More homes, better cities

Letting more people live where they want

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Australia has built too few homes where Australians most want to live

- Australia's housing stock per adult has gone backwards, whereas housing demand has risen rapidly
- Australia's capital cities are among some of the least dense of their size in the world

Restrictive planning systems prevent many more homes from being built

- Land-use planning is necessary to mediate between land uses and coordinate the public realm. But there are three problems:
    1. Much inner-city land in our major cities is subject to restrictive zoning & built form controls that prevent greater density
    2. Development approval processes are costly, slow, and uncertain
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States should reform their planning systems to permit more housing

- Upzone their capital cities, particularly in high-demand areas:
    - **A Low-Rise Housing Standard:** three-storey townhouses should be permitted on all residential-zoned land in capital cities
    - **A Mid-Rise Housing Standard:** allow for 6+ storeys around transit hubs, and higher densities where there is unmet demand
- Modest density should use complying development pathways & higher density should mostly be deemed-to-comply
- Improve evaluation and review: subject planning controls to cost-benefit analyses and regularly evaluate feasible capacity

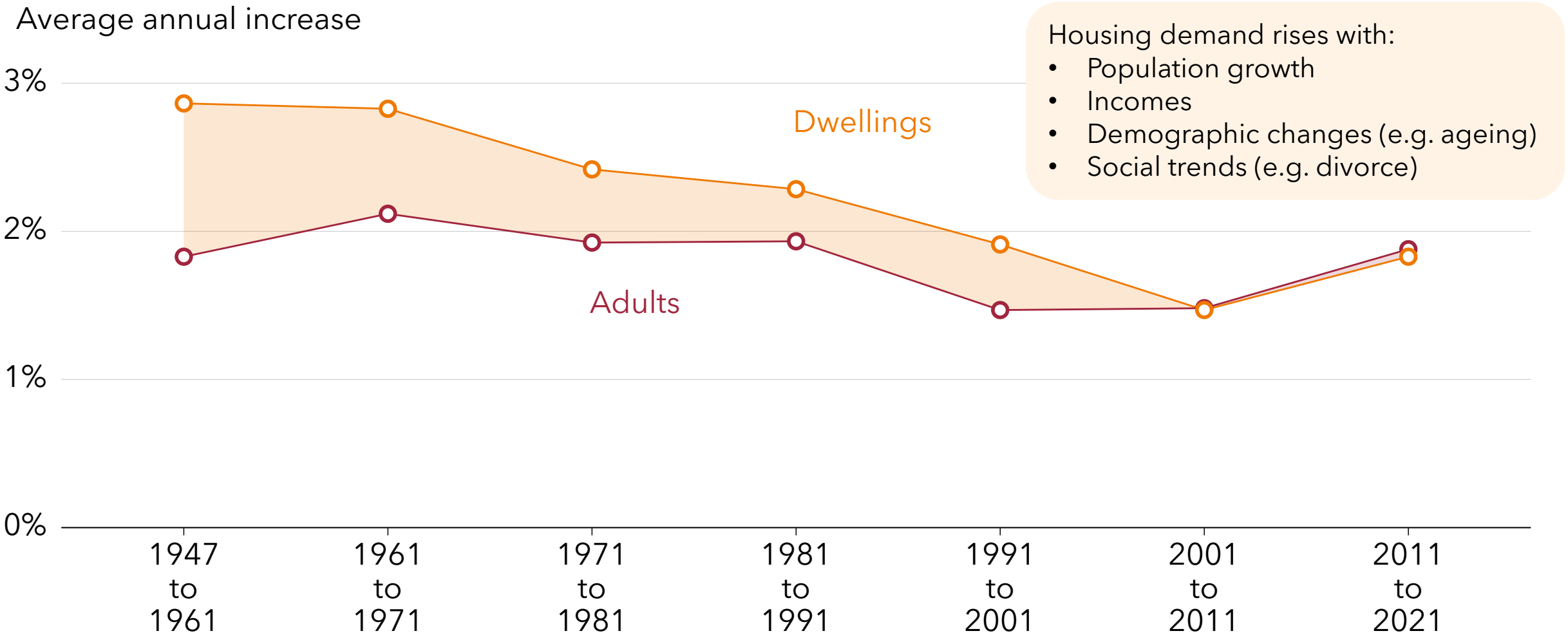
Recent planning reforms in NSW and Victoria don't go far enough

- Victoria's planning reforms are more ambitious than those in NSW, especially in allowing modest density via the Townhouse Code
- Both states' have upzoned for higher density around transit hubs, but higher density is more feasible in Sydney currently

The federal government should sharpen incentives to encourage states to get more housing built

- The New Home Bonus isn't working: most states are not on track to qualify for incentive payments
- The federal govt. should pay the states for specific residential planning reforms in a revitalised National Competition Policy
- The Productivity Commission should regularly assess the performance of planning systems, including feasible capacity

Australia's dwelling stock used to grow much faster than the adult population, but not anymore



Housing demand rises with:

- Population growth
- Incomes
- Demographic changes (e.g. ageing)
- Social trends (e.g. divorce)

Notes: Dwellings are measured as private, occupied dwellings. Includes vistor-only dwelling. Adult population measured as those aged 18 years and over. Pre-1971 censuses largely excluded Indigenous Australians. Source: Grattan analysis of ABS Censuses (1947 to 2021).Data sourced from Community Packs and Time Series Profiles for 1996 to 2021 and general summary products beforehand.

