

# Urban Design Forum Australia



## A Response to the Productivity Commission's Housing Supply Regulation Interim Report



LIV Albert, Brunswick VIC by Fieldwork - Photo Credit Tom Ross

# Housing Supply Regulation: **More homes, better places, lasting public value.**

## **Who are we?**

Urban Design Forum Australia is an independent non-profit industry organisation that supports public interest outcomes in cities.

We believe that well-designed and effectively governed cities are essential to solving the major challenges of our time. Our members come from private consultancy, state and local government, the development industry and academia.

Our particular strength as a community of built environment professionals is the ability to translate policy concepts into spatial and project design consequences at a range of scales.

As practitioners our work regularly involves a feedback loop between policy ambition, design testing, scenario mapping and refinement as we project and explore both the intended and unintended consequences of policy.

We understand the importance of this given that the physical attributes of the built environment directly impact the livability of our cities and regions, and in turn the health, wellbeing and prosperity of our communities.



# Executive summary.

Urban Design Forum Australia supports reforms that enable more homes, particularly in established areas with access to employment, services and public transport. We support greater housing diversity, the removal of unnecessary restrictions and faster, more predictable approvals.

Inadequate housing supply has significant social and economic costs, felt most acutely by people who cannot find an affordable home in a location that meets their needs.

The need for more housing is clear. Well-located, well-designed homes unlock the benefits of housing supply into increased productivity.

[1]

Planning reform should support housing growth that improves the places people live. The way buildings, streets, public spaces and landscape are designed together influences how much housing can be accommodated, its cost and amenity, and how neighbourhoods function as they grow. Well-designed development can provide comfortable homes, greener streets, better connections and welcoming public spaces, with lasting benefits for health, wellbeing, the environment and the economy. These outcomes should be central to assessing the public value of reform.

We welcome the Productivity Commission's recognition of commercial feasibility and infrastructure coordination. An effective response to the housing shortage needs to consider how planning interacts with land availability, infrastructure, construction and finance. Reform should address these relationships so that additional development capacity translates into completed homes and well-supported neighbourhoods.

Our principal concern is whether the proposed removal of particular controls adequately considers both their purpose and the benefits they deliver. Regulation can add cost and delay, but it can also protect residential amenity, secure public benefits and provide greater certainty for development. Evidence that broad upzoning increases housing supply does not, on its own, establish that removing individual design and amenity standards will produce better outcomes overall.

Our eleven recommendations are informed by three overarching priorities:

## **Ensure reform supports homes that can actually be delivered.**

Base decisions on credible assessments of development capacity and feasibility, supported by design testing, clear evidence and assumptions.

## **Coordinate housing growth with investment that creates better neighbourhoods.**

Align upzoning with funded infrastructure, public transport, parks, streets and community facilities that improve amenity and support a growing population.

## **Retain controls that deliver worthwhile public benefits.**

Remove unnecessary restrictions while supporting well-designed housing, protecting the public realm and managing the impacts of development on residents and the wider community.

These priorities guide our recommendations on planning controls, infrastructure, approval processes and policy evaluation.

UDF welcomes further engagement with the Commission and the opportunity to contribute urban design expertise as the final recommendations are developed.

1. Hayhurst, W. (2020), 'Why adequate and affordable housing matters to productivity', City Futures Research Centre Blog, UNSW Sydney, 21 January.



## Our Recommendations.

UDF recommends that the Commission's final report call on state, territory and local governments, according to their responsibilities, to:

- 1 Assess reforms against housing that can be realistically delivered.**

Support major planning reforms with design, feasibility, and capacity testing. Clearly distinguish theoretical capacity from housing that is feasible to develop, and publish the assumptions informing these assessments.
- 2 Enable more housing choice across residential areas.**

Increase residential density through three-storey housing and smaller lots across appropriate residential land. Ensure planning controls work together to support diverse housing types, residential amenity and space for landscape, with local variations justified by demonstrated conditions.
- 3 Plan and deliver the infrastructure growing neighbourhoods need.**

Coordinate substantial upzoning with funded delivery of public transport, parks, streets and community facilities. Prioritise areas where transport and other infrastructure can support additional housing, with clear responsibilities, funding and timeframes for delivery.
- 4 Support growth across fragmented land.**

Facilitate voluntary land assembly, shared access and coordinated infrastructure where these enable housing and public realm improvements. Retain opportunities for individual sites to develop without relying on unnecessary consolidation.
- 5 Use Floor Area Ratios to support housing and better design.**

Support well-calibrated mandatory floor area ratios alongside flexible building envelopes to provide certainty about development capacity and allow better design responses. Set controls that enable intended housing growth while making room for landscape, residential amenity and public connections.

- 6 Protect minimum standards for apartment amenity while allowing design flexibility.**

Retain minimum apartment standards as a clear baseline for functional, high-amenity homes. Refine requirements through evidence-based review of residents' needs and wellbeing, costs and housing delivery, allowing alternative designs that demonstrate equivalent or better functionality and amenity.
- 7 Target restrictions on parking, heritage, and mixed-use**

Reduce unnecessary parking minimums and review character controls that primarily prevent change. Recognise the value of significant heritage buildings and precincts, and enable housing in suitable commercial areas while protecting employment and services that communities need.
- 8 Secure lasting affordable housing through growth.**

Establish clear, feasible arrangements for securing affordable housing through planning requirements, floor area incentives and public investment. Set obligations upfront, identify who will benefit and ensure affordability is maintained over time, while considering effects on overall housing delivery.
- 9 Make fast-track approvals reliable and accountable**

Test codes to ensure they support functional homes and good outcomes as successive sites develop. Provide clear eligibility, focused design review where needed and adequately resourced assessment, avoiding repeated consideration of matters already resolved by the code.
- 10 Make state-led assessment accountable.**

Establish clear eligibility and early consultation for state-led assessment. Publish reasons for significant departures from strategic plans and explain how infrastructure, design quality and public benefits will be secured.
- 11 Evaluate reform and refine the rules.**

Monitor housing delivery, approval times, infrastructure provision and the quality of completed homes and public spaces. Use the findings to improve planning controls and delivery programs, drawing on existing data and targeted evaluation.



