

Submission to the Productivity Commission

Housing supply regulation: interim report (July 2026)

1. Introduction

This submission is made on behalf of Chippendale Residents Interest Group (CRIG).

Established informally more than 40 years ago, the group's aim is to improve liveability and the long-term sustainability of the suburb, as well as retain its heritage conservation area.

The Commission's Interim Report has been considered in context of Chippendale, both past and future planning.

2. Real World Example: Chippendale - Current Status

Chippendale has one of Australia's highest densities, i.e. 20,548 pp per square km (ERP, 2025.)

Noting that a large part of the suburb is located within the railway yards leading to Central Station, the density is much higher, estimated ~ 27,000 pp per square km, with more development proposed along Broadway, Regent Street, and parts of the railway corridor.

According to the 2021 Census, 88% of Chippendale's population live in apartments, with more than 50% living in studio or 1-bedroom apartments. Only 10% of the population live in attached dwellings largely historic terraces within Chippendale Heritage Conservation Area. The suburb only has 3 detached homes.

76% of residents rent, with more than 50% experiencing rental stress.

Most residents do not have a motor vehicle (60% vs 9% for NSW).

The median age is 28 years old with more than 35% of the population having Chinese heritage. 69% of the population where both parents were born overseas.

63% of the population are in the labour force, with 55% holding a Bachelor degree or higher. Further, the majority of the suburb is already a mixed-use zone.

3. Chippendale: Key Challenges

Chippendale has several key challenges. These include the suburb's sustainability given the suburb's high turnover of residents due to rental vs income, the lack of green space and canopy, lack of community facilities, lack of light and sunshine for apartments and many terrace homes, and the retention of its Heritage Conservation Area (HCA).

4. Commission's Interim Report - Heritage Conservation Areas

The Commission's Interim Report proposes replacing broad based Heritage Conservation Areas (HCAs) with individual building listings to maximise commercial development feasibility (pp 8).

Further we note advocacy groups such as Sydney Yimby have campaigned for Heritage Conservation Areas to be limited to a maximum of 5 % of any local government area for the purpose of prioritizing residential growth with NSW Productivity Commission's report '*What we gain by building near homes in the right places*' (2024) suggesting this is a way forward.

Moreover, the NSW Productivity Commission's report identifies heritage items or heritage conservation areas on a map as indicated below. This map however fails to clarify that most

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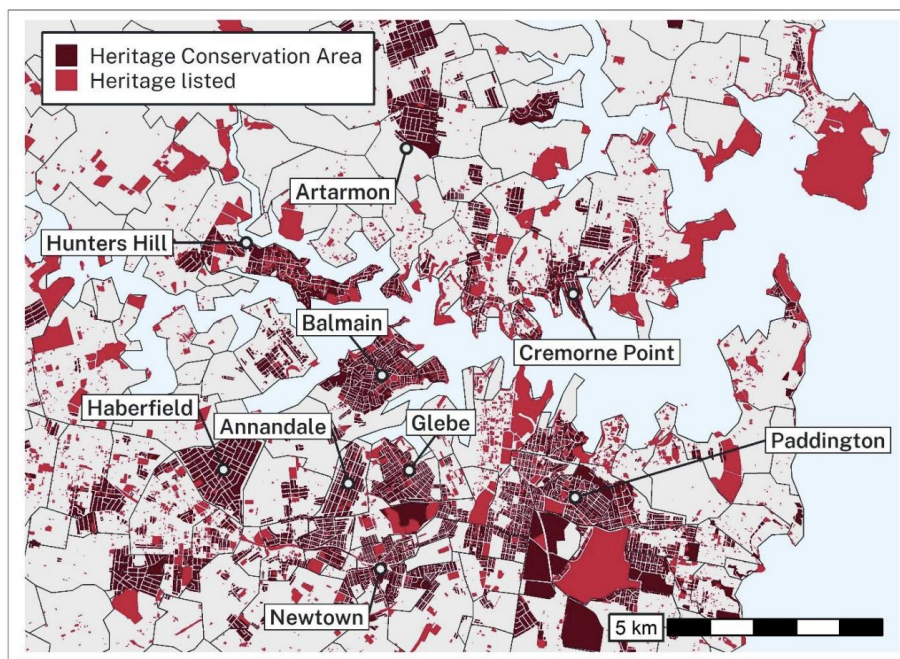
areas (dark red) is largely public land, e.g. Centennial Park, or in the case of the railway corridor leading to Central Station, where high-rise development has already been approved. This leaves the HCAs.

5. Chippendale: As an example

Taking Chippendale as an example, the suburb has already achieved a very high density without the need to use the HCA. Moreover, working with the City of Sydney, several potential sites within the HCA potentially still exist, in addition to development opportunities along major arterial routes, such as Regent Street and Broadway.

Consequently, we disagree with a blanket approach suggested in the Commission's paper. Rather a more nuanced and considered approach is needed, something that should be done in consultation with the community as was the case for Chippendale.

Heritage-protected areas of inner Sydney, 2021



6. Housing Affordability

We share concerns that housing affordability has deteriorated; impacting younger Australians and renters (pp. 3,4). However, we reject the premise that dismantling local planning controls is the solution (pp. 2).

The reality check is that the NSW government has already dismantled key elements in its planning system while introducing new policy initiatives, e.g. Low and Mid-Rise Housing Policy, the NSW Planning In-fill Affordable Housing Bonus, and newly created NSW Housing Delivery Authority—thereby bypassing local planning controls and expanding zoning capacity across Sydney's many established suburbs.

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This has seen the removal of property rights, loss of public space and urban tree canopies resulting in the loss of residential amenity.

7. Land Use Controls

We reject the Commission's assertion that relaxing land-use controls would yield the greatest effect on housing supply. This is not necessarily the case.

For example, In the case of Central Park in Chippendale, we were able to work with the developer to achieve a better planned outcome while increasing the uplift.

Moreover, it was the uplift that saw rental yields dramatically increase, not changes to the Heritage Conservation Area. Unfortunately, however, the reports provided by the applicant's consultant at the time, incorrectly argued that the uplift would see property costs radically decrease. This was not the case. Rather the uplift made it attractive to foreign investment rather than addressing the housing crisis. Moreover, this also had a flow on impact to adjoining streets/areas, losing what had long been known as a more affordable suburb.

8. Other

The removal of minimum dwelling sizes, balcony requirements, and open storage (Reform direction 2.6) would degrade liveability; in particular, more vulnerable renters and property buyers, the Commission is seeking to protect (pp. 3, 4).

9. Market Constraints

The Interim report treats local zoning frameworks as the binding constraint on housing supply (pp 2). However real-world data refutes this assumption.

For example, in the case of Central Park Precinct in Chippendale, after the initial Concept Plan was approved, further changes were made in response to market conditions at the time. This saw a large commercial block turned into student housing, with rentals of \$600 plus for a 17 sqm room that did not achieve the minimum sunlight standards etc.

Consequently, what should have been long term rentals saw students move, further impacting the suburb's sustainability.

Chippendale Residents Interest Group
30 September 2026