Australia's housing per adults has gone backwards

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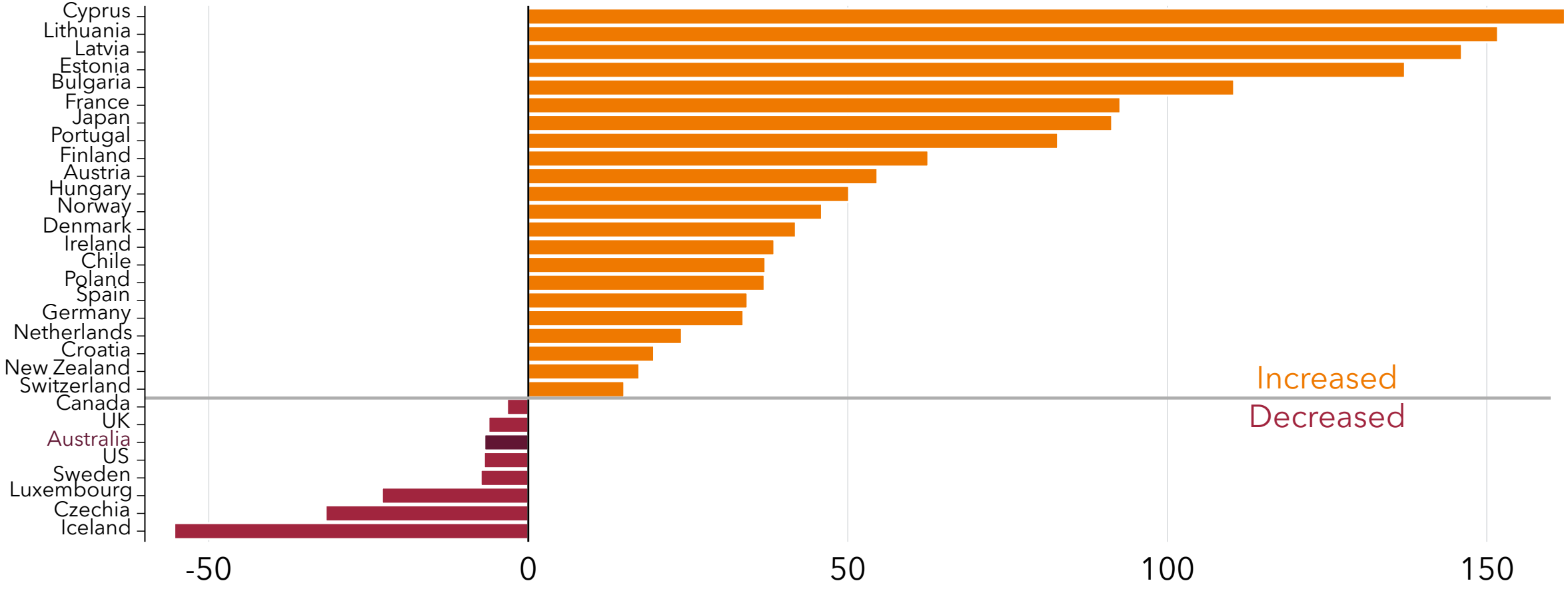
Change in dwellings per 1,000 adults, 2000 to 2020 or closest available



Notes: Australian figures are for total occupied, private dwellings. Excludes visitor-only households. Data for 2020 series refer to: 2021 for Australia; 2020 for Austria, Denmark, Estonia, Finland, France, Ireland, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Sweden, UK, and US; and 2018 for all others. Data for 2000 series refer to: 2001 for Australia, Austria, Bulgaria, Canada, Croatia, Czech Republic, Hungary, Luxembourg, New Zealand, Norway, Portugal, and Spain; 2002 for Chile and Latvia; 2005 for Malta.

Sources: Grattan analysis of OECD Affordable Housing Database, ABS 2021 Census, UN World Population Prospects.

