reforms should be prioritised?

Create a formal rooftop housing and airspace development pathway supported by model planning guidance, opportunity mapping, technical assessment standards, strata/value-sharing guidance and public asset pilots.

IR2: Which approval steps are most onerous?

The most onerous steps are pre-lodgement uncertainty, repeated technical information requests, inconsistent interpretation of height/FSR/amenity rules, post-approval conditions for services and staging, and lack of standard evidence requirements for fire, structure, access and strata consent.

IR3: Which fast-track reforms are most relevant?

A fast-track pathway should apply only where impacts can be standardised and managed. For rooftop housing, this means an eligibility gate, a standard evidence pack, model conditions, and referral protocols for fire, utility, transport or asset-interface matters.

IR4: Which land-use controls limit supply?

For rooftop housing, the limiting controls are height, FSR, setbacks, heritage/neighbourhood character, parking, solar/daylight and treatment of rooftop additions under existing building-envelope rules. These controls should not be removed, but they should be recalibrated where a lightweight addition delivers net housing and building-renewal benefits.

IR6: How do contributions affect feasibility?

Development contributions and upgrade requirements can determine whether a rooftop project proceeds. The pathway should distinguish between proportional infrastructure impacts and building-renewal works that directly benefit existing occupants. Contributions should be predictable and not double-charge projects already using existing infrastructure.

IR7: What infrastructure-related regulations should be prioritised?

Prioritise rules that clarify utility connections, service upgrades, lift/access requirements, waste collection, fire access, construction staging and operational continuity for occupied buildings and public/civic assets. These should be codified in a technical playbook and standard conditions.

Recommended wording for the interim report: Governments should establish a nationally consistent rooftop housing and airspace development pathway with model planning guidance, opportunity mapping, standardised technical assessment, strata/ownership guidance and fast-track approvals for compliant low-risk projects.

Rooftop housing will not solve Australia's housing crisis alone. But it is one of the rare reforms that can add homes without consuming new land, pushing cities further outward, or requiring every project to begin with demolition. It can convert dormant airspace into productive housing, renew ageing buildings, support key-worker housing near jobs and services, and make better use of infrastructure that taxpayers and communities have already funded. The missing link is regulatory certainty. ARAD therefore submits that rooftop housing and airspace development should be treated as a near-term housing supply reform: mapped, standardised, governed, financed and delivered through a clear pathway.

Selected citations and ARAD prior works

- [1] [Productivity Commission, Housing Supply Regulation: Call for Submissions, May 2026](#)
- [2] [Australian Treasury, Increasing housing supply / National Housing Accord target](#)
- [3] [NSW Government, Low and Mid-Rise Housing policy to unlock 112,000 homes in five years](#)
- [4] [NSW Planning, Low and Mid-Rise Housing Policy](#)
- [5] [The Policymaker, Airspace housing: a practical framework for Australian cities](#)
- [6] [The Fifth Estate, No land? No problem - airspace building could deliver the next 150,000 homes](#)
- [7] [CBRE Talking Property, Is the Only Way Up?](#)
- [8] [Infrastructure Australia, Embodied Carbon Projections for Australian Infrastructure and Buildings](#)
- [9] [ARAD, Submission to the NSW Sydney Plan Consultation, 11 February 2026.](#)
- [10] [ARAD, Submission to the Select Committee on Productivity in Australia, 26 March 2026.](#)
- [11] [How councils can turn empty rooftops into low-carbon homes, Council Magazine, June 2026.](#)
- [12] [Smart Property Investment, Look up: Airspace development could be the next big thing in real estate](#)