



Future Apartments: A Reform Agenda for Feasible Housing Delivery

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State of the Market

- New apartment market activity in Greater Sydney has weakened significantly, with 2025 new unit sales down 23% over the year and 55% below the decade average, at a total of 13,825 transactions. This level of activity sits well below the 2017 peak, when sales were more than double current volumes.
- Settled sales of new multi-units fell to historic lows in 2025, declining 23% annually to approximately 6,250 transactions. This is 55% below the decade average and 72% lower than the recent peak in 2021, highlighting sustained softness in demand for new apartment product.
- There have now been three consecutive years of exceptionally low new apartment sales, reflecting a constrained pipeline of new project launches driven by ongoing feasibility and viability challenges.
- Multi-unit completions across Greater Sydney also declined sharply, falling 41% in 2025 to fewer than 10,000 dwellings. This represents the lowest level of completions in more than 15 years, sitting 42% below the decade average and around 70% below the 2018 peak of 33,430 units.
- Approval activity has not translated into sufficient supply outcomes. While multi-unit approvals increased by 36% over the year, total approvals of 19,260 remain 31% below the decade average and 63% below the 2016 peak, indicating a structurally constrained development pipeline.
- The subdued apartment approval environment is expected to flow through to sustained low construction activity, with limited near-term capacity for a recovery in apartment supply.
- Median new unit prices in Greater Sydney continue to rise despite weaker demand, increasing by 3% in 2025 to \$897,210. Sydney remains the most expensive market nationally, with new units priced 22% higher than the combined capital city average.
- Future supply is forecast to remain significantly below required levels, with residential completions projected to undershoot NSW Government dwelling targets for Greater Sydney by 53% in 2024 and 48% in 2025. Over five years, this equates to a cumulative shortfall of approximately 150,000 dwellings.
- Structural weakness in multi-unit feasibility and delivery is expected to persist through to 2030, with continued underperformance against housing targets driven by constrained approvals, limited project launches, and declining completions.

Reference: UDIA National – State of the Land, 2026

Acknowledgements

This report is the result of extensive collaboration across the UDIA NSW membership and reflects the collective expertise, experience and commitment of industry leaders dedicated to improving planning policy and housing outcomes for New South Wales.

The recommendations presented in this report have been informed through a comprehensive program of member engagement, workshops, technical discussions and detailed review. We sincerely thank all UDIA NSW members who contributed their insights, challenged ideas and shared practical experience throughout the development of this work.

We would like to particularly acknowledge the significant contribution of the following organisations, whose representatives generously invested considerable time, expertise and industry knowledge in developing the ADG recommendations contained within this report:

Architect Members

- Cottee Parker
- Turner Studio
- DKO Architecture
- Hames Sharley
- Hayball Architecture
- Urbis

Quantity Surveyor Members

- MBM

Their willingness to openly share technical expertise, project experience and practical lessons from delivering apartment developments across New South Wales has been invaluable. The evidence, case studies and industry insights contained within this report would not have been possible without their generous contribution.

We gratefully acknowledge the commitment of all those who contributed to this work and their ongoing partnership in advancing practical, evidence-based reforms that support the delivery of better housing outcomes for the people of New South Wales.

COTTEEPARKER 

TURNER

DKO

**Hames
SHARLEY**

URBIS 

MBM

Improving Apartment Feasibility

A single policy change or regulatory reform will not, on its own, resolve the apartment feasibility challenges facing New South Wales. Improving project viability requires a coordinated suite of targeted reforms that collectively reduce development costs, improve financing conditions and remove barriers preventing projects from progressing into construction.

The analysis in this paper shows that practical reforms to the Apartment Design Guide, combined with deferring the payment of development contributions to occupation, could materially improve apartment feasibility. Based on indicative modelling of a typical mid-rise apartment development, the typology the NSW Government has adjusted planning controls to support through its low and mid-rise housing reforms, proposed ADG changes could reduce delivery costs by approximately \$45,000 to \$82,000 per apartment, equivalent to around \$26,000 to \$43,000 per bedroom, depending on the uplift scenario achieved.

When combined with the removal of financing costs associated with upfront development contribution payments, which can add up to approximately \$27,500 per dwelling, the total feasibility benefit can reach around \$72,000 to \$110,000 per apartment. In addition, if basement car parking is reduced this could further increase savings of \$50,000–\$100,000 per car park dependant on ground conditions. These delivery savings will flow directly through to purchasers in the form of lower sales prices, making apartments more affordable and improving the capacity of projects to proceed to construction.

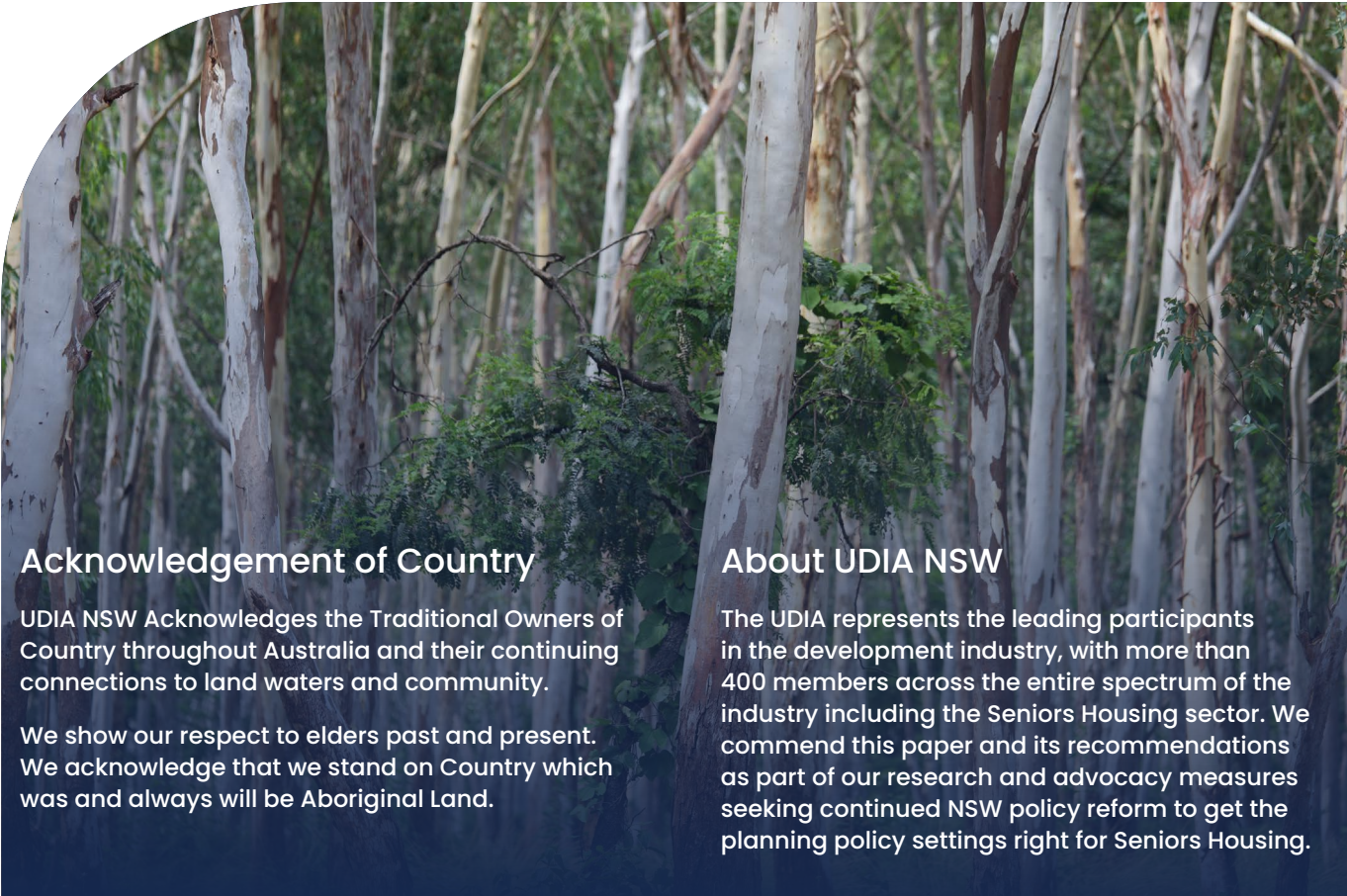
Importantly, these reforms do not require a reduction in the total development contributions collected to fund infrastructure. Rather, they seek to better align regulation, design requirements and payment timing with the commercial realities of apartment delivery, helping to convert planning capacity into actual housing supply.

This paper draws on detailed research, industry analysis and direct input from across the apartment development sector to identify the key factors currently undermining project feasibility and delivery. It proposes practical solutions aimed at increasing housing supply by supporting the transition of approved projects from planning to construction. Each section outlines the core issue, examines its impact on project viability and provides clear recommendations designed to address the identified constraints.

Report Recommendations

- 1 Update the ADG to strengthen its performance-based approach, enabling greater flexibility, innovation and alternative design outcomes across diverse apartment typologies and complex urban sites, while maintaining high standards of design quality and residential amenity, as detailed in Appendix A.
- 2 Better position the ADG as a guiding performance framework rather than a prescriptive compliance tool, supported by clearer drafting, guidance and assessment criteria to ensure consistent interpretation and application across consent authorities.
- 3 Undertake a review of local and State design review processes, including competitive design processes, to reduce unnecessary cost, timeframes and assessment uncertainty by improving consistency, governance, coordination of feedback and early resolution of design issues, with the aim of ensuring high-quality apartment design outcomes.
- 4 Amend Local Infrastructure, Housing and Productivity, and Affordable Housing Contributions policies to allow payments later in the project lifecycle, aligned with construction or Occupation Certificate milestones, to reduce upfront costs and improve project cash flow and feasibility.
- 5 Develop clear guidelines and practice notes to support staged or deferred contributions arrangements and ensure they do not delay the issuance of final Occupation Certificates.
- 6 Introduce a temporary land tax exemption during the construction phase to reduce holding costs and support project commencements and viability.
- 7 Freeze increases to State development contribution rates for the duration of the Housing Accord period to provide greater cost certainty and support ongoing investment confidence.