Australian cities are less dense than comparable ones overseas

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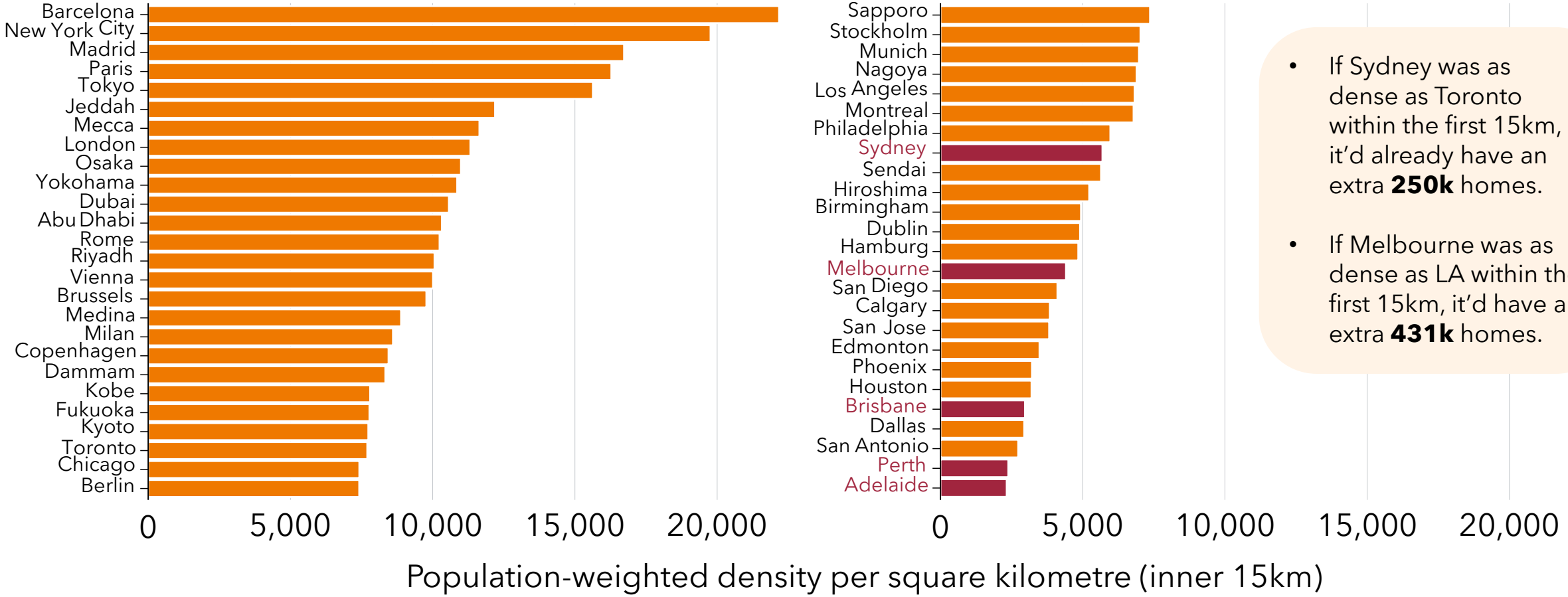
Cities of at least 1 million people in developed countries



- If Sydney was as dense as Toronto within the first 15km, it'd already have an extra **250k** homes.
- If Melbourne was as dense as LA within the first 15km, it'd have an extra **431k** homes.

Notes: Population-weighted means each square kilometer is weighted according to how many people live there (this neutralises the impact of mountains, bodies of water etc). It's the best measure of how dense a city `feels' for someone there. Data filtered for countries with at least 60 per cent of Australia's GDP per capita. Outliers Hong Kong (density of ~53k) and Singapore (~30k) removed. See source for more detail on density data.

Source: Grattan analysis of citydensity.com, World Bank.

Most of our major cities have allowed fewer new homes in inner- and middle-suburbs

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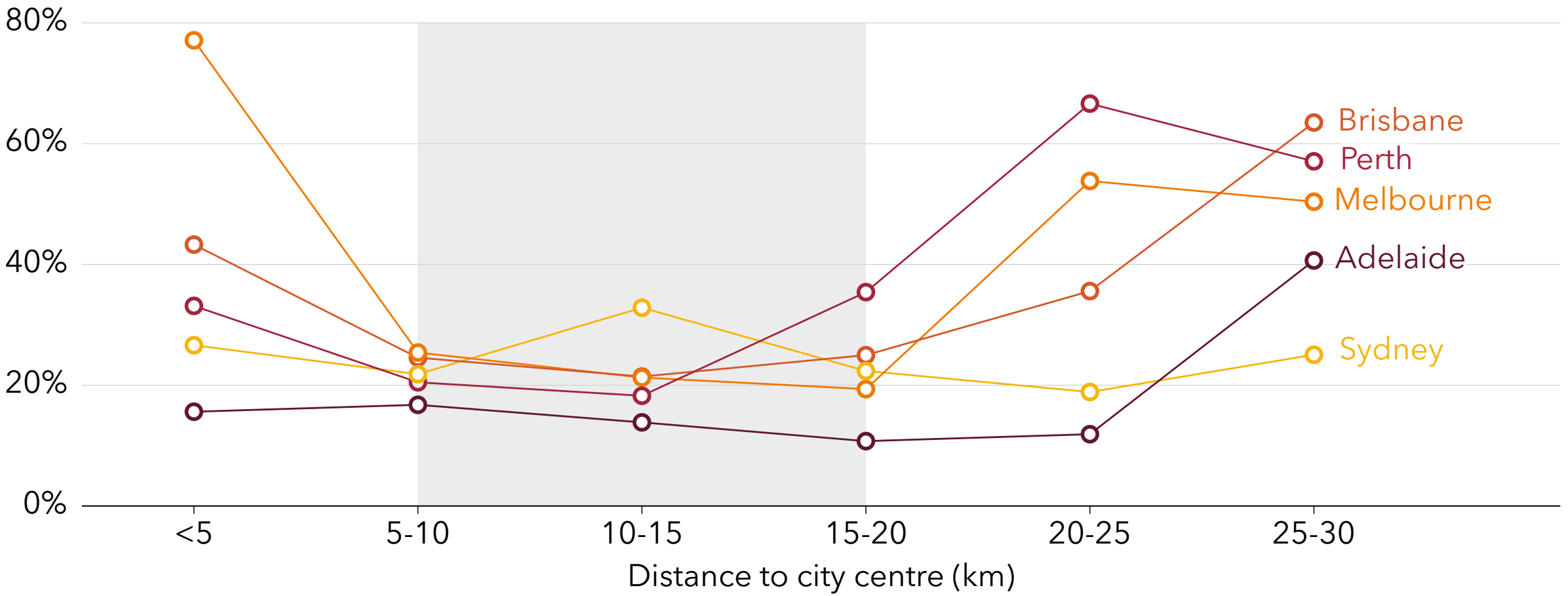
Increase in the number of homes by distance to CBD, 2006 to 2021, per cent



Notes: Uses dwelling counts by Census' Collection Districts (2006) and SA1s (2021), which are then mapped to each CBD. Records dwellings occupied on Census night.