## 01 Assess reforms against housing that can be realistically delivered.

### > Relevant to Reform Directions 2.1, 2.6, 3.1

UDF welcomes the report's distinction between zoned capacity and commercially feasible development. Theoretical planning capacity should not be equated with housing that can actually be delivered.

Understanding how planning capacity translates into completed homes requires consideration of site conditions and delivery constraints. A project that appears financially viable may depend on assembling adjoining properties, upgrading infrastructure, securing finance and a builder, or fitting a functional building onto the site. These dependencies should inform estimates of housing supply and priorities for implementation as they can materially affect achievable housing supply.

Grattan Institute modelling illustrates how substantially development feasibility can vary between cities. Its 2025 scenario allowing at least 12 storeys in selected high-priced suburbs found more than three-quarters of additional capacity commercially feasible in Sydney, compared with about 10 per cent in Melbourne under the modelled conditions.<sup>[1]</sup> Its February 2026 analysis also identifies land assembly as a significant constraint and acknowledges that its estimates do not capture all consolidation needed to achieve the modelled yield under other planning controls.<sup>[2]</sup>

Upzoning can create valuable opportunities as market conditions change, including on sites that are not viable today. Assessments should distinguish this longer-term capacity from housing likely to be delivered in the near term, and explain how changes in construction costs, sale prices, infrastructure availability and land assembly are likely to affect the results.

Urban design testing is an essential part of this assessment. Modelled capacity should be supported by evidence that representative sites can accommodate functional buildings, with suitable access, daylight, ventilation and space for landscape. Testing should also consider how neighbouring sites develop over time and the resulting effects on streets, public spaces and residential amenity. These considerations influence both achievable housing yield and the quality of the neighbourhoods that reform will create.

Governments should commission design testing alongside commercial feasibility analysis. Comparisons based on gross floor area alone can overlook differences in usable space, building layout, servicing and construction costs. Testing these relationships early can help identify controls that work together, resolve unnecessary restrictions and establish realistic expectations for housing growth. Methodology, assumptions and findings should be published so that findings are transparent.

AHURI's research into construction constraints also identifies market volatility, presale requirements and the availability of suitable land as barriers to apartment production.<sup>[3]</sup> Faster approvals can help, but their contribution to delivery depends on these wider conditions. The inquiry should recognise these dependencies when estimating the benefits of planning reform and identify complementary action where other constraints are likely to prevent development from proceeding.

## Our Recommendation.

The Commission should recommend that state and territory governments adopt a consistent approach to assessing the housing capacity and delivery implications of major planning reforms. Assessments should distinguish between:

- development permitted by zoning;
- housing that can be accommodated while meeting design and amenity requirements;
- development that is commercially feasible; and
- housing likely to be delivered over a stated period.

Governments should commission design and feasibility testing by suitably qualified practitioners and publish the key assumptions and findings. This work should inform strategic planning and the preparation of planning controls and codes.

Testing should be proportionate to the scale of reform and undertaken when preparing plans and codes, so that applicants can rely on clear requirements without repeating work already resolved.

Where the Commission estimates the housing benefits of reform, it should explain how those estimates account for land assembly, infrastructure availability and development feasibility, and acknowledge material uncertainties.

## References

1. Grattan Institute (2025), 'More homes, better cities: Letting more people live where they want', section 5.7.2.
2. Grattan Institute (2026), 'Presentation to the Property Council Victorian Residential Outlook', February, slide 19 and accompanying methodological note.
3. Sharam, A. et al. (2026), 'Overcoming construction constraints for the supply of new detached and high-rise housing', AHURI Final Report 461, sections 4.3–4.4.



Terrace House, Brunswick VIC by Austin Maynard Architects  
Photo Credit Maitreya Chandorkar



## 02 Enable more housing choice across residential areas.

### > Relevant to Reform Directions 2.1 and 2.3

UDF supports reforms to enable greater housing choice for people to live in well located areas close to the jobs, services, transport and community infrastructure they need. We support the Commission's reform directions to increase development capacity to three storeys across most residential areas (2.1) and reduce or remove minimum lot sizes (2.3), but they need to be implemented in a way that delivers good housing in the right locations. There is evidence to suggest that the Commission's directions will support increased housing supply. These reforms should be supported by strategic planning that identifies areas capable of accommodating additional housing growth, alongside urban design policies that ensure new development is well-designed and liveable.

#### **Three-storey development should be supported by good urban design.**

Three-storey development can provide a useful middle scale of housing, enabling more homes and greater housing diversity without requiring high-rise development. However, increasing development capacity does not by itself ensure good design outcomes. New development should be supported by appropriate requirements for site coverage, setbacks, landscaping and tree canopy, private open space, daylight, privacy and the relationship between buildings and streets.

Evidence from Auckland demonstrates that broad-based residential upzoning can increase housing construction and enable greater housing diversity [1]. However, monitoring of the Auckland Unitary Plan [2] has also identified challenges with development outcomes, highlighting the importance of appropriate built-form and amenity provisions alongside increased development capacity. The lesson for Australian reform is not to constrain additional capacity, but to ensure that increased development potential is accompanied by clear, outcome-focused design requirements. .