- 8 Establish a dedicated TOD Delivery Unit within the NSW Government responsible for coordinating and overseeing the implementation of high-rise and TOD precincts from rezoning through to delivery.
- 9 Establish permanent Complying Development Certificate (CDC) pathways for eligible mid-rise development, supported by fast-track approval processes where CDC is not feasible, to reduce assessment timeframes and improve certainty.
- 10 Increase the height limit to 25 metres in appropriate locations to support more feasible mid-rise development with improved ADG-compliant design, rooftop communal space and better viability; prioritise faster approvals for compliant developments; and review setbacks, minimum lot sizes and car parking rates (targeting a 0.5 space baseline with at-grade, sleeved parking) to improve infill feasibility.
- 11 Reform the collective sale framework to enable a faster and more streamlined pathway for ageing or defective strata schemes, reducing time, cost and uncertainty to support redevelopment.
- 12 Broaden the use of pattern books and introduce pathways for developer-led standardised design solutions, including pre-approved models that meet performance criteria, to accelerate approvals while maintaining design quality.



Acknowledgement of Country

UDIA NSW Acknowledges the Traditional Owners of Country throughout Australia and their continuing connections to land waters and community.

We show our respect to elders past and present.
We acknowledge that we stand on Country which was and always will be Aboriginal Land.

About UDIA NSW

The UDIA represents the leading participants in the development industry, with more than 400 members across the entire spectrum of the industry including the Seniors Housing sector. We commend this paper and its recommendations as part of our research and advocacy measures seeking continued NSW policy reform to get the planning policy settings right for Seniors Housing.

The Housing Crisis and Housing Accord Targets in NSW

New South Wales is experiencing a significant housing crisis driven by affordability challenges and limited housing supply. Population growth, constrained housing stock, and rising construction costs have intensified pressures across both rental and ownership markets, limiting access to secure and affordable housing.

In response, the NSW Government has adopted the National Housing Accord targets set by the Australian Government, which aim to increase housing supply through coordinated planning, investment, and policy reform. Under this commitment, New South Wales is tasked with delivering 377,000 well-located homes over five years. Achieving these targets is critical to improving housing affordability and ensuring the state's growing population has access to sustainable, affordable, and well-designed housing options.



NSW Government Response: Policies for Higher Densities and More Apartments

To support its Housing Accord commitments and accelerate housing delivery, the NSW Government has introduced a significant program of policy and legislative reform aimed at increasing apartment and infill housing supply across Sydney and the broader state.

Central to this agenda are the 2025 amendments to the Environmental Planning and Assessment Act 1979 No 203 (EP&A Act), which continue to be progressively implemented throughout 2026 and are supported by a suite of complementary planning and delivery initiatives. Key reforms include the Low and Mid-Rise Housing (LMR) Program, Transport Oriented Development (TOD) program, the Development Coordination Authority (DCA), Post-consent Support Services, the NSW Housing Delivery Authority (HDA), the Targeted Assessment Pathway, and revisions to Planning Panels.

Collectively, these policy and legislative changes are intended to deliver systemic improvements to the NSW planning system by streamlining assessment pathways, zoning more land for new apartment projects, reducing barriers to delivery, and supporting the timely progression of housing projects from approval into construction.

The overarching objective is to unlock new housing capacity in well-located areas with strong transport connections, infrastructure, and access to employment, while promoting increased density within established suburbs and minimising the need for significant additional government infrastructure investment.

While initiatives such as the LMR and TOD programs provide a strong strategic planning framework and represent the NSW Government's flagship housing reforms, they face inherent limitations in delivering the full scale of housing required in NSW.

Policy Ambitions vs. Market Realities: The Challenge of Mid and High-Rise Development

While the current policy framework establishes a clear pathway for increased density, there remains a gap between planning intent and delivery outcomes. Mid and high-rise developments, which are central to achieving these objectives, face a range of feasibility and delivery challenges that limit their ability to be realised at the required scale.

For high-rise projects, financial viability is heavily concentrated in a limited number of high-end markets. Currently, only developments in premium locations, such as the Lower North Shore, Eastern Sydney, and the Inner West, can realistically achieve the minimum hurdle rate of approximately 18% return required to secure bank financing. This concentration highlights a structural imbalance in the market: while high-value areas can attract the investment needed to make projects viable, many other locations, particularly those targeting broader housing affordability, struggle to meet financial benchmarks.

Mid-rise projects, which are intended to deliver more accessible housing options, face heightened feasibility challenges due to their risk profile in meeting profit targets. As a result, they are again currently most viable in very limited, higher-value markets where purchasers can absorb elevated price points, such as the Eastern Suburbs, such as Rose Bay, or along the North Shore corridor. However, there are emerging concerns that some of these markets may now face an oversupply, which could place downward pressure on prices and further constrain project feasibility.

Several factors contribute to these challenges, including high construction costs, escalating land values, and ongoing supply chain issues. At the same time, limited borrowing capacity driven by elevated interest rates, combined with relatively stagnant wage growth, further constrains both project feasibility and purchaser demand. In addition, the timing and scale of costs throughout the development lifecycle, including fees,

levies, and contributions, can negatively impact cash flow and increase holding costs, particularly for smaller-scale or mid-rise developments. These pressures compound the financial challenges and often result in developers delaying or deferring projects until market conditions improve.

No single reform to the planning or financing system is sufficient to resolve these feasibility constraints. Instead, a coordinated approach that addresses multiple regulatory, financial, and policy levers is required. When combined, such reforms can have a compounding effect, improving the overall financial viability of projects, increasing the number of homes delivered during the housing accord period and beyond, and support broader housing affordability objectives for the NSW community.

Without these integrated measures, projects will continue to stall, land will continue to be held for future market opportunities, and the conversion rate from development approval to completed construction will remain low, ultimately limiting the state's ability to meet urgent housing demand.

Hurdle Rate

The hurdle rate in construction project feasibility is the minimum required rate of return that a project must achieve to be considered financially viable. It represents the benchmark against which expected project returns are evaluated, taking into account factors such as capital costs, risk, financing structure, and opportunity cost. If a proposed construction project is projected to generate returns above the hurdle rate, it is typically approved; if not, it may be rejected or restructured.

Strengthening the Delivery Pipeline for Mid and High-Rise Development

Amendments to the Apartment Design Guide

The Apartment Design Guide (ADG), introduced in 2015 to improve design quality, liveability, and consistency across residential development, remains a central component of the NSW planning framework. However, over time, its application has become increasingly prescriptive, with detailed controls often prioritised over the underlying design objectives. In practice, this has led to the ADG being applied by consent authorities as a compliance-driven assessment tool, rather than as a performance-based guide intended to support high-quality design outcomes. This approach has contributed to a range of challenges.

Rigid interpretation of ADG provisions can constrain innovation and limit the ability of designers to respond to site-specific conditions. As a result, projects may default to more formulaic design solutions, rather than delivering diverse, context-responsive, and high-quality outcomes. These constraints can also reduce design efficiency and create barriers to delivering higher-density housing, particularly in locations where increased supply is most needed.

Importantly, the ADG has not kept pace with evolving housing demands, changing market conditions, and broader policy settings focused on accelerating housing delivery. There is a growing need for the framework to better support a wider range of housing typologies, including family apartments, and respond to the complexity of contemporary urban environments.

UDIA has engaged with design and architect practitioners who used two key guiding principles to review and make recommendations for change to the ADG. First, to maintain a strong focus on design excellence and ensure that any changes do not dilute established amenity outcomes. Second, to introduce greater flexibility in application, enabling more diverse and innovative design responses while still achieving the intended performance outcomes.

In response, a set of targeted recommendations has been developed to address these issues. A summary of these recommendations is outlined below, with a comprehensive and detailed list of specific amendments to the ADG provided as APPENDIX A.



Case Study: Sydney Inner City Infill Apartment Development

An ADG case study was undertaken to test a typical mid-rise apartment development within an inner-city Sydney infill context. The assessment is based on a compliant development outcome under a typical council LEP and DCP framework, consistent with LMR controls, and is intended to represent a realistic and market-feasible scheme using standard industry assumptions. The project assumes an eight-storey Class 2 residential apartment building with two basement levels and 56 apartments (approximately seven apartments per floor), with a unit mix weighted toward two-bedroom dwellings. The development has an approximate NIA of 4,315m², GFA of 5,075m² and GBA of 6,510m², with no significant contamination or infrastructure augmentation assumed.

The scheme is based on a conventional reinforced concrete flat plate and piled structure with two basement levels providing approximately 54 car spaces in accordance with council parking controls. It

incorporates standard façade treatments, mid-market finishes, compliant building services and two lift cores. Construction costs reflect current Sydney metropolitan mid-rise apartment benchmarks under stable market conditions and assume a competitive lump sum tender process.

The case study tested five key proposed ADG amendments considered capable of improving yield and/or cost efficiency while maintaining acceptable design and amenity outcomes. Recognising that not all reforms could reasonably be implemented simultaneously within a single scheme, a conservative modelling approach was adopted. Amendments were primarily assessed individually, with only realistically compatible reforms combined. The resulting uplift assumptions, including approximately one additional apartment per floor, are therefore intended to represent a practical and conservative development scenario.

ADG Modelling

ADG Ref	Amendment	Cost Impact	Units ↑	Beds ↑	New \$/Apt	New \$/Bed	Outcome
2F / 3F	Building separation	+\$2.4M (+6.5%)	+8	+14	\$623k	\$356k	Strong efficiency gain
3D	Open space flexibility	+\$1.7M (+4.5%)	+4	+7	\$641k	\$373k	Moderate Improvement
3H	Vehicle access optimisation	-\$1.3M (-3.5%)	0	0	\$646k	\$370k	Cost saving lever
4F	Circulation efficiency	+\$2.1M (+5.5%)	+8	+14	\$619k	\$354k	Highly effective
4A	Solar access flexibility	+\$2.4M (+6.5%)	+8	+14	\$623k	\$356k	Improves layout efficiency
4D	Reduced apartment size	+\$1.3M (+3.5%)	+8-10	+15-17	\$600k	\$340k	Strongest efficiency outcome

Table 1: Summary of the implications from each of the ADG changes.