Source: Grattan analysis of ABS 2006 and 2021 Census' (sourced via TableBuilder) and ABS Geographic Shape Files.

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Land use planning controls constrain housing supply

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1

Planning controls forbid more homes on much valuable inner-city land

- Most residential-zoned land in our major cities is low density
- Floor-space ratios & other controls limit what can be built in higher-density zones
- Extensive heritage protections further limit what new housing can be built

2

Planning approval processes are complicated, long, and uncertain

- Securing planning approvals is onerous and expensive
- Proposals are weighed against subjective criteria
- Delays in securing development approvals add to financing costs

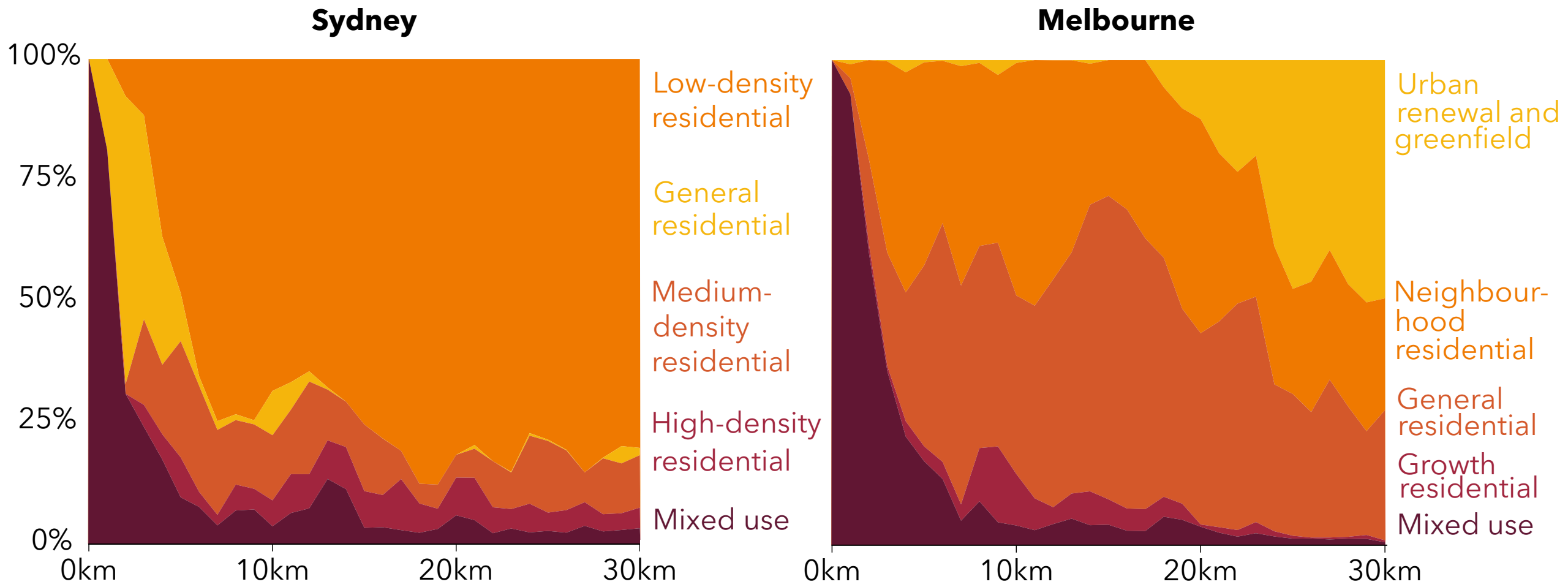
3

Governance of land use planning regimes is biased against change

- Processes for community consultations favour existing residents
- Housing targets for councils reflect existing planning controls, not unmet demand
- There is a little rigorous assessment of existing planning controls and their impacts