Increasing housing supply creates additional demands on public open space, streets, transport, schools, community facilities and other infrastructure. Therefore it is important that upzoning or investment deliberately targets areas with capacity to enhance provision of infrastructure within walking distance of centres, public transport and jobs [3].

#### **Minimum lot sizes should not unnecessarily constrain housing diversity.**

Lot sizes have a significant impact on urban form. Minimum lot sizes can constrain the range of housing that can be delivered and can make it more difficult to achieve additional development capacity on existing sites. UDF supports reducing or removing minimum lot size requirements where they unnecessarily limit housing choice. The objective should not be smaller lots for their own sake, but enabling more diverse and efficient forms of housing. Research in Brisbane explores the challenges for land assembly to enable townhouses or apartments in upzoned areas with a predominance of small lot sizes [4]. Planning therefore should better respond to existing lot patterns and urban form, supporting incremental densification and small-scale infill where large-scale redevelopment is less feasible.

Where minimum lot sizes are reduced or removed, the urban design outcomes they may have previously helped to manage should instead be addressed through targeted requirements for site coverage, landscaping, tree canopy, open space, daylight, privacy and access. Planning should also consider existing lot patterns and support incremental forms of development where these can contribute to additional housing while providing good residential amenity and managing impacts on neighbouring properties.

### **Our Recommendation.**

The Commission should recommend enabling three-storey housing across most residential areas, with exceptions supported by clear evidence. Strategic planning should coordinate infrastructure investment and identify justified local variations to design requirements.

Three-storey residential development should be enabled more widely, but accompanied by built-form, landscape and amenity requirements addressing site coverage, setbacks, privacy, daylight, deep soil, tree canopy, open space, access and street interface.

Minimum lot size requirements should be reduced or removed where they unnecessarily constrain housing diversity and development feasibility, with amenity and environmental functions replaced by targeted performance-based controls.

Strategic planning should assess existing lot patterns, ownership and development feasibility when setting housing capacity, and support incremental and small-scale infill where this can deliver additional housing without relying on extensive land assembly.

Development outcomes should be monitored regularly to assess whether increased capacity is delivering the intended housing, urban design and infrastructure outcomes.

### **References**

1. Greenaway-McGrevy, R. and Phillips, P. 2023. "The Impact of Upzoning on Housing Construction in Auckland", *Journal of Urban Economics*, Vol. 136.
2. Auckland Council (2022) Auckland Unitary Plan Section 35 Monitoring: B2.3 A quality built environment
3. Glackin, S., et al. (2024), 'Suburban Futures, Density and Amenity: Soft Densification and Incremental Planning for Regeneration' *Sustainability*, Vol. 6, Iss. 3.
4. Gallagher, R. (2005) "Misaligned Policy and Practice: Does Upzoning's Implicit Reliance on Land Assembly Undermine Densification Goals" *Urban Policy and Research*.



Small lots developed in Western Sydney highlight the need for urban design policy to protect amenity and retain space for landscape. Photo Credit Sam Rutty.



## 03 Plan and deliver the infrastructure growing neighbourhoods need.

> Relevant to Reform Directions 2.2, 3.1, and 4.1 to 4.4

UDF supports substantial additional housing in areas with good access to employment, services and public transport. Growing populations also need adequate water and sewer capacity, parks, safe walking and cycling routes, and community facilities. Investment in this infrastructure enables housing delivery and creates opportunities to improve neighbourhoods for existing and future residents.

Chapter 4 provides a strong foundation for coordinating housing and infrastructure. The final report should strengthen this connection by recommending clear delivery arrangements alongside substantial upzoning. Infrastructure plans should identify expected growth, essential projects, land and corridors to be secured, responsible agencies, funding sources and delivery timeframes. They should distinguish infrastructure needed before homes are occupied from improvements that can follow as populations grow, and explain how delivery will respond if funding or growth forecasts change.

### **Extend public transport access to support more housing.**

Reform Direction 2.2 recognises opportunities around existing or readily expandable transport infrastructure. UDF supports this approach and considers that the final report should go further by recommending investment that expands the places where people can live with good public transport access. Existing networks

provide an immediate basis for housing growth, but their current reach should not set the long-term limits of accessible development.

Public transport access varies considerably across Australian cities. Infrastructure Australia's 2018 assessment identified substantial gaps in the outer suburbs of Sydney, Melbourne, Brisbane, Perth and Adelaide. At that time, more than 1.4 million outer-suburban Melbourne residents and around 200,000 Adelaide residents lacked frequent services within walking distance. [1] These historical findings illustrate the scale of the challenge; current assessments should guide investment priorities.

Planning housing and transport separately can reinforce these gaps. Housing growth may be constrained by inadequate services, while transport improvements are deferred because existing density or patronage is too low. Joint planning allows governments to consider how additional housing and better services can support each other, and where investment would improve access to jobs, education and everyday needs.

This requires attention to the quality of services as well as the extent of the network. Frequency, reliability, operating hours, capacity and convenient interchanges all influence whether public transport is a practical choice. Safe, direct and accessible walking routes to stops and stations are equally important. Well-designed streets can make these journeys easier while improving shade, comfort and the public realm.

Infrastructure Victoria's 'Fast, frequent, fair' identifies opportunities through more direct bus routes, increased frequency, longer operating hours, bus priority and rapid transit.[2] Its 2025 infrastructure strategy also recommends tram extensions to support nearby housing, alongside improvements to bus and train services.[3]

These approaches demonstrate the range of investments available, from better use of existing infrastructure to substantial network expansion.