Case Study: Sydney Inner City Infill Apartment Development

The analysis found that while the proposed amendments may increase total construction costs by approximately 3–8%, they consistently improve development efficiency through increased housing yield.

Across the tested scenarios, unit yield increased by approximately 10–20%, resulting in reductions in both cost per apartment and cost per bed. Importantly, the study identified cost per bed as the preferred metric for assessing housing delivery efficiency, as it more accurately captures the amount of housing capacity delivered through planning reforms.

Using the assumed base case, compared with the revised ADG scenarios, yield increased to between 64 and 66 apartments, depending on site and available ADG changes that could be used on that site, while cost per apartment reduced from approximately \$670,000 to as low as \$588,000 and cost per bed reduced from approximately \$382,000 to as low as \$340,000. This translates to a savings translation of between \$26,000 and \$43,000 per bedroom.

The strongest efficiency outcomes were generated through amendments relating to building separation, circulation efficiency and reduced apartment size controls, which enabled additional dwellings and improved floorplate efficiency. While overall capital costs increased moderately, the additional yield allowed fixed costs such as structure, façade and basement works to be distributed across a greater number of dwellings, materially improving feasibility outcomes. The study concludes that the proposed ADG amendments represent a net positive outcome for housing delivery by increasing supply, improving development efficiency and supporting commercially viable apartment construction outcomes.

Summary of cost efficiency outcomes

Metric	Change
Total Cost	+3–8%
Unit Yield	+10–20%
Cost per Apartment	↓ 5–10%
Cost per Bed	↓ 5–15%

Table 2: Overall summary of project implications from proposed ADG changes.

Modelling outcomes: Baseline vs Revised Scheme

Scenario	Units	Beds	Cost	\$/Apartment	\$/Bed
Baseline	56	98	\$37.5M	\$670k	\$382k
Revised typical uplift	64	112	\$40.0M	\$625k	\$357k
High efficiency uplift	66	114	\$38.8M	\$588k	\$340k

Table 2: Summary of the potential project cost implications from proposed ADG changes.



Recommendations

- Update the ADG to strengthen its performance-based approach, enabling greater flexibility, innovation and alternative design outcomes across diverse apartment typologies and complex urban sites, while maintaining high standards of design quality and residential amenity, as detailed in Appendix A.
- Better position the ADG as a guiding performance framework rather than a prescriptive compliance tool, supported by clearer drafting, guidance and assessment criteria to ensure consistent interpretation and application across consent authorities.

Improvements to Design Review Processes

While the proposed updates to the Apartment Design Guide (ADG) address a range of built form and apartment design considerations, the proposed amendments do not address reform of existing design review and design excellence processes operating across local and State planning pathways. This represents a missed opportunity to improve the efficiency, consistency and effectiveness of design assessment in NSW.

Industry feedback continues to identify issues with inconsistent advice, duplication, and the late introduction of new design matters during review processes, often resulting in unnecessary redesign, increased costs and extended project timeframes without materially improving design outcomes. Concerns have also been raised regarding unclear panel governance and discipline crossover, where feedback can extend beyond an expert's core area, creating conflicting advice and uncertainty for applicants and consent authorities.

There is also concern that some design excellence processes, particularly competitive design processes, can encourage iterative redesign rather than early issue resolution and strategic guidance, contributing to prolonged approval pathways and delays to housing delivery.

Design review process issues are experienced across both local and State assessment pathways. Improving the consistency and operation of these processes could deliver significant project timeline savings, greater assessment certainty and more efficient delivery of high-quality housing outcomes.

Recommendations

- Undertake a review of local and State design review processes, including competitive design processes, to reduce unnecessary cost, timeframes and assessment uncertainty by improving consistency, governance, coordination of feedback and early resolution of design issues, with the aim of ensuring high-quality apartment design outcomes.



Deferring Contributions, Exempting Land Tax, and Freezing State taxes and charges

Most developer contributions are required, by law or policy, to be paid before construction begins. For large projects, this means contributions are made years before a single apartment is sold and at a time when borrowing costs are at their highest.

Requiring payment of development contributions at the Development Application (DA) stage places significant upfront cost pressures on development projects. This timing typically coincides with peak project expenditure, increasing financing requirements and generating substantial additional interest costs for developers. Both local infrastructure and affordable housing contributions and HPC charges must be paid at DA stages, which can limit project feasibility and constrain overall development efficiency.

To address this, state and local development contributions (including HPC, local infrastructure, and affordable housing) should be deferred to the final development stage, being the Occupation Certificate or Subdivision Certificate.

Aligning contributions payments with project completion or staging would better match financial obligations with cash flow, improving liquidity throughout the development lifecycle. This approach can reduce the reliance on development finance, lower holding costs, and improve overall project feasibility without reducing total government revenue. could save tens of thousands of dollars per unit in project financing

costs alone. It would also improve developer cashflow and borrowing arrangements allowing projects to progress more quickly and support investment in the next project.

Stability in the broader cost environment is also critical. The Government should also consider freezing or waiving other charges during the Accord period given the feasibility crisis that is facing the Sydney apartment market. Things like DA fees, water access charges, land tax, and council rates all combine to make otherwise viable projects unfeasible.

Waiving or freezing any increases to these charges over the life of the Accord period would provide certainty for investment decisions and help prevent further erosion of feasibility during the delivery phase. This regulatory stability is essential to maintaining investor confidence and supporting a consistent pipeline of development.

In addition, providing a temporary exemption from land tax during the construction period would further improve project feasibility and support commencements by reducing ongoing holding costs at a time when projects are not yet generating income.

Collectively, these measures, deferring payment of state and local development contributions to the final development stage, freezing increases to State contribution rates over the Accord period, and exempting construction-phase projects from land tax, would improve project cash flow, reduce financing risk, and enhance feasibility. Importantly, these reforms would support stronger delivery outcomes without reducing overall government revenue, while also ensuring essential infrastructure funding remains intact.



Deferring developer contributions to occupation

Current settings require developer contributions to be paid upfront at Construction Certificate, meaning they are debt-funded and carried over the construction period.

Take a real Sydney case study where the costs per dwelling are represented in the table. In this project, state and local contributions account for more than 6% of the cost of buying a unit and the financing/borrowing costs associated with upfront payments add a further 2.1% to the cost.

Requiring contributions at the start of a project ties up capital, with developers incurring financing costs over the construction period. The benefit of that interest accrues to financiers, while equity that could otherwise be deployed to fund new projects is brought forward unnecessarily due to the timing of the charge.

This is a timing issue, not a funding one.

Aligning contributions with occupation will avoid these costs, enable capital to be recycled into additional projects, and support faster housing delivery.

Deferral improves feasibility, increasing margins by approximately 2 percentage points and reducing the sale price required to meet feasibility thresholds by \$27,557 per dwelling. In many cases, this is sufficient to tip marginal projects into feasibility.

- In a constrained feasibility environment, this additional cost:
- Pushes marginal projects out of viability.

Cost Component	\$ per dwelling	% of total cost
Construction	\$626,839	48.5%
Land	\$168,675	13.0%
Stamp duty	\$12,048	0.9%
Holding costs	\$7,108	0.5%
Land tax	\$10,120	0.8%
Rates	\$1,205	0.1%
VPA	\$15,663	1.2%
Financing	\$79,518	6.1%
Marketing*	\$26,711	2.1%
Contributions	\$83,253	6.4%
Financing cost due to upfront contributions	\$27,557	2.1%
Margin (18%*)	\$234,628	18.1%
Total	\$1,293,325	100.0%

Notes: *Margin is an industry standard and broadly required to securing project financing.

- Limits project commencements.
- Ties up capital that could otherwise support additional housing supply.
- Is ultimately passed through to purchasers.

Recommendations

- Amend Local Infrastructure, Affordable Housing and Housing and Productivity Contributions policies to allow payments later in the project lifecycle, aligned with construction or Occupation Certificate milestones, to reduce upfront costs and improve project cash flow and feasibility.
- Develop clear guidelines and practice notes to support staged or deferred contributions arrangements and ensure they do not delay the issuance of final Occupation Certificates.
- Introduce a temporary land tax exemption during the construction phase to reduce holding costs and support project commencements and viability.
- Freeze increases to State development contribution rates for the duration of the Housing Accord period to provide greater cost certainty and support ongoing investment confidence.

From Planning to Delivery: Enabling High-Rise Housing

The delivery of high-rise development, including Transport Oriented Developments (TODs), requires more than rezoning land. While planning controls can establish the potential for increased density, translating this into built outcomes requires sustained coordination, governance, infrastructure sequencing, and intervention over time. Historical examples such as Parramatta and Chatswood demonstrate that strategically identified centres can take 15–20 years to fully mature, requiring ongoing monitoring, policy refinement, and targeted incentives to respond to changing market conditions and delivery constraints.

A key challenge is that there is currently no single delivery authority responsible for ensuring TODs progress from rezoning to completed housing outcomes. Delivery barriers including fragmented land ownership, the need for site amalgamation, infrastructure coordination and servicing constraints, inconsistent planning controls, and capacity limitations across government and industry can significantly delay or undermine intended outcomes. Achieving the intended density and productivity outcomes of TODs requires a more active and coordinated delivery model, with clear accountability for post-planning implementation and a dedicated capability within government to manage complex, high-density precinct delivery over time.

This requires stronger governance arrangements to oversee implementation, including clear ministerial accountability and a dedicated government function

responsible for coordinating post-planning delivery. More consistent and standardised planning settings across TOD precincts would improve efficiency, reduce complexity, and provide greater certainty for development. Increased capability within both government and industry is also required to support the planning, coordination, and delivery of complex high-density projects.