Problem #1: Most of inner Sydney and Melbourne is zoned for low-density

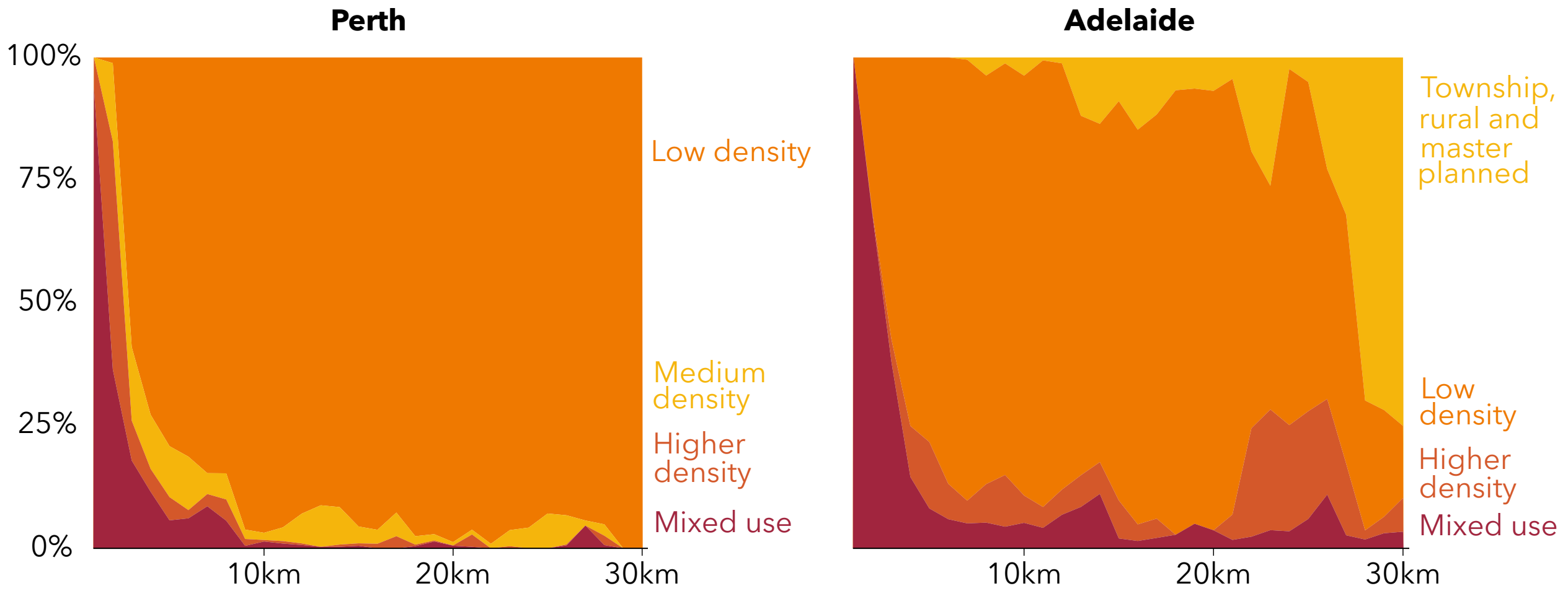
Share of residential land area by zone type and distance to CBD



Notes: 'Mixed-use growth' combines metropolitan centre and mixed-use commercial zones. Sydney: 'Low-density residential' combines R2, R5, C4, and RU5 zones. Melbourne: 'Residential growth' combines residential growth and housing choice and transport zones. Only includes land within the GGCSA where zoning permits housing. Sources: Grattan analysis of NSW Government (2025) Department of Planning, Housing, and Infrastructure property and planning data; Victorian Government (2025) Department of Transport and Planning property and planning data.