The Commission should recommend that states, councils and transport agencies jointly identify priority areas for housing growth and public transport investment. Assessments should consider feasible housing capacity, improved access to employment and services, community benefits, and construction and ongoing operating costs. Funding and service commitments should be accompanied by planning changes that enable the intended housing, with clear responsibilities and delivery milestones.

Where improvements are staged, plans should identify interim services and when additional capacity will be needed. This work can proceed alongside immediate housing reform in areas already well served by public transport.

### **Provide the public spaces and facilities growing communities need.**

As neighbourhoods accommodate more people, parks, streets and community facilities become increasingly important places for recreation, social connection and everyday activity. Housing growth should be accompanied by investment in their capacity, accessibility and quality, including new public spaces where existing provision is insufficient.

Green Square provides an Australian example of planning housing growth and public investment together. The City of Sydney identifies an eventual 33,000 homes, a local infrastructure program estimated at \$1.8 billion and more than 40 parks.<sup>[4]</sup> The example demonstrates the importance of identifying the land, projects and responsibilities needed to support a growing community.

Early planning can secure sites for parks and community facilities, protect pedestrian connections and coordinate drainage, tree planting and street improvements. These opportunities can become more difficult and expensive to deliver once redevelopment has occurred. Infrastructure contributions should therefore be linked to a clear program of works, giving residents and developers greater certainty about what will be provided and when.

### **Our Recommendation.**

The Commission should recommend that state and territory governments coordinate substantial upzoning with funded infrastructure delivery plans, prepared with councils, utilities and relevant agencies. Plans should identify service constraints, land requirements, priority projects, funding responsibilities and delivery timeframes, covering essential utilities as well as public spaces, streets and community facilities.

Governments should also jointly plan housing growth and public transport improvements, including better services and network expansion where these deliver a net community benefit. Priority investments should be supported by committed planning changes, service funding and clear delivery responsibilities.

### **References**

1. Infrastructure Australia (2018), 'Outer suburbs left behind by lack of public transport access', 26 October.
2. Infrastructure Victoria (2023), 'Fast, frequent, fair: How buses can better connect Melbourne'.
3. Infrastructure Victoria (2025), 'Victoria's infrastructure strategy 2025-2055'.
4. City of Sydney (undated), 'Green Square', precinct and infrastructure overview.



## 04 Support growth across fragmented land.

> Relevant to Reform Directions 2.2, 2.3, and 3.1

Housing growth in established areas often takes place across small lots in separate ownership. Many sites can accommodate additional housing independently, while others require adjoining owners to coordinate access, servicing or land assembly. Planning for increased density should recognise these conditions and provide practical ways to support development.

Bringing sites together can create opportunities for more efficient building layouts, shared access, larger areas of landscape and new public realm. However, relying on consolidation can delay housing delivery where owners have different intentions or expectations. AHURI's recent construction inquiry identifies the availability and aggregation of land parcels as factors affecting development scale and industry capacity.<sup>[1]</sup>

Planning at the street, block, and neighbourhood scale helps establish where individual sites can develop and where coordination would enable more housing or improve the public realm. It should consider how development might proceed in different sequences, ensuring that early projects do not unnecessarily limit neighbouring sites' future development or compromise their amenity. Plans should allow growth over time without relying on a single owner acquiring an entire block.

State governments can support this process through voluntary land pooling, assistance with land assembly, shared access and servicing agreements, and public development partnerships. These mechanisms should have a clear purpose, whether to enable otherwise constrained housing, deliver infrastructure or secure public space and connections.

### **Our Recommendation.**

The Commission should recommend that states support voluntary land assembly and coordinated infrastructure delivery in priority renewal areas. Capacity assessments should clearly identify where housing delivery depends on consolidation.

Precinct plans should retain workable opportunities for individual sites to develop, identify where coordination is necessary and establish arrangements for shared access, infrastructure and public realm improvements.

### **References**

1. Sharam, A. et al. (2026), Overcoming construction constraints for the supply of new detached and high-rise housing, AHURI Final Report 461.

Murray, S. et al. (2015), Processes for developing affordable and sustainable medium-density housing models for greyfield precincts, AHURI Final Report 236.

Khor, L. et al. (2023), From mixed tenure development to mixed tenure neighbourhoods, AHURI Final Report 412.



Clyde Mews, Thornbury by Six Degrees – Photo Credit Alice Hutchison



## 05 Use Floor Area Ratios to support housing and better design.

### > Relevant to Reform Direction 2.6

UDF supports well-calibrated mandatory density controls, such as Floor Area Ratios (FARs), paired with flexible building envelopes. Together, they provide certainty about development capacity and flexibility to achieve better design.

UDF's practice note, 'Creating better neighbourhoods: The liveability and housing supply case for FAR controls', identifies four principal benefits:

#### **Development certainty.**

A clear floor area limit gives landowners, developers and assessing authorities a common basis for planning and investment, while flexible envelopes allow different design responses.

#### **More liveable housing and neighbourhoods.**

Permitted floor area can be arranged to improve sunlight, ventilation, building separation, landscape and pedestrian connections. This flexibility supports courtyard and breezeway housing, heritage retention and development on irregular sites.

#### **More focused planning assessment.**

Establishing the amount of development upfront allows assessment to concentrate on building design, residential amenity and contributions to the public realm, reducing repeated negotiation over yield.

#### **Greater market clarity.**

A consistent floor area limit provides a clearer basis for site acquisition and can reduce speculative expectations about additional development potential.