Addressing land fragmentation remains critical and will require a coordinated package of measures, including facilitating site amalgamation, applying targeted financial incentives where appropriate, reducing barriers such as excessive parking requirements, and considering time-limited incentives to encourage consolidation and accelerate delivery. In some circumstances, more direct government-led land assembly and intervention may be required to unlock strategically important precincts, with any uplift reinvested into infrastructure delivery.

There is also a need for a more structured and transparent approach to identifying, sequencing, and monitoring future TOD opportunities to maintain a continuous pipeline of high-density housing supply. International experience demonstrates that successful TOD delivery requires dedicated governance structures capable of coordinating agencies, sequencing infrastructure, identifying and resolving precinct-specific barriers, and adapting policy settings over time to maintain feasibility and delivery momentum.

Recommendations

- **Establish a dedicated TOD Delivery Unit within the NSW Government responsible for coordinating and overseeing the implementation of high-rise and TOD precincts from rezoning through to delivery.**

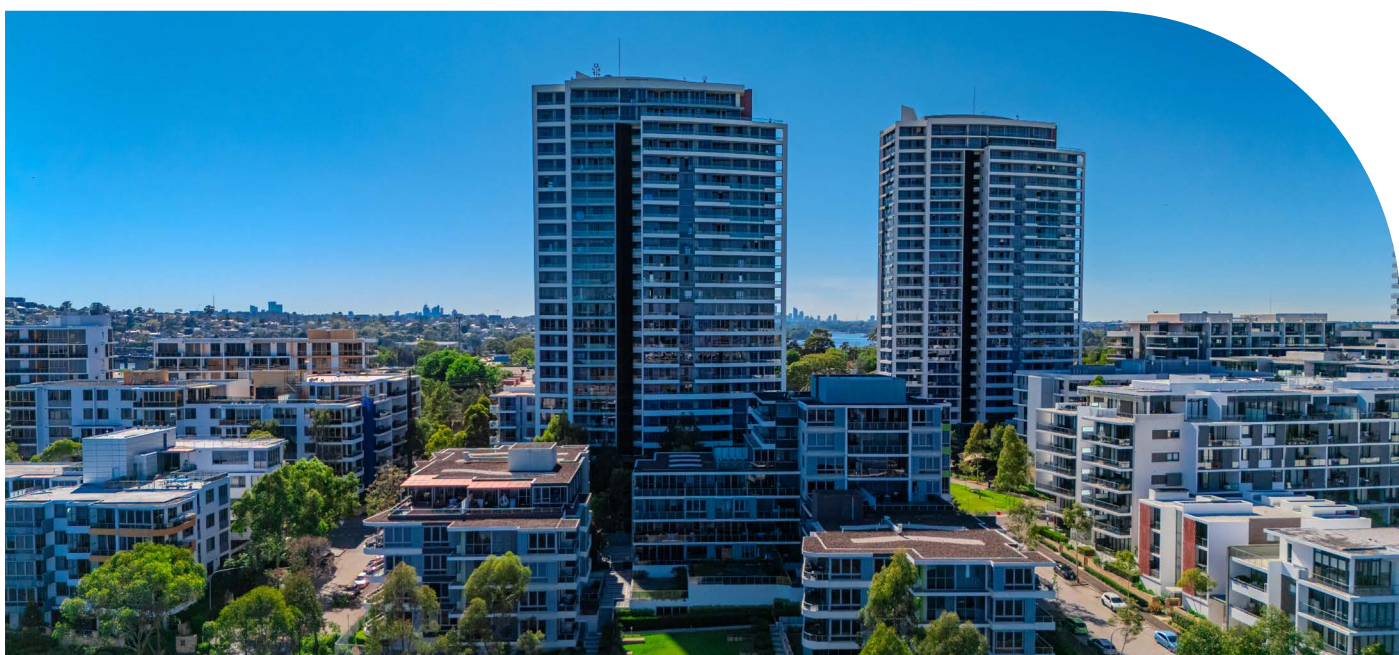
Filling the Middle: Enabling Mid-Rise Housing at Scale

Mid-rise housing, typically ranging from three to six storeys, represents a critical and scalable typology for delivering additional housing in established suburbs across NSW. It is particularly important in locations where high-rise development is neither feasible nor appropriate, and where greenfield opportunities are increasingly constrained. The delivery of mid-rise housing is shaped by a distinct set of feasibility and design considerations, including setbacks, height limits, car parking requirements, minimum lot sizes, development contributions, and practical constraints associated with medium-scale construction and site assembly.

The NSW Government has recognised the importance of this typology through the Low and Mid-Rise (LMR) Housing Policy and the recent release of the NSW Pattern Book, which provides approved mid-rise housing designs intended to support greater housing delivery and improve certainty in the planning process. While these initiatives are important steps forward, further work is required to ensure councils and their Development Control Plans (DCPs) actively support broader delivery of mid-rise housing beyond the approved pattern book outcomes. In many areas, existing local controls continue to limit feasibility, constrain design efficiency, and reduce the scalability of this housing form.

Industry feedback has consistently highlighted the need for stronger alignment between State planning objectives, local planning controls, approval pathways and project feasibility settings. In particular, the current Low and Mid-Rise (LMR) controls are not well aligned with the practical realities of contemporary building design and construction, limiting both housing yield and design quality outcomes. More flexible setbacks, reduced minimum lot size requirements and more permissive height controls would significantly improve development efficiency and viability, while better reflecting the intent of the Apartment Design Guide (ADG), and result in excellent amenity outcomes.

Consideration should be given to increasing the current six-storey height cap to approximately 25 metres in appropriate locations. The existing 22 metre limit does not consistently accommodate realistic floor-to-floor heights, rooftop communal open space, lift overruns, shade structures or half-basement and undercroft parking solutions, all of which are critical to delivering feasible and high-quality mid-rise development outcomes. Importantly, a 25 metre height limit would remain below the Building Code of Australia (BCA) threshold that triggers substantially higher construction standards and associated cost escalation. Greater flexibility is also required in the application of local DCP controls, including street setbacks, which are often applied too rigidly and undermine the design



flexibility envisaged by the ADG. Without recalibration of these controls, the LMR policy risks continuing to underdeliver on both housing capacity and residential amenity outcomes. In addition, previous UDIA research into improving the feasibility of mid-rise housing has recommended further reducing basement car parking requirements and supporting the use of sleeved parking, which has demonstrated potential cost savings of between \$50,000 and \$100,000 per basement car space, depending on ground conditions.

There is also an opportunity to work more closely with councils to modernise DCP provisions and encourage greater consistency in the interpretation and application of controls. Expanded and permanent streamlined approval pathways, including broader Complying Development Certificate (CDC) pathways and fast-track Development Application (DA) assessment processes, would reduce delays, improve certainty, and accelerate delivery. Improving consistency in planning assessments and reducing discretionary decision-making would further enhance system efficiency and investor confidence.

Addressing broader feasibility constraints, including car parking requirements, infrastructure contributions, and development holding costs, will also be essential to unlocking greater delivery. In parallel, enabling more efficient site assembly through modernised strata renewal and collective sale provisions, alongside expanded use of pattern books and standardised design approaches, would support housing delivery at scale. Strengthened data collection, monitoring, and transparency should also form part of the reform agenda, allowing government and industry to track uptake, identify barriers, and continuously refine policy settings so that mid-rise housing can play a sustained and effective role in meeting Sydney's long-term housing needs.

Recommendations

- Establish permanent Complying Development Certificate (CDC) pathways for eligible mid-rise development, supported by fast-track approval processes where CDC is not feasible, to reduce assessment timeframes and improve certainty.
- Increase the height limit to 25 metres in appropriate locations to support more feasible mid-rise development with improved ADG-compliant design, rooftop communal space and better viability; prioritise faster approvals for compliant developments; and review setbacks, minimum lot sizes and car parking rates (targeting a 0.5 space baseline with at-grade, sleeved parking) to improve infill feasibility.
- Reform the collective sale framework to enable a faster and more streamlined pathway for ageing or defective strata schemes, reducing time, cost and uncertainty to support redevelopment.
- Broaden the use of pattern books and introduce pathways for developer-led standardised design solutions, including pre-approved models that meet performance criteria, to accelerate approvals while maintaining design quality.

Conclusion

NSW has made important progress in resetting the planning framework to support more apartment delivery, particularly through reforms aimed at enabling more low and mid-rise housing in well-located areas. The next task is to ensure that this new planning capacity can be converted into feasible projects, construction activity and completed homes.

That requires immediate action on the cost and feasibility barriers that continue to hold back apartment delivery. Targeted amendments to key Apartment Design Guide controls, including building separation, communal open space, vehicle access, circulation, solar access and apartment size requirements, should be progressed as an immediate priority. These changes should be supported by a clearer performance-based framework, but the priority must be to amend the controls that are directly constraining yield, efficiency and feasibility.

The payment of development contributions should also be deferred to later in the project lifecycle. This is a practical reform that can be implemented without reducing the total contributions collected

for infrastructure. It would improve project cash flow, reduce financing costs and give marginal projects a better chance of proceeding.

The modelling in this paper shows these reforms can make a material difference. Indicative ADG changes for a typical mid-rise apartment project could reduce delivery costs by approximately \$45,000 to \$82,000 per apartment, while deferring upfront contributions can avoid financing costs of up to approximately \$27,500 per dwelling. Combined, these reforms can provide a feasibility benefit of around \$72,000 to \$110,000 per apartment. These savings will flow through to purchasers in the form of lower sales prices, supporting more affordable apartment outcomes.

If NSW is to meet its housing targets, more projects need to move from planning approval to construction. Immediate amendments to key ADG controls and deferral of development contributions would provide the market with a direct and practical shot in the arm, supporting project commencements, improving affordability and helping turn the State's housing reform agenda into delivered homes.