Problem #1: Most of inner Perth and Adelaide is zoned for low-density

Share of residential land by density control and distance CBD

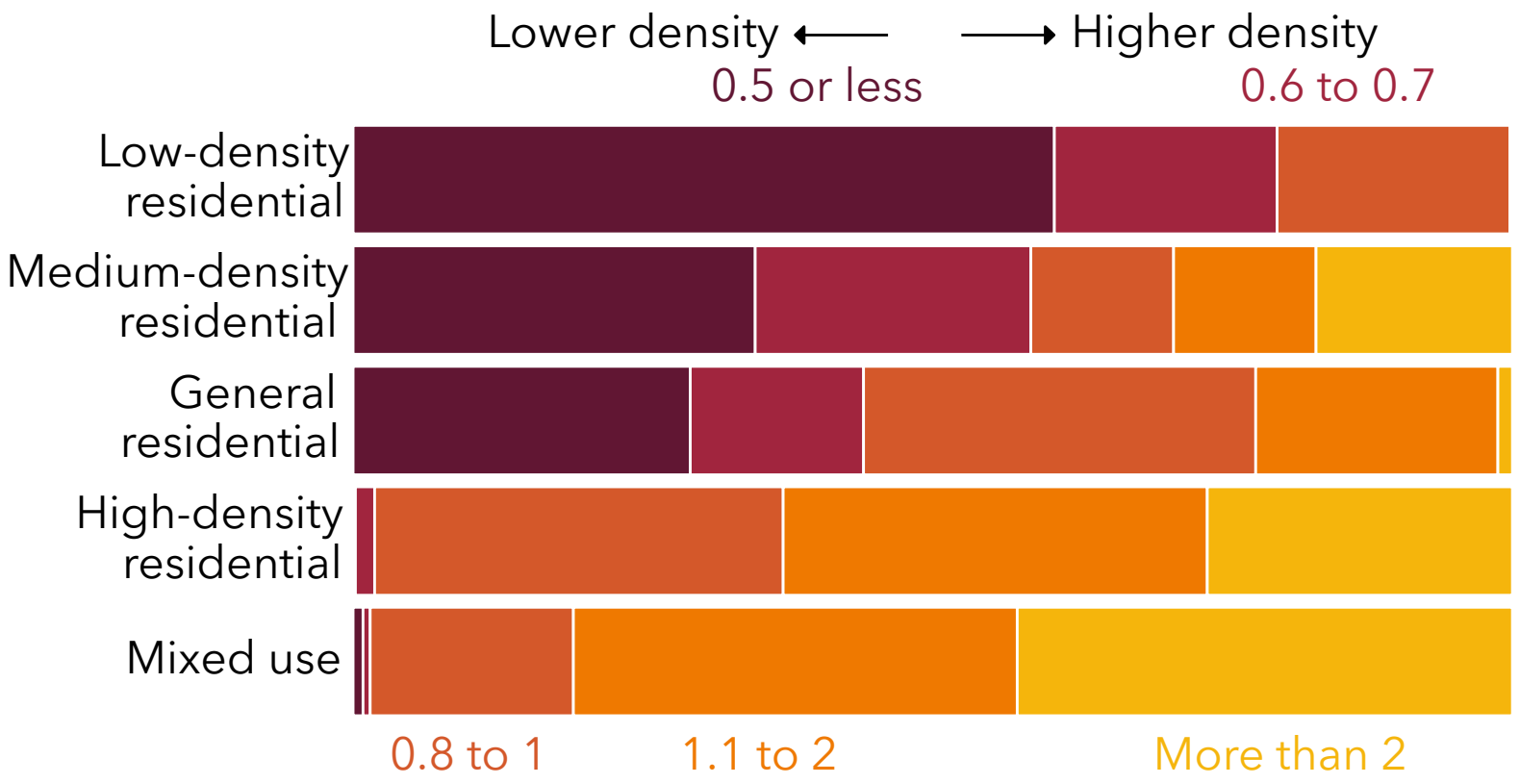


Notes: WA's planning system uses zoning mainly to regulate use. The R-code system (what is used for this analysis) then regulates density and built form. Low includes R2–R40. Medium includes R50-R70. Higher includes R80–R160. Mixed use includes the CBD and R-AC0 to R-AC4. Minor overlaps between CBD and R-coded layers removed. Our mapping comes from the deemed-to-comply standards outlined in the Residential Design Codes and is broadly consistent with Kulish, M (2011) 'Urban Structure and Housing Prices: Some Evidence from Australian Cities'. Where polygons are dual-coded, we select the higher code. Source: Grattan analysis of WA DPLH (2025) R-Codes and Zones and Reserves layers, and WA DPLH (2025) Residential Design Codes (vol 1 & 2).

Notes: Low-density includes General Established, Hills, Suburban, Waterfront Neighbourhood. Higher-density includes Housing Diversity & Urban Renewal. Mixed-use includes Capital City; City Living and Main Street; Local, Suburban & Urban Activity Centre; Suburban Main Street; Business and Urban Neighbourhood; Home Industry; Suburban Business; Urban Corridor (Boulevard, Business, Living & Main Street); Urban Neighbourhood. Township, rural & master planned includes Master Planned Neighbourhood, Renewal & Township; Neighbourhood; Rural Living, Neighbourhood, Settlement & Shack Settlement; Township; Township Activity Centre; Neighbourhood and Main Street. Source: Grattan analysis of PlanSA (2025) Planning and Design Code Zones.

Problem #1: Sydney properties within the same zone can face very different density controls

Share of properties by floor space ratio and zone

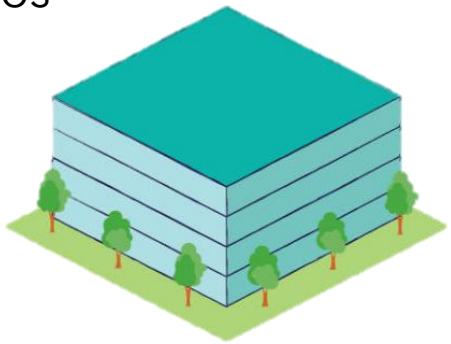


Floor space ratios

FSR 4.0

100% coverage

4 storeys



FSR 4.0

66% coverage

6 storeys

Most 'high density' residential areas have an FSR of less than two, and one-third have an FSR of less than 1.

Note: Limited to properties within the Sydney GCCSA where zoning generally permits housing.'Mixed-use growth' combines metropolitan centre and mixed-use commercial zones. Mapped FSR values not available for around one quarter of all properties, mostly in low-density residential areas. Includes mapped height controls in Local Environment Plans, along with height controls that apply in Transport Oriented Development and Low- and Mid-rise Housing Areas.

Source: Grattan analysis of NSW Government (2025) Department of Planning, Housing, and Infrastructure data.

Problem #1: Heritage controls further limit what housing can be built where people most want to live

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Heritage conservation areas in **inner Sydney**

Notes: Highlighted areas exclude CBD land in the Metropolitan Centre zone, and land where zoning generally does not permit housing. Only includes general HCAs. Source: Grattan analysis of NSW Spatial Services (2025) property and planning data. Map data provided by Stadia Maps, Stamen Design, and OpenStreetMap.

Heritage overlays in **inner Melbourne**

Notes: Highlighted areas exclude CBD land in the Capital City and Docklands zones, and land where zoning generally does not permit housing. Source: Grattan analysis of VicMap (2025) property and planning data. Map data provided by Stadia Maps, Stamen Design, and OpenStreetMap.