These benefits depend on the relationship between the FAR and the building envelope. Where the envelope provides sufficient room, designers can redistribute floor area to create a courtyard, retain a tree, improve an interface with neighbouring homes or provide a public connection while maintaining the intended yield. An envelope that tightly contains the permitted floor area leaves little scope for these improvements.

FARs also provide an explicit measure of development capacity to inform infrastructure planning. A defined base FAR can support transparent arrangements for additional floor area in return for public benefits, provided these arrangements are feasible and the benefits are clearly specified.

UDF supports reviewing controls that unnecessarily restrict housing. A FAR set too low can prevent homes that could otherwise be accommodated with good amenity. Equally, removing a FAR can undermine the balance between development certainty and design flexibility, particularly if the remaining envelope controls encourage buildings to fill the available volume.

Reform Direction 2.6 proposes removing FARs where equivalent outcomes can be achieved through other controls. Assessing equivalence should consider the benefits of establishing development quantity separately from building form, including the opportunities this creates for landscape, public space and more diverse housing types.

Planning authorities should calibrate FARs and envelopes together, informed by design and feasibility testing across varied site sizes, dimensions and ownership patterns. This work should establish controls that enable intended housing growth and allow floor area to be arranged in ways that improve homes and neighbourhoods. Reviews should identify unnecessarily restrictive or duplicative controls and consider whether a higher FAR or greater envelope flexibility would improve outcomes.

### **Our Recommendation.**

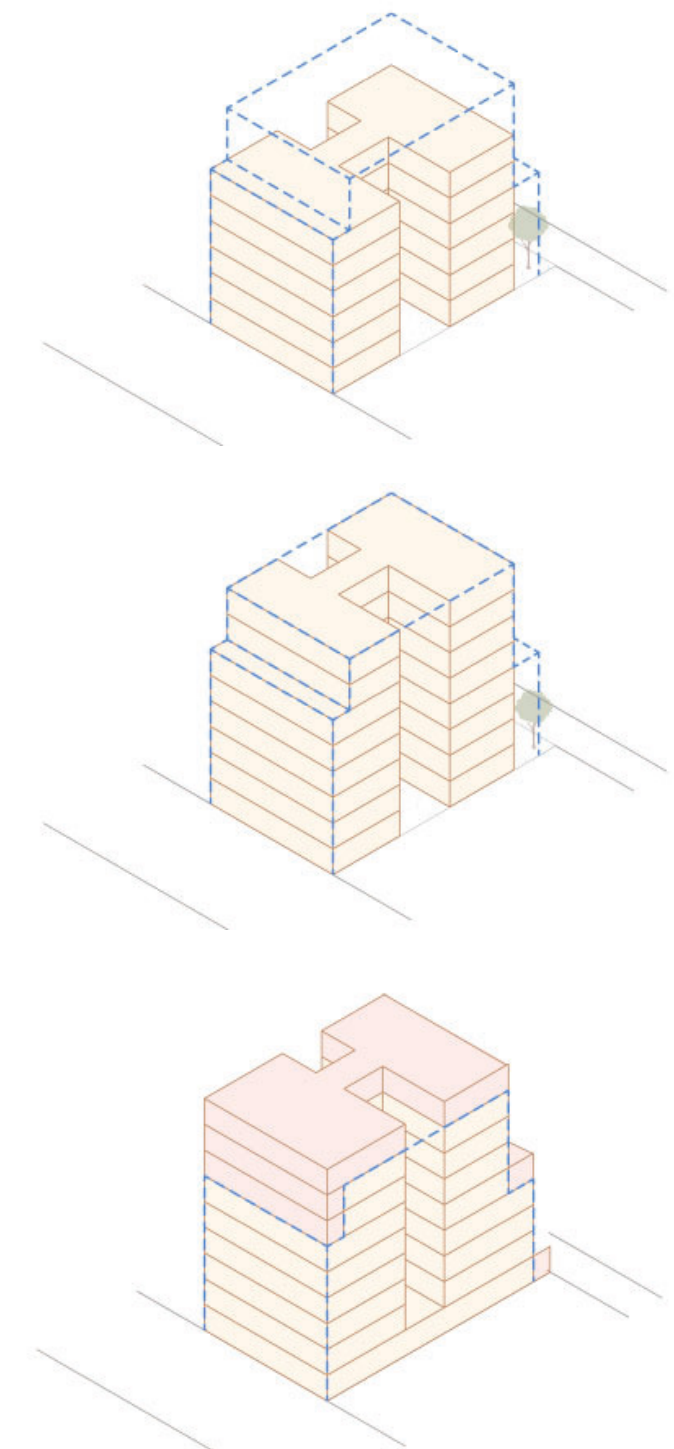
The Commission should recognise mandatory FARs paired with flexible building envelopes as a useful tool for enabling housing growth, improving development certainty and supporting better housing and public realm outcomes.

It should recommend that state and local planning authorities retain or introduce FARs where these benefits are demonstrated, and calibrate them alongside height, setback and amenity requirements through design and feasibility testing. Unnecessarily restrictive FARs should be increased, and controls simplified where equivalent or better outcomes can be achieved.

Definitions and rules for envelope variations and additional floor area should be clear, preserving design flexibility and certainty about the amount of development permitted.

### **References**

1. Creating Better Neighbourhoods: The Liveability and Housing Supply Case for FAR Controls – Density Practice Note, Leanne Hodyl, Urban Design Forum 2026.



An iterative testing approach undertaken by suitably qualified professionals is required to identify the maximum FAR that can be delivered while still meeting all strategic planning and design objectives. Increasing or decreasing the FAR enables sensitivity testing to find the right ‘fit’ against the agreed criteria.