Appendix A – Proposed ADG Changes

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Low	Part 1 – Identifying the context	Part 1A Apartment Building Types	Shop Top Apartments	Increasing the number of levels of apartments and removing restrictions on the characteristics of the site's location will increase the number of sites that can be developed for apartments, subject to satisfying LEP/DCP controls including overshadowing and privacy. Recommendations: Change 6 to 12 storeys Delete the following requirements: • The context is a traditional main street • Rear lane access is available Opportunity to consider changing definition to allow varied uses on ground floor, including residential.	 Yes	
 Low	Part 1 – Identifying the context	Part 1A Apartment Building Types	Courtyard Apartments	Increasing the number of levels of apartments and removing restrictions on the characteristics of the site's location will increase the number of sites that can be developed for apartments, subject to satisfying LEP/DCP controls including overshadowing and privacy. Recommendations: Change 6 to 12 storeys Delete the following requirements: • Located on corner sites • Located on sloping sites	 Yes	
 Low	Part 1 – Identifying the context	Part 1A Apartment Building Types	Perimeter blocks	Increasing the number of levels of apartments and removing restrictions on the characteristics of the site's location will increase the number of sites that can be developed for apartments, subject to satisfying LEP/DCP controls including overshadowing and privacy. Recommendations: Delete the following requirements: • The references to the number of storeys • Fourth dot point, "towers and tall buildings are not desired"	 Yes	

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Low	Part 1 – Identifying the context	Part 1A Apartment Building Types	Tower	The architectural expression for a development is to be determined by the sites particular characteristics and not be required to comply with a generic principal that may not improve amenity and design outcomes. Recommendations: Delete the following requirements: • A strong vertical form or landmark is desired		
 Low	Part 1 – Identifying the context	Part 1A Apartment Building Types	Hybrid	Removing the generic site characteristics will increase the suitability of sites for apartment developments. Especially for urban infill, CBD's and brown field locations. Recommendations: Delete the following requirements: • Located on large or irregular shaped sites • A development needs to address two or more streets with different scales and or characters	 Yes	
 Low	Part 1 – Identifying the context	Part 1B – Local Character & Context	No Changes Proposed	No Changes Proposed		
 Low	Part 1 – Identifying the context	Part 1C – Precincts and Individual sites	No Changes Proposed	No Changes Proposed		
 Low	Part 2 – Developing the Controls	Part 2A – Primary Controls	No Changes Proposed	No Changes Proposed		
 Low	Part 2 – Developing the Controls	Part 2B – Building Envelopes	No Changes Proposed	No Changes Proposed		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
Low	Part 2 – Developing the Controls	Part 2C – Building Height	Introduction	Height controls should be determined based on the impacts on daylight and solar access to surrounding sites, as well as existing and preferred character.	Yes	
				Controls that are unrelated, open to subjective interpretation, and have the potential to reduce development yield, such as those relating to roof design, building use, wind protection, residential amenity, and responses to landform should be removed. Recommendations: Page 30. Second paragraph, delete the words after solar access.		
Low	Part 2 – Developing the Controls	Part 2C – Building Height	Considerations in setting height controls	Generic design controls which are open to subjective interpretation and are to be determined based on the characteristics of each site, location, shape, topography, use and design and can reduce yield should be removed.	Yes	
				- Future building uses are unclear, is it for the use the subject of the DA or a use further DA. It is not practical to set a building height for a future DA. - Setting building heights based on existing features and the requirement to transition new and existing built forms reduces building envelopes and yields is not equitable. Recommendations: Page 31. Delete the following requirements in the table: - First paragraph - Third paragraph and include generous ground floor heights. - Seventh paragraph		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
	Part 2 – Developing the Controls	Part 2E– Building Depth	Considerations in setting building depth controls	Maximum apartment and building dimensions significantly constrain site yield. Apartment and building designs are required to comply with minimum internal heights, as well as minimum sunlight and natural ventilation standards. The 18m apartment depth (measured from glass-line to glass-line) as a numerical control does not inherently result in high-quality apartment design or architectural outcomes, as it does not account for building type, orientation, or apartment layout. Many dual-aspect through-apartments exceed 18m in depth, yet this does not adversely affect amenity, daylight access, or natural ventilation. The current objective does not allow for flexibility based on varying building orientations or tower configurations. Recommendations: Page 35. Delete the following under Considerations in setting building depth controls: • First paragraph • Fourth paragraph • Sixth paragraph Paragraph 4 first sentence only.		
	Part 2 – Developing the Controls/ Part 3 Siting	Part 2F – Building separation / Part 3F Visual Privacy	Building Separation	The minimum separation distances outlined in 'Considerations in Setting Building Separation Controls' – para 3 are considered adequate. Separation needs to consider outlook between apartments. Additional restrictions that classify non-habitable spaces as habitable are unnecessary, reduce development yield, and should be removed. Imposing a boundary setback equal to half the building separation dimension also significantly reduces yield. A clearer understanding of the interaction between Part 2F and Part 3F is required. In some cases, buildings can be situated closer than Part 2F recommendations if Part 3F considerations are appropriately addressed. For example, when living spaces have favourable outlooks (sometimes exceeding 24 m), reduced building separation for bedrooms, combined with appropriate privacy measures, can still achieve positive outcomes. Surry Hills Village provides a relevant example of this approach. . Recommendations: • Page 37. Delete the following within the text section titled 'How to measure building separation':		

Continued on next page.

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 High	Part 2 – Developing the Controls/ Part 3 Siting	Part 2F – Building separation / Part 3F Visual Privacy	Building Separation	<i>Continued from previous page.</i> Delete the following requirements within 'Considerations in setting building separation controls: • Fifth paragraph • Sixth paragraph • Eight paragraphs Part 2F Building Separation Guidance is general noting that some Council's e.g. Parramatta already allows reduced separation as part of their DCP. New onsiderations in setting building separation controls should include: • Outlook from apartments • Solar amenity outcomes in apartments and communal open space • Privacy refer to Part 3F • Access to views Where reduced building separation is considered, testing against a complying solution is required to show how the proposal demonstrates a preferred outcome.	 Yes	
 Low	Part 2 – Developing the Controls	Part 2G – Street Setbacks	Considerations in Setting Setback Controls	Setback controls based on the location of existing buildings are inequitable, restrict development yield, and limit the potential for innovative design solutions. Consider only appropriate in relation to items such as heritage. Recommendations: Page 39. Delete the following under 'Considerations in setting street setback controls': • Third paragraph • Fifth paragraph • Sixth paragraph • Seventh paragraph	 Yes	
	Part 2 – Developing the Controls	Part 2H – Site and rear setbacks	No Changes Proposed	No Changes Proposed		
	Part 3 – Siting the Development	Part 3A – Site Analysis	No Changes Proposed	No Changes Proposed		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Low	Part 3 – Siting the Development	Part 3B – Orientation	Objective 3B-2	It is recommended to remove the requirement to align the building orientation with a boundary, as this approach does not respond to the design intent, the context of adjoining properties, or the site's natural orientation. Eliminating this restriction would enhance design flexibility and support more contextually appropriate and functional outcomes. Recommendations: Page 49. Delete the following from Objective 3B-2 – Design guidance: Sixth paragraph, delete reference to 90 degrees.	 Yes	
 Low	Part 3 – Siting the Development	Part 3C – Public domain interface	Objective 3C-1	The imposition of generic design parameters is overly prescriptive, restricts design flexibility, and fails to account for the unique characteristics of individual sites. The controls are not always suitable for smaller, higher-density sites (e.g. in CBD or on main road locations), where context-sensitive and innovative design solutions are required. Recommendations: Page 51. Delete the following from Objective 3C-1 – Design guidance: - Upper level balconies and windows overlooking public domain should be maximised where possible - Fourth paragraph, reference to 1 m - Fifth paragraph		
 Low	Part 3 – Siting the Development	Part 3C – Public domain interface	Objective 3C-2	The controls are primarily intended for low-rise, greenfield or unconstrained developments sites. Recommendations: Page 53. Delete the following from Objective 3C-2 – Design guidance: Fourth paragraph, reference to – located in basement Opportunity to locate substation kiosks in setbacks zones to ensure reduced loss of yield.	 Yes	 Yes

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
	Part 3 – Siting the Development	Part 3D – Communal and public open space	Objective 3D-1	Communal open space requires significantly greater flexibility and site-specific consideration to achieve optimal outcomes across different sites and building types. It is recommended to remove “principal usable part of the open space”, instead replace with just “usable open space” that can achieve the minimum of 2 hours of solar access between 9am and 3pm on 21 June. Larger developments may have multiple areas of communal open space, and the ‘usable open space’ may be located on the roof to achieve solar access. The objectives for communal open space should therefore increase the opportunity to consider rooftop and purpose-built internal amenity spaces as multiple parts of the open space of a development. Other considerations: Differentiating guidance for single-building sites, where open space is typically located around the perimeter and constrained by terraces and boundaries, versus multi-building courtyard sites, where open space may be located between buildings, on rooftops, or across multiple locations. Providing clarity on realistic expectations for the use of space; for example, small podium courtyards may not function as traditional picnic areas unless they are of sufficient scale. Greater flexibility, nuanced guidance, and recognition of diverse site conditions are essential to deliver high-quality, functional communal open space that meets contemporary urban living requirements. Considerations for solar access allowances specifically in dense urban sites and recognise that solar access may not be possible if it is not on the roof.		
	Part 3 – Siting the Development	Part 3E – Deep Soil Zones	Objective 3E-1	The 6 m minimum width for deep soil zones is overly restrictive and should allow greater flexibility, particularly where these areas are contiguous with other surrounding deep soil zones. While the ADG provides for a dispensation regarding deep soil in dense urban locations, obtaining council support can be difficult, as authorities often focus rigidly on the design criteria. Design review panels also frequently interpret the 12% deep soil recommendation, which is intended as guidance for consideration on certain sites, as a mandatory precondition for achieving design excellence, further limiting flexibility. Recommendations: Change language and increase flexibility in terminology to ‘where possible’. Include any deep soil zone adjoining the public domain beyond the site.		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Low	Part 3 – Siting the Development	Part 3F – Visual Privacy	Objective 3F-2	Consider the elimination of the requirements for window offsets from adjacent buildings and recessed balconies. Allowing greater flexibility would enable more efficient and functional apartment layouts while maintaining amenity. Opportunities for visual privacy to be achieved via alternative measures. . Recommendations: Page 65. Delete the following from Objective 3F-2 – Design guidance: • Fourth paragraph • Fifth paragraph “recessed balconies” Opportunity to include concepts that capture primary and secondary views. This approach should be possible if demonstrated by design analysis		
 Low	Part 3 – Siting the Development	Part 3G – Pedestrian access and entries	Objective 3G-1	Multiple building entries only easily apply to larger sites. This is not practical for small or medium sites, especially in CBD locations. Recommendations: Page 67. Delete the following from Objective 3G-1 – Design guidance: • First paragraph, reference to multiple entries • Option for revised language – ground level apartments should be encouraged, where possible.	 Yes	
 High	Part 3 – Siting the Development	Part 3H – Vehicle Access	Objective 3H-1	Prescriptive limitations on the location and design of car parking are overly restrictive, reduce development yield, and fail to respond to the specific characteristics and constraints of individual sites. Given that car park design constitutes a significant portion of development cost, rigid controls can directly affect project viability. Greater flexibility in car park location and configuration is essential to support efficient, context-sensitive design solutions while ensuring economic feasibility. Flexibility should be extended to the allowance of at-grade parking where it is carefully integrated into the building design, such as through active edges, sleeved apartments, or well-articulated facades, ensuring functional, context-sensitive, and visually appealing outcomes. In addition, design guidelines should allow greater flexibility for the location of parking entries adjacent to residential lobbies, considering site-specific requirements. The current provisions can be overly rigid, limiting the ability to achieve context-sensitive and practical design solutions. <i>Continued on next page</i>	 Yes	 Yes