In Melbourne:

- Sites with a heritage overlay are about **50%** less likely to see significant infill development
- Mixed-use developments in heritage overlay areas have **28%** less height on average

Problem #2: Approvals processes are slow, onerous and discretionary, adding uncertainty and cost

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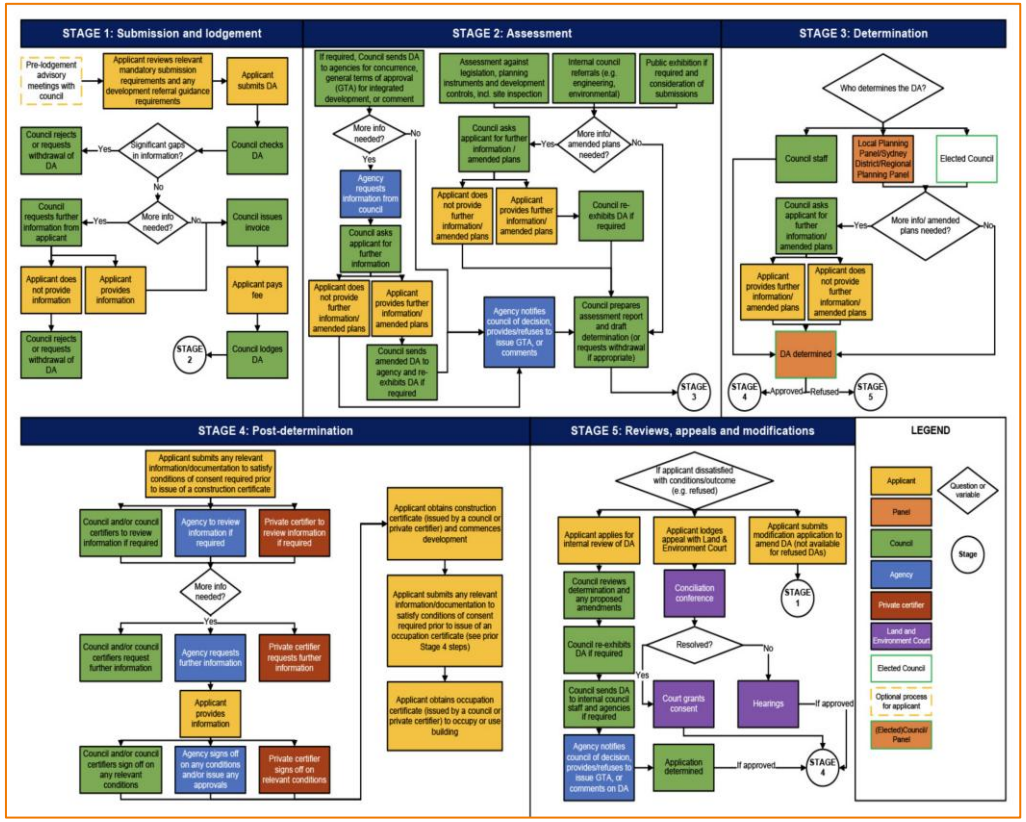
Official government schematic of the NSW planning approvals process



Source: Sydney Morning Herald.

Planning approvals are increasingly onerous, adding cost

- Planning approvals require structural, environmental, traffic and other assessments, typically conducted by consultants
- These requirements add cost and increase the number of grounds where applications can fail

Even when housing is notionally allowed, approval processes are highly convoluted and discretionary

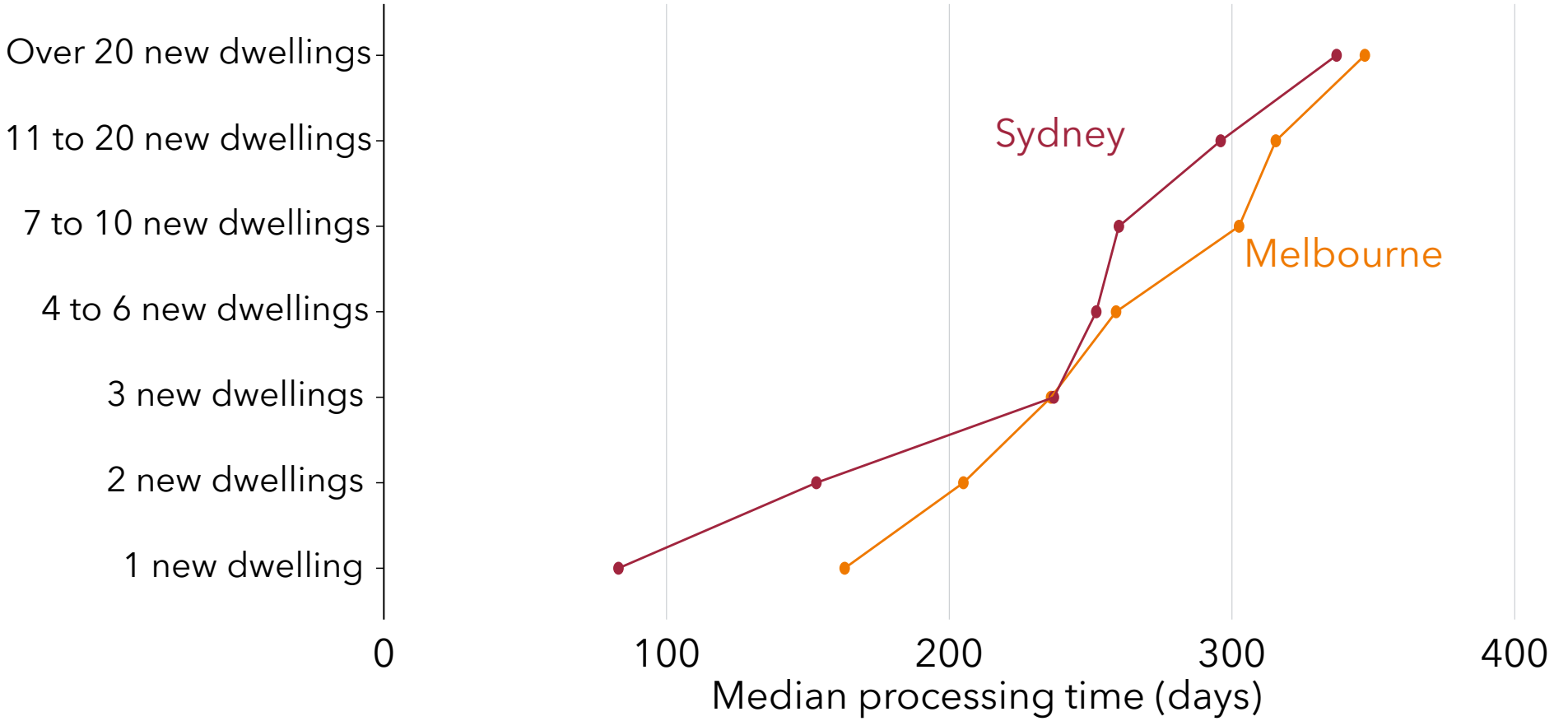
- For example, DAs are often assessed against subjective criteria, and third-party appeal process can be extensive
- This adds to project costs/risk: which makes marginal project unfeasible, and reduces the flow of new housing