## 06 Protect minimum standards for apartment amenity while allowing design flexibility.

### > Relevant to Reform Direction 2.6

UDF supports a diverse range of housing, including compact apartments that offer comfortable, practical and affordable homes. While minimum space requirements can affect construction costs and the number of dwellings a building can accommodate, they provide a clear baseline for functional homes and residential amenity. The quantum of housing delivery should be assessed alongside the benefits of ensuring homes meet residents' everyday needs.

The Commission's consideration of whether apartment attributes are visible to purchasers addresses only part of this question. Apartments accommodate successive households over decades, while room proportions, building depth and access to outdoor space are difficult to change once constructed. Buyers purchasing off the plan cannot directly experience daylight, ventilation or how spaces function, and renters may have limited alternatives. Prices and rents can reflect preferences, but these constraints warrant closer consideration before minimum standards are removed. Minimum standards provide a baseline that applies regardless of tenure or an individual household's bargaining power.

### **What the Australian evidence tells us.**

Australian research supports the importance of minimum apartment standards to residential amenity and satisfaction. Foster and colleagues assessed 172 apartment buildings containing 10,553 apartments, built between 2006 and 2016. Sydney buildings implemented 60 per cent of the measured health-related design requirements, compared with 55 per cent in Perth and 43 per cent in Melbourne, which then relied on limited discretionary guidance.<sup>[1]</sup>

A companion study found associations between some design requirements and residents' perceptions of amenity, and between certain perceptions and mental wellbeing.<sup>[2]</sup> Kleeman and colleagues also found that perceived space and layout, privacy, ventilation and security were associated with housing satisfaction.<sup>[3]</sup> Together, these findings support giving residential amenity and apartment standards proper weight when reviewing controls, while leaving room to improve how particular requirements are defined.

### **Strengthen standards against the outcomes they serve while allowing alternatives.**

Minimum areas and dimensions provide straightforward benchmarks for designers, applicants and assessing authorities. They help establish whether homes can accommodate furniture, everyday activities and household possessions, without requiring every application to demonstrate these fundamentals from first principles.

Area alone does not ensure a functional home. Room proportions, circulation and furniture placement also matter. This is a reason to consider minimum areas alongside layout requirements and design guidance. Compact apartments can provide good amenity when these elements work together.

Balcony area and minimum depth provide a useful starting point for usable outdoor space, complemented by consideration of orientation, privacy and access from living areas. Storage requirements similarly establish a baseline for everyday needs, with flexibility in how conveniently accessible storage is provided.

Alternative designs should be permitted where they demonstrate equivalent functionality and amenity. These pathways need clear criteria so that flexibility supports good design and the minimum standard remains dependable.

The costs of living in a home also deserve consideration. AHURI's research on the real cost of housing identifies energy and location-related expenses that conventional affordability measures can overlook.<sup>[4]</sup> Relevant requirements, including natural ventilation and solar access should be assessed against their particular purposes and potential effects on household costs.

The aim should be clear minimum standards that protect residential amenity and support a broad range of housing types. Straightforward compliance options can provide certainty, while defined alternatives allow designers to demonstrate that a different approach achieves equivalent functionality and amenity.

### **Our Recommendation.**

The Commission should recommend that state and territory governments retain minimum apartment amenity standards, including minimum dwelling areas, usable balcony dimensions and storage provision, and establish clear baselines where these are absent.

Periodic reviews should refine these requirements using residents' experiences and specialist design and feasibility testing. Changes should be supported by evidence that they maintain or improve functionality and amenity while considering housing choice, development costs and achievable yield.

Governments should provide straightforward deemed-to-comply requirements and clearly defined pathways for alternative designs that demonstrate equivalent or better outcomes. Evidence requirements and assessment timeframes should be specified so that flexibility remains practical, consistent and affordable.

### **References**

1. Foster, S. et al. (2022), 'An evaluation of the policy and practice of designing and implementing healthy apartment design standards in three Australian cities', Building and Environment.
2. Foster, S. et al. (2022), 'Grand designs for design policy: Associations between apartment policy standards, perceptions of good design and mental wellbeing', SSM – Population Health, 20, 101301.
3. Kleeman, A. et al. (2022), 'A new Australian dream? Exploring associations between apartment design attributes and housing satisfaction in three Australian cities', Cities, 131.
4. AHURI (2024), 'Measuring housing affordability: Scoping the real cost of housing', Final Report 427.



## 07 Target restrictions on parking, heritage, and mixed-use.

> Relevant to Reform Directions 2.4 and 2.5

### **Parking requirements.**

UDF supports reducing or removing unnecessary minimum parking requirements. Research involving 1,316 apartment residents across Sydney, Melbourne and Perth examines mismatches between parking provision and household needs, supporting a more responsive approach.<sup>[1]</sup> Allowing people to choose homes without paying for parking they do not need can improve housing choice and affordability.

Reducing parking can also create opportunities for more housing, deep soil planting and better street frontages, with fewer vehicle crossings interrupting footpaths. Reform should be supported by appropriate kerbside management, accessible parking, loading facilities and safe walking and cycling connections. These measures should respond to local conditions and be coordinated with reform, without unnecessarily delaying it.

### **Heritage and neighbourhood character.**

UDF supports reviewing character provisions that primarily preserve low-density development. Planning should establish a positive direction for changing neighbourhoods, identifying how additional housing can contribute to their streets, landscape and public life.