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 High	Part 3 – Siting the Development	Part 3H – Vehicle Access	Objective 3H-1	<i>Continued from previous page</i> Recommendations: Delete – 3H Vehicle access section. Generally, site specific and traffic engineering advice required for a DA. Alternatively: Page 69. Delete the following from Objective 3H-1 – Design guidance: • First paragraph, third dot point • Third paragraph • Fifth paragraph • Tenth paragraph	 Yes	 Yes
 Low	Part 3 – Siting the Development	Part 3J – Bicycle and car parking	Objective 3J-2	Bicycle parking is generally addressed through Development Control Plans (DCPs) rather than the ADG. Requirements and design standards for bicycle facilities are typically managed at the local planning level to reflect site-specific conditions and community needs. Recommendations: Page 71. Delete – 3J Bicycle and Parking entirely.		
 Low	Part 3 – Siting the Development	Part 3J – Bicycle and car parking	Objective 3J-4	Natural ventilation to basement car parks is generally not feasible due to site and design constraints. Mechanical ventilation systems should be considered to ensure compliance with safety, air quality, and operational requirements. Recommendations: Page 73. Delete the following from Objective 3J-4 – Design guidance: • Fourth paragraph		 Yes
 Medium	Part 3 – Siting the Development	Part 3J – Bicycle and car parking	Objective 3J-5	Basement car parks should not be mandatory, as they represent a significant development cost and can critically influence the overall viability of sites. Prescriptive design requirements, including the location of at-grade car parking, selection of materials, and landscaping design, should be removed. Flexibility should be provided to allow at-grade parking where it is carefully integrated into the building design, for example, through active edges, sleeved apartments, or well-articulated facades, ensuring functional, context-sensitive, and visually appealing outcomes. <i>Continued on next page</i>		 Yes

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 3 – Siting the Development	Part 3J – Bicycle and car parking	Objective 3J-5	<i>Continued from previous page</i> Recommendations: Page 75. Delete the following from Objective 3J-5 – Design guidance: • First paragraph, • Second paragraph, reference to “unavoidable” • Second paragraph, seventh dot point Option to change language – provided ‘where possible’.		
 Low	Part 3 – Siting the Development	Part 3J – Bicycle and car parking	Objective 3J-6	Prescriptive and cost-prohibitive design requirements, such as mandatory public art, should be removed to allow greater flexibility and ensure economic feasibility of developments. Recommendations: Page 75. Delete the following from Objective 3J-6 – Design guidance: • Second paragraph, reference to “public art”		
 High	Part 4 – Designing the Building	Part 4A– Solar and daylight access	Objective 4A-1	There is ongoing discussion regarding solar access and how the design criteria can best be achieved. Some stakeholders support extending the assessment window beyond 8 am to 4 pm to assist in achieving the recommended two hours of solar access. Conversely, others argue that the two-hour target is less critical than the overarching objective of maximizing solar access to apartments. Widening the assessment window may inadvertently increase overheating, particularly for west-facing apartments during summer. Optimal design would position living areas, typically with the largest glazed areas, behind balconies to provide shading during morning and afternoon when the sun is lower in the sky. The ADG allows for dispensations in cases of favourable southern views, but experience indicates that councils are often reluctant to accept such allowances. A similar challenge arises for block-form buildings with non-ideal street alignments (e.g., streets oriented at 10:55 am), where many apartments may not meet strict design criteria despite having adequate solar access outside the prescribed window. Greater flexibility, such as considering solar access before 9 am or after 3 pm, would improve outcomes on sites with challenging orientations. Other considerations include access to sunlight being proportional to proposed planned density. <i>Continued on next page</i>		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
	Part 4 – Designing the Building	Part 4A– Solar and daylight access	Objective 4A-1	<i>Continued from previous page</i> Recommendations for Design Criteria 1 and 2: Private open spaces of at least 70% of apartments of a building receive a minimum of 2 hours direct sunlight between 9am and 3pm ... AND Living rooms of at least 70% of apartments of a building receive a minimum of 1 hour direct sunlight between 9am and 3pm and demonstrate shading to the living room in mid-Summer Intent: allow west/east facing apartments to achieve 1m² from 2pm to 3pm which can be achieved with the living room behind the balcony on east/west facing apartments. This provides significant summer shading during mid-summer even at 5pm. Considerations in achieving solar access: • Outlook from apartments • Solar amenity outcomes in apartments and communal open space • Privacy refer to Part 3F • Access to views Where reduced solar access is considered, testing against a complying solution is required to show how the proposal demonstrates a preferred outcome.		
	Part 4 – Designing the Building	Part 4B – Natural Ventilation	Objective 4B-3 – Natural Ventilation	The specification of the type and method for providing natural ventilation is overly restrictive, does not account for site-specific characteristics, and can significantly reduce site yield. In the CBD and on irregularly shaped sites, achieving double-sided apartments is often not feasible. Proposals for ducted systems, even when passive and verified by a wind consultant as providing adequate airflow, are frequently challenged by consent authorities. Stronger provisions or discretionary allowances are required for sites affected by noise, where the requirements for natural ventilation conflict with noise mitigation objectives. Design guidance should accommodate alternative solutions, including ceiling fans, innovative atrium, light well, and wind well designs. Gallery-access apartments should be recognised as a viable design solution, offering additional benefits alongside adequate ventilation. Recommendations: Design Guidance For larger sites, where ‘traditional’ cross ventilation is problematic, cross ventilation to apartments should be modelled and verified by a wind consultant to demonstrate apartments achieve adequate natural cross-ventilation. <i>Continued on next page</i>		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 4 – Designing the Building	Part 4B – Natural Ventilation	Objective 4B-3 – Natural Ventilation	<i>Continued from previous page</i> Page 85. Delete the following from Objective 4B-3 – Design guidance: • First paragraph • 3rd paragraph Remove Figure 4B.3 diagram. Remove or replace Figure 4B.8 as it doesn't represent the majority or diversity of development. Needs more clarity and allowance for expert reports. Consider % dispensation for natural cross-ventilation.	 Yes	
 Medium	Part 4 – Designing the Building	Part 4C – Ceiling Heights	Objective 4C-1	Kitchen ceiling heights should accommodate mechanical and other building services. A 2.4m ceiling height in kitchens allows for the installation of hydraulic services, including sinks in island kitchens, as well as mechanical systems necessary for effective air circulation into adjoining living spaces. Permitting 2.4m kitchen ceilings ensures that services and structural requirements can be met without compromising amenity. Requiring 2.7m ceilings in kitchens reduces the number of levels achievable in towers, lowers overall site yield, and increases construction costs. Recommendations: Page 87. Insert in first paragraph, under Objective 4C-1 – Design criteria: • Kitchens should have a minimum ceiling height of 2.4 m. • Where feasible, a ceiling height of 2.7 m is recommended to provide a superior amenity. If achieving 2.7 m is not possible, the ceiling height may be reduced while maintaining functional and design standards.	 Yes	 Yes
 Medium	Part 4 – Designing the Building	Part 4C – Ceiling Heights	Objective 4C-3	It is recommended to remove the requirement to accommodate potential future non-residential uses. The design should instead comply with the codes and standards applicable to the intended current use. Retaining the requirement could reduce yield for a scenario that may never materialise. Recommendations: Page 87. Objective 4C-3 Delete whole text /section from ADG	 Yes	

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 High	Part 4 – Designing the Building	Part 4D – Apartment Size and Layout	Objective 4D – General	The current restriction of an 8 m maximum room depth from any glazing may be unnecessarily limiting. In many cases, room depths of 9 m or greater could provide improved amenity and planning outcomes while maintaining comparable daylight and ventilation access. For secondary bedrooms (e.g., Bed 2 and Bed 3), a 1200 mm robe could be sufficient if it allows space for a 900 mm desk, providing a functional workspace for study or work-from-home needs. Eliminating the requirement for built-in robes, while ensuring space is available for residents to fit their own storage or desk, is a practical and flexible approach. In larger apartments, the third or fourth bedroom could adopt a more flexible sizing approach (e.g., less than 9 m² plus robe), as these rooms are often used as studies or occasional guest rooms. Allocating space to the main living areas instead may enhance overall apartment functionality. Flexibility in overall apartment sizes should also be considered. For schemes with extensive communal facilities, such as shared or bookable work-from-home spaces, apartments, particularly one-bedroom units, could be smaller without compromising amenity, providing cost-sensitive options. A simple refinement to the design criteria could be to specify average apartment sizes rather than minimums, while retaining other considerations relating to room dimensions to safeguard amenity. Recommendations: Page 88. Delete Figure 4D.3		
 Low	Part 4 – Designing the Building	Part 4D – Apartment Size and Layout	Objective 4D-1	It is recommended to remove any restrictions on kitchen location, as such constraints significantly limit design flexibility, and introduces unnecessary subjectivity in interpretation. Allowing flexibility in kitchen placement supports more functional, efficient, and contextually responsive apartment layouts. Recommendations: Page 89. Delete the following from Objective 4D-1 – Design guidance: • First paragraph	 Yes	
 Medium	Part 4 – Designing the Building	Part 4D – Apartment Size and Layout	Objective 4D-2	It is recommended not to prescribe maximum apartment dimensions, as doing so may overly restrict design flexibility and reduce overall yield. Recommendations: Page 89, delete the section entirely. Alternatively, under Objective 4D-2 – Design criteria, point 2: increase from 8m to 10m	 Yes	