Because construction is highly sequential, delays and disruptions can create 'cascading failures', which push up costs

Streamlined development tracks tend to have a narrow scope

Problem #2: Planning permit wait times are long

Average residential planning permit processing times, by city and net dwelling yield of proposal



Waiting adds cost:

- For a four-unit townhouse project, an extra six-month wait can add about **$18,700** per home

Appeals often reverse council decisions:

- VCAT overturns council rejections nearly **50%** of the time
- Applicants wait an average of **193 days** for a VCAT decision

Notes: Data from 2019 to 2025. Only includes new applications that are finalised (exludes lapsed, withdrawn, in progress etc.), that include a positive expected net dwelling yield, and are directly reported as new residential development (i.e. excludes associated permits for vegetation removal, change of use etc.). Processing time measured as days between application received and a final outcome (regardless of approved or rejected).

Source: Grattan analysis of the Victorian Planning Permit Activity Reporting microdata and the NSW DA microdata.

Problem #3: Governance processes for land-use planning controls are biased against change

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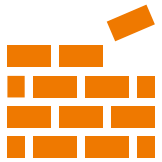
Councils represent the interests of existing residents, not future residents

- Localised democratic process favour the interests of existing residents, especially homeowners.
- Those that would move into an area if more housing were built don't get a say.
- Yet council planning decisions impact the cost and availability of housing across the city, not just in the local council area.

Community consultation processes favour those who oppose change

- Those most motivated to show up are often those who have spare time and feel they have something to lose, whereas the benefits of more housing are dispersed.
- All these barriers skew the process in favour of the privileged and the old, and consultation processes do not reflect the public interest



Restrictive rules face little scrutiny

- In most areas of policy, proposals to restrict citizens' choices and economic activity are required to reckon with the impact
- Planning controls are not subject to rigorous cost-benefit analysis.

Source: Adapted from Sydney YIMBY.

Unmet demand for housing is particularly high in Sydney's beachside councils and inner-Melbourne

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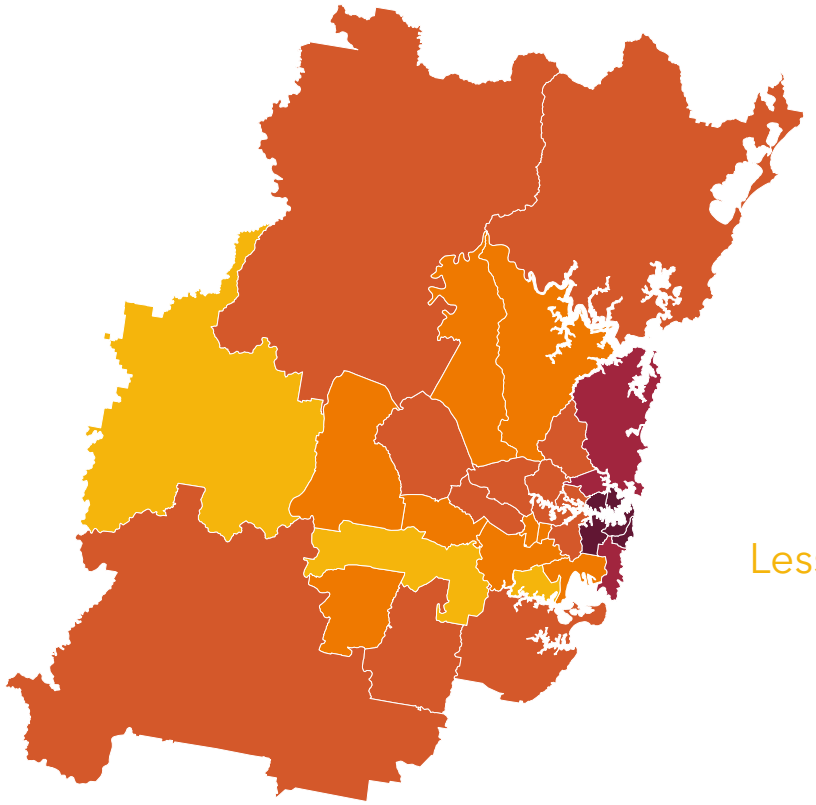