Heritage protection serves a distinct purpose. A precinct's significance may lie in the relationships between buildings, landscape, streets and subdivision patterns, even where individual buildings are not exceptional. Heritage Council Victoria's evidence review identifies social, economic and environmental benefits associated with heritage.<sup>[2]</sup> These values warrant consideration alongside opportunities for housing growth.

Reviews should assess the significance and extent of heritage protections, and identify where additions, adaptive reuse and development of non-contributory sites can accommodate more homes. This provides a basis for managing change while retaining the qualities that make a place significant.

### **Use evidence about density carefully.**

Tulip and Lanigan's study of eight high-rise development locations found little adverse effect on nearby detached-house prices relative to comparison areas.<sup>[3]</sup> This challenges broad claims that higher density necessarily reduces neighbourhood value. It does not, however, establish the consequences of removing particular design or heritage controls. The developments were delivered within specific planning and infrastructure settings, and property prices reflect a range of influences.

Reviews of individual controls should consider the additional housing a change could enable, the heritage or amenity affected, and whether a more targeted approach could achieve comparable housing benefits. They should also account for the experiences of renters, apartment residents and people using nearby streets and public spaces, whose interests are not fully represented by detached-house prices.

## **Housing in commercial areas**

UDF supports housing in suitable commercial areas. Mixed-use neighbourhoods can bring people closer to jobs, shops and services, support local businesses and contribute to active streets throughout the day.

Strategic planning should identify employment, logistics and community functions that need protection, and manage potential conflicts between these uses and new housing. Restrictions on residential use and requirements for non-residential floor space should respond to demonstrated need and development feasibility, with periodic review as conditions change.

### **Our Recommendation.**

The Commission should recommend that governments reduce unnecessary parking requirements, review character controls that unduly restrict housing, and enable residential development in suitable commercial areas.

Heritage reviews should consider precinct significance and feasible housing opportunities together. Controls protecting employment and service functions should be specific and evidence-based. Across these areas, governments should retain requirements that deliver justified public benefits and amend or remove those whose benefits do not warrant their effects on housing delivery.

## **References**

1. De Gruyter, C., Hooper, P. and Foster, S. (2023), 'Do apartment residents have enough car parking? An empirical assessment of car parking adequacy in Australian cities', *Journal of Transport Geography*.
2. Extent Heritage and Kate Clark (2023), 'Why Heritage: A synthesis of evidence for the social, economic and environmental impacts of heritage', *Heritage Council Victoria*.
3. Tulip, P. and Lanigan, Z. (2021), 'Does high-rise development damage neighbourhood character?', *Centre for Independent Studies, Policy Paper 40*.
4. Urban Design Forum Australia (2026), 'A response to Victoria's new Mid-Rise Code', May.



## 08 Secure lasting affordable housing through growth.

### > Relevant to discussion on inclusionary zoning in Box 2.6

UDF supports inclusionary zoning to deliver affordable housing in well-located areas, creating inclusive neighbourhoods with access to jobs and infrastructure for lower-income households and key workers. Access to secure, appropriate and affordable housing is a fundamental human right [1]. There is strong evidence of the wide-ranging benefits of affordable housing in reducing health costs, increasing productivity, and decreasing crime [2].

Increasing housing supply does not ensure lower-income households can access affordable housing [3]. A range of interventions including government investment in social housing, subsidies and inclusionary zoning have a positive impact on improving affordability for low-income households [4]. Inclusionary zoning provides a mechanism to secure a proportion of social and affordable housing as part of new development. Mandatory requirements are considered by developers interviewed by AHURI to establish fair, clear and consistent expectations across the housing market, which can be factored into feasibility [5].

Importantly, inclusionary zoning enables people on different incomes to live closer to employment, services, transport, open space and community infrastructure. This supports more diverse and vibrant communities and reduces the risk of lower-income households being concentrated on the urban fringe.

Including affordable housing in well-located, well-connected neighbourhoods can also support social equity, social cohesion, transport accessibility and urban productivity.

Local and international experience demonstrates the effectiveness of inclusionary zoning in supporting affordable housing delivery. South Australia's Affordable Housing Overlay requiring 15 per cent of new dwellings in major developments be designated as affordable housing has resulted in thousands of dwellings. In London, developers are required to provide social and affordable housing through Section 106 agreements.

Supporting inclusionary zoning provides greater certainty for government, communities and industry while ensuring that housing growth contributes to more affordable, inclusive and well-designed neighbourhoods.

### **Our Recommendation.**

The Commission should recommend a national mandatory inclusionary zoning framework that establishes common principles and a clear definition of affordable housing.

It should guide contribution rates, affordability periods and thresholds for applying requirements, taking account of development viability. The framework should also address cash-in-lieu arrangements, ensure affordable homes meet the same design and amenity standards as other housing, and provide for incentives such as development uplift.

Affordable housing obligations should be announced before implementation and phased in so they can be reflected in land acquisition and development decisions.

## References

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Merri Northcote, Northcote VIC by Six Degrees  
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## 09 Make fast-track approvals reliable and accountable.

> Relevant to Reform Directions 3.1, 3.2 and 3.3

### **Resolve shared questions before applications.**

UDF supports early strategic planning that gives applicants clear requirements and communities a meaningful role in shaping growth. Public engagement should occur while decisions about housing, infrastructure and public space remain open. It should include renters, prospective residents and others whose needs may be underrepresented in consultation.

This work needs adequate resources. Councils and state agencies require access to planning, urban design and technical expertise, shared information and coordinated advice from referral agencies. Consistent application requirements and clear interpretations of planning provisions can reduce repeated information requests and redesign. Governments should identify the causes of delay so that improvements address the actual constraints on assessment.