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 4 – Designing the Building	Part 4D – Apartment Size and Layout	Objective 4D – 3	The requirement to provide for future flexibility should be removed. Building designs should be required only to comply with the codes applicable to the intended use. Mandating additional provisions for hypothetical future scenarios reduces development yield without delivering a tangible benefit. Recommendations: Page 91. Delete the following from Objective 4D-3 – Design guidance: • Fourth paragraph	 Yes	
 Medium	Part 4 – Designing the Building	Part 4E – Private Open Space and Balconies	Objective 4E – 3	Specifying materials, construction details and provision of services on balconies is a designer and developer obligation and should not be specified. Recommendations: Page 95. Delete the following from Objective 4E-3 – Design guidance: • 9th paragraph • 10th paragraph, reference to gas		
 High	Part 4 – Designing the Building	Part 4F – Common Circulation and Spaces	Objective 4F-1	The number of apartments accessed from a single corridor, particularly on the ground floor where lobbies must provide direct access to the primary street address for mail and deliveries, requires greater flexibility. Current rules can penalise innovative design solutions, such as cross-over apartments, and do not adequately reflect practical or context-specific outcomes. The provision of lifts within a development should be determined by a lift study rather than by prescriptive rules of thumb, which fail to reflect best practice or the specific operational requirements of different building types. Accordingly, the current limits on the maximum number of apartments per core and per lift should be removed, as they impose unnecessary constraints on yield, and increases development costs. These restrictions are inequitable and impede the delivery of efficient, high-quality developments. Likewise, prescriptive requirements for apartment layouts, ventilation, common corridor dimensions, and circulation space excessively constrain design flexibility. Recommendations: Page 97. Delete from Objective 4F-1 – Design criteria: • First paragraph • Second paragraph Delete the following from Objective 4F-1 – Design guidance: • fourth paragraph • fifth paragraph • sixth paragraph • seventh paragraph	 Yes	

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 4 – Designing the Building	Part 4G – Storage	Objective 4G – 1	The requirement for storage to be located within circulation spaces or living areas is overly restrictive and should be removed. Storage provision within laundries, bathrooms, or basement areas is considered acceptable and provides greater design flexibility while maintaining functional apartment layouts. Recommendations: Page 101. 4G-1 Design Criteria 1: Instead of “in addition to” replace with “Noting storage requirements for...” Page 101. Delete the following from 4G-1 Design guidance: • Second paragraph	 Yes	
 Medium	Part 4 – Designing the Building	Part 4H – Acoustic Privacy	Objective 4H – 1	The type and method for acoustic insulation should not be specified; it is very restrictive and does not consider the characteristics of the site and significantly impacts yield and cost. Designing for acoustic amenity is already covered in other regulations such as NCC Vol.1 Part F7 Sound Transmission and Insulation. CBD and irregular sites do not have the spatial flexibility to satisfy those conditions. Acoustic design can satisfy the minimum Db requirements. Recommendations: Page 103. Delete the following from 4H-1 Design guidance: • Second paragraph, • Sixth paragraph		
 Low	Part 4 – Designing the Building	Part 4J – Noise and Pollution	Objective 4J – General	This matter is more appropriately addressed through an acoustic report, which is almost always required as part of a Development Application. Recommendation: Page 104 and 105. Delete section J in its entirety as should be subject to an Acoustic Report.		
 Medium	Part 4 – Designing the Building	Part 4K – Apartment Mix	General Including Objective 4K-1 and 4K-2	The location of larger apartments should not be prescribed, as doing so reduces design flexibility, is not a valid planning consideration, and fails to account for market conditions or site characteristics. Such requirements are overly restrictive, significantly affecting yield and cost. For the same reasons, the apartment mix provision should be deleted, as this matter is more appropriately addressed through a DCP and is largely driven by market dynamics. Recommendation: Page 106 and 107. Delete entire section.		

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	Part 4 – Designing the Building	Part 4L – Ground Floor Apartments	No changes proposed	No changes proposed.		
	Part 4 – Designing the Building	Part 4M – Facades	General	Delete the façade requirement, as its relevance in this context is unclear. Recommendation: Page 110 – 111. Delete entire section.		
	Part 4 – Designing the Building	Part 4N – Roof Design	General	Roof design requirements should be removed, as they are almost always irrelevant in this context. Recommendation: Page 112 – 113. Delete entire section.		
	Part 4 – Designing the Building	Part 4O – Landscape Design	No changes proposed	No changes proposed.		
	Part 4 – Designing the Building	Part 4P – Planting on Structures	No changes proposed	No changes proposed.		
	Part 4 – Designing the Building	Part 4Q – Universal Design	General – Including Objective 4Q-1, 2, 3	Delete the requirement for universal design and future flexibility. The design is to comply with the codes that apply to that use. It is very restrictive and significantly impacts yield and cost. Recommendations: Page 118 – 119. Entire Delete section. Alternatively retain 4Q-1 and delete 4Q-2 & 4Q-3.		
	Part 4 – Designing the Building	Part 4R – Adaptive Reuse	General	Adaptive reuse – are generally heritage matters or are subject to relevant standards in redesign. Recommendation: Page 120 – 121. Review requirement to retain in ADG.		

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 4 – Designing the Building	Part 4S – Mixed Use	General	Mixed-use outcomes are generally determined by zoning provisions and the commercial viability of ground-floor retail, making additional requirements unnecessary. Recommendations: Page 122-123. Review requirement to retain in ADG.		
 Low	Part 4 – Designing the Building	Part 4T – Awnings and Signage	Objective 4T-1	Awning design should not be prescribed, as awnings are typically a council matter tied to specific urban design conditions; similarly, lighting design requirements should not be mandated and are also generally a council matter. Recommendations: Delete the following from Objective 4T-1 – Design guidance: • Second paragraph, delete fifth dot point • Fifth paragraph		 Yes
 Medium	Part 4 – Designing the Building	Part 4U – Energy Efficiency	Objective 4U-2	Materials for solar design should not be defined. The design guidance does not consider the location or characteristics of the site. The design must comply with Basix and Section J. Recommendations: Page 127. Delete the following from Objective 4U-2: • First paragraph, third dot point • Second paragraph		
	Part 4 – Designing the Building	Part 4V – Water Management and Conservation	No changes proposed	No changes proposed.		
 Medium			General and Objective 4W-2	Improved guidance on waste solutions is needed to avoid the requirement for waste trucks in basements or excessively large loading docks where on-street collection is feasible. Council waste officers often overlook the negative impacts their inflexible approach, particularly their preference for the largest possible waste vehicles, has on apartment developments, and some councils will not accept turntables. More waste could be collected on the street or managed using more spatially efficient solutions. The design and materials for composting should not be defined. The design guidance does not consider the location or characteristics of the site. Recommendation: Page 131. Delete the following from Objective 4W-2 – Design guidance: • fourth paragraph		 Yes

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Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
 Medium	Part 4 – Designing the Building	Part 4X – Building Maintenance	General	Building Maintenance: now an NCC/ safety in design issue and the ADG guidance lacks relevance or needs updating. Recommendation: Page 132 – 133. Consider removing section.		
 Medium	Part 4 – Designing the Building	Part 4X – Building Maintenance	Objective 4X-1	The design and materials for the roof and windows should not be defined. Recommendation: Page 133. Delete the following under 4X-1 – Design guidance: First paragraph, first and second dot points		
 Medium	Part 4 – Designing the Building	Part 4X – Building Maintenance	Objective 4X-2	The exclusion of scaffold for external maintenance is not practical, does not consider the characteristics of the site or the design. It is impractical and a significant cost to design all external areas to be accessible without scaffold. Recommendations: Page 133. Delete the following under 4X-2 – Design guidance: Third paragraph		 Yes
	Part 5 – Design review panels	Part 5a – Part 5E	No changes proposed	No changes proposed.		
	Not a specific part / ref of document	General Comment	Suburban multi- residential projects	This represents the default approach outlined in the ADG. Objectives relating to open space, deep soil, building depth, and separation are particularly important for these types of buildings, especially when they are repeated within a precinct. Ashmore Estate in Erskineville provides an example of a precinct comprising a series of buildings developed in accordance with ADG and RFDC guidelines.		
	Not a specific part / ref of document	General Matters	Urban mixed- use projects	These projects are typically larger in scale and often incorporate retail or other active uses at the ground or lower levels, resulting in different requirements for open space. Urban mixed-use developments may face challenges in providing effective deep soil areas and must carefully consider the interaction of different uses at ground level. Due to increased height and density, achieving Part 2F building separation recommendations can also be more difficult in these contexts. Surry Hills Village provides a recent example of this type of urban mixed-use development.		