### **Develop codes that work for homes and neighbourhoods.**

UDF's response to Victoria's Mid-Rise Code highlights the importance of considering cumulative development, street interfaces and the long-term success of landscape.<sup>[4]</sup> A code should support good outcomes as successive sites develop into a street or neighbourhood. Matters such as pedestrian connections, shared access and public-space provision often extend beyond individual property boundaries.

Planning authorities should address these relationships when preparing codes and precinct plans, supported by design testing. Testing should establish that representative sites can accommodate functional homes and that development across adjoining sites supports residential amenity, attractive streets and viable landscape. Tree canopy requirements, for example, need adequate soil volume, growing space and realistic maintenance arrangements if their intended benefits are to be realised.

Any additional design review should address clearly identified matters that the code does not resolve. Its scope and timing should be established upfront, and applicants should be able to rely on compliance with settled requirements. Where a proposal departs from a standard, assessment should focus on the departure and its implications for other relevant outcomes.

### **Our Recommendation.**

The Commission should recommend that governments support fast-track approvals using codes thoroughly tested across representative site and neighbourhood conditions. Eligibility should be clear, and assessment teams should have the resources and expertise needed to implement the codes consistently.

Design review should have defined triggers, scope and timeframes. Pattern-book designs should specify the site conditions they suit, with assessment of variations. Authorities should evaluate the quality of completed homes, landscape and public spaces alongside approval times.

# 10 Make State-led assessment accountable.

> Relevant to Reform Directions 3.1, 3.2 and 3.3

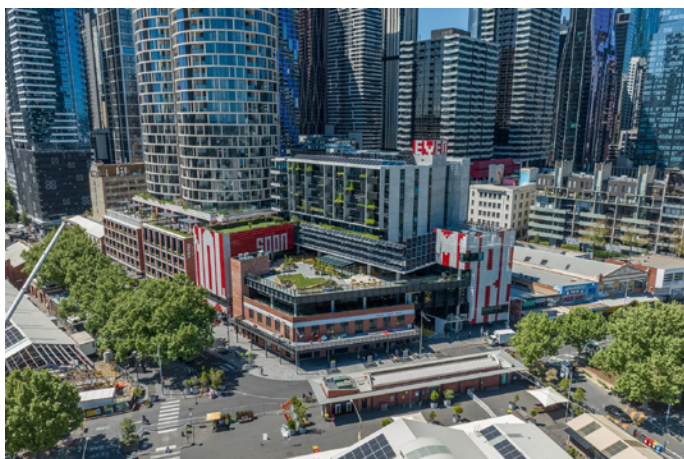
## State assessment needs an explicit public purpose.

UDF supports state-led assessment for projects with a clear strategic role or a need for coordination across agencies. These pathways should draw on local knowledge and adopted infrastructure plans, with clear responsibilities for securing design quality and public benefits.

Applicants and communities should understand which projects qualify and what requirements apply. Where a decision materially departs from an adopted plan, the authority should explain the reasons, the housing benefits and the implications for neighbouring sites and infrastructure. It should also identify how adverse effects will be managed and public commitments delivered. This transparency can support justified flexibility while maintaining confidence in strategic planning.

## Our Recommendation.

The Commission should recommend transparent eligibility, early targeted consultation and published reasons for decisions under state-led assessment pathways. Significant departures from strategic plans should be explained, with enforceable arrangements for necessary infrastructure and public benefits. Assessment should draw on work already completed by other authorities and avoid unnecessary duplication.



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## 11 Evaluate reform and refine the rules.

The success of planning reform should be assessed through the homes delivered and the neighbourhoods they create. Evaluation should follow projects from approval through construction to occupation, considering both housing supply and the quality of completed development.

A monitoring framework should combine existing administrative data with inspections of representative developments and research into residents' experiences. It should track net additional homes by type and location, approval and construction timeframes, reasons for stalled projects, infrastructure delivery and key measures of residential amenity and public realm quality. Affordable housing reporting should identify who can access the homes and how long affordability is secured. Landscape evaluation should consider tree survival and growing conditions as well as approved canopy targets.

Evaluation should establish a baseline and use comparison areas or groups where practicable. Findings need to account for market conditions: increased construction after a reform may have several causes, while a downturn may delay the benefits of otherwise useful changes. This evidence should inform adjustments to controls, including relaxing requirements whose costs are not justified and strengthening provisions where completed development reveals avoidable problems.

### **Our Recommendation.**

The Commission should recommend a common set of housing delivery, infrastructure and amenity indicators, with states publishing periodic evaluations of major reforms. Reporting should draw primarily on existing data and representative samples, supported by independent review of methods for significant evaluations.

Findings should inform transparent updates to planning controls and infrastructure delivery programs, with clear explanations of what is changing and why.

## Conclusion.

UDF supports planning reform that enables more homes and improves the places people live. Clear development permissions, well-designed controls and coordinated infrastructure investment can help deliver housing growth with lasting benefits for residents and the wider community.

We welcome further engagement with the Commission and the opportunity to contribute urban design expertise to its final recommendations and their implementation.

Australia should not measure the value of housing simply by how many homes we build, but by how effectively those homes enable people and cities to thrive. The evidence increasingly shows that where housing is located and how well it is designed matter to productivity as much as the housing itself.

Well-located housing connects people to jobs, transport, education, services and opportunity; well-designed housing supports health and wellbeing.

For productivity policy, the implication is clear: the goal should not simply be more housing, but more well-designed housing in the places where it can unlock the greatest economic and social value.



Nightingale Village, Brunswick VIC – Photo Credit Glenn Hester



Oxford & Peel, JCB Architects - Photo Credit: Elisa Casagrande

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