Appendix A – Proposed ADG Changes

Priority/ Impact	Part of Document	Section Title	Description	Amendment/Comment	Improves Yield	Reduces Cost
	Not a specific part / ref of document	General Matters	Hybrid type mixed-use town centre project with retail base and multiple towers above	This describes a large-scale mixed-use development comprising multiple towers. Where large-format retail is incorporated, substantial loading docks may be required, occupying significant portions of the site. In such projects, common open space is typically elevated and may include frontages to podium-level apartments. Similar to other mixed-use developments, the proximity of towers and ground-floor interactions necessitates design considerations that differ from those envisaged in earlier frameworks, such as the 2001 RFDC or the 2015 ADG. Recent examples of this type of development include South Village Kirrawee, The Doran Drive project at Showground Station, and Melrose Park Central (currently under construction).		
	Not a specific part / ref of document	General Matters	Tower projects in dense urban centres	These projects will likely be mixed use and have very limited ability to provide communal open space or deep soil areas. Due to other tall buildings in the area, solar access may be very difficult to achieve, however the proximity to transport, workplaces, retail and recreational zones potentially provides very high amenity for residents.		



Appendix B – Proposed ADG Layout Changes

Appendix B – Proposed ADG Layout Changes

Comments

Page	Topic	Issue to Address	Rationale	Comments/Recommendations
8, 9	About this Guide	References to SEPP 65	SEPP 65 was repealed on December 14, 2023.	Amend references to SEPP 65 to Chapter 4 of the State Environmental Planning Policy (Housing) 2021, a.k.a the Housing SEPP
9		ADG as a guide <i>Although this document is a guide, State Environmental Planning Policy (Housing) 2021 (Housing SEPP) refers to some parts of the Apartment Design Guide that must be applied when assessing development applications.</i>	Considered as an assessment tool, this part needs to be re-written and allow for alternative solution, instead of reverting back to DCP.	When strict compliance can't be achieved, ADG allows for alternative solutions when: - The proposal can demonstrate consistency with the Objectives of the guide; or - certain design considerations outweigh strict compliance and present better design outcomes.
9		Address Inconsistencies <i>Objectives, design criteria and design guidance in Parts 3 and 4 of this Apartment Design Guide that are referred to in SEPP 65 will prevail over any inconsistent DCP control.</i>	Provide clarity for inconsistencies in parts of ADG and DCP controls.	Include provisions in Chapter 4 of the Housing SEPP: <i>Apartment Design Guide prevails over development control plans when a requirement, standard or control in relation to the same matter is specified for:</i> (a) visual privacy (3F), (b) solar and daylight access (4A), (c) common circulation and spaces (4F), (d) apartment size and layout (4D), (e) ceiling heights (4C), (f) private open space and balconies (4E), (g) natural ventilation (4B), (h) storage (4G).
9		Nine design quality principles	no longer applies	delete
9		Definition of Residential Apartment Development: <i>...They apply to buildings that are three or more storeys and that have four or more dwellings</i>	Ensure consistency of the criteria of residential apartment buildings as per Housing SEPP	Amend definition: <i>ADG applies to the development of buildings of at least 3 storeys, not including underground car parking storeys, and contains at least 4 dwellings.</i>

Appendix B – Proposed ADG Layout Changes

Comments

Page	Topic	Issue to Address	Rationale	Comments/Recommendations
9		Reference to non-discretionary standards <i>Certain design criteria referred to in the Housing SEPP cannot be used as a reason to refuse a development application, if complied with.</i>	Need to be re-written to provide clarity on design criteria that is non-discretionary and consistent with provisions of the Housing SEPP.	Include provisions in Chapter 4 of the Housing SEPP for Non-discretionary development standards: <i>Development standards for particular matters relating to residential apartment development that, if complied with, prevent the consent authority from requiring more onerous standards for the matters:</i> (a) <i>the car parking for the building must be equal to, or greater than, the recommended minimum amount of car parking specified in Part 3J,</i> (b) <i>the internal area for each apartment must be equal to, or greater than, the recommended minimum internal area for the apartment type specified in Part 4D,</i> (c) <i>the ceiling heights for the building must be equal to, or greater than, the recommended minimum ceiling heights specified in Part 4C.</i> Add: “If the inverse is implied ie. if you don’t comply with any of the Housing SEPP Non-discretionary development standards, it can be used as a reason to refuse a DA.”
11	How to use this guide – Achieving the objectives.	Structure of ADG controls 1. description of the topic and an explanation of its role and importance 2. objectives that describe the desired design outcomes 3. design criteria that provide the measurable requirements for how an objective can be achieved. 4. design guidance that provides advice on how the objectives and design criteria can be achieved through appropriate design responses, or in cases where design criteria cannot be met.	Design criteria provides specific measurable requirements to achieve the objectives, but doesn’t allow for alternative design strategies that can achieve the objectives or provide better design outcomes	Amend definition: • <i>Change “design criteria” to “acceptable solution”</i> • <i>Add a pathway for “alternative solutions”</i> • <i>Add a diagram for clarity</i>

Appendix B – Proposed ADG Layout Changes

Example

4B2 – Natural Ventilation

Objective 4B-3

The number of apartments with natural cross ventilation is maximised to create a comfortable indoor environment for residents

Consider when: numerical compliance can't be achieved, but can demonstrate solutions to meet the objectives

Acceptable Solutions

(as per ADG Design Criteria)

- At least 60% of apartments are naturally cross ventilated in the first nine storeys of the building. Apartments at ten storeys or greater are deemed to be cross ventilated only if any enclosure of the balconies at these levels allows adequate natural ventilation and cannot be fully enclosed.
- Overall depth of a cross-over or cross-through apartment does not exceed 18m, measured glass line to glass line.

Design Guidance (as per ADG)

- The building should include dual aspect apartments, cross through apartments and corner apartments and limit apartment depths
- In cross-through apartments external window and door opening sizes/areas on one side of an apartment (inlet side) are approximately equal to the external window and door opening sizes/areas on the other side of the apartment (outlet side) – see figure 4B.4)
- Apartments are designed to minimise the number of corners, doors and rooms that might obstruct airflow
- Apartment depths, combined with appropriate ceiling heights, maximise cross ventilation and airflow

Alternative Solution

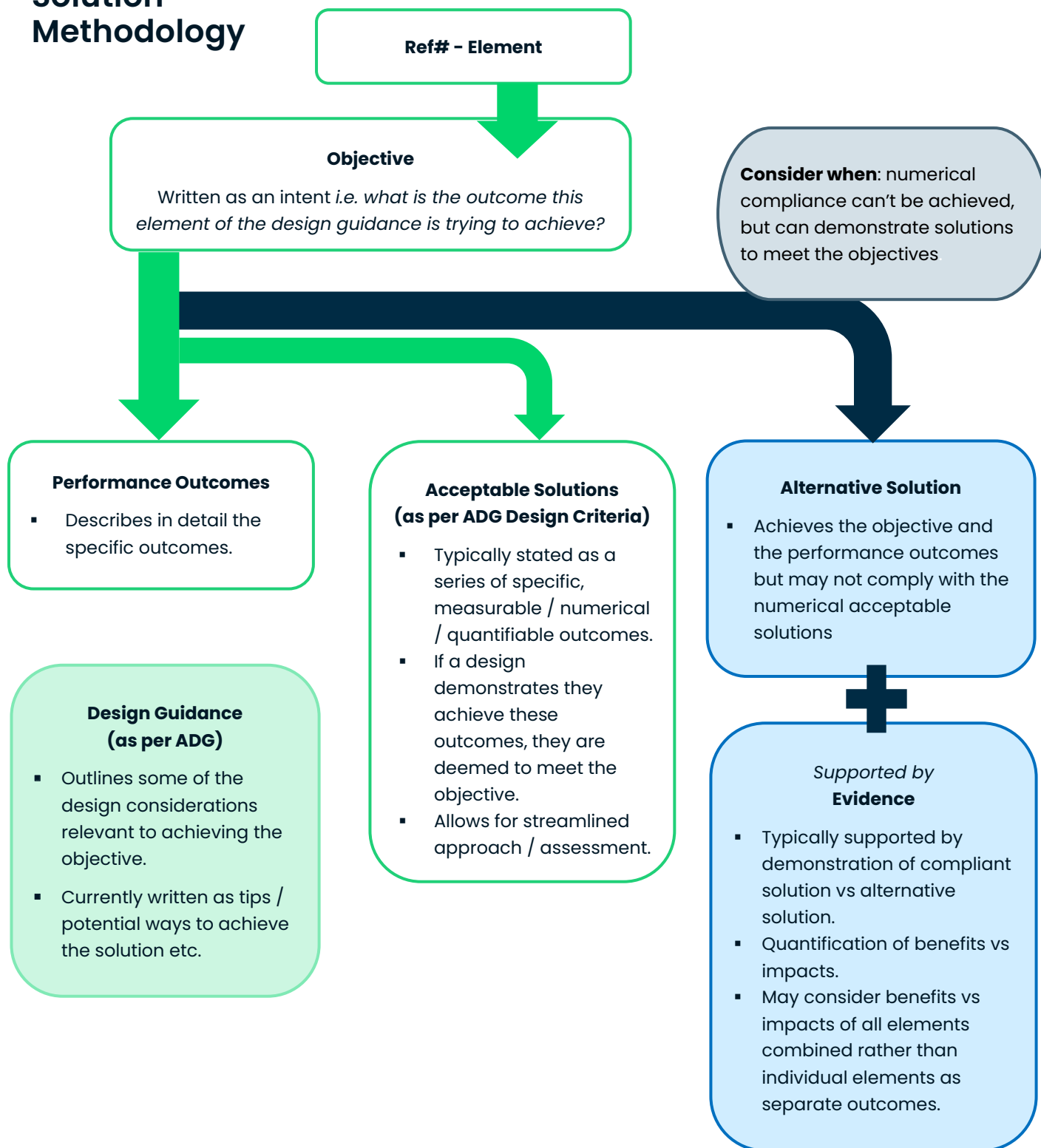
- Maximise the number of corner, cross over and cross through apartments, where all non – cross ventilated units can demonstrate good thermal comfort outcome (BASIX requirements)

Design Guidance

- apply design solutions to maximise natural ventilation to single aspect apartments – see 4B(2) Design Guidance
- other design solutions to demonstrate good thermal comfort.

Appendix B – Proposed ADG Layout Changes

Alternative Solution Methodology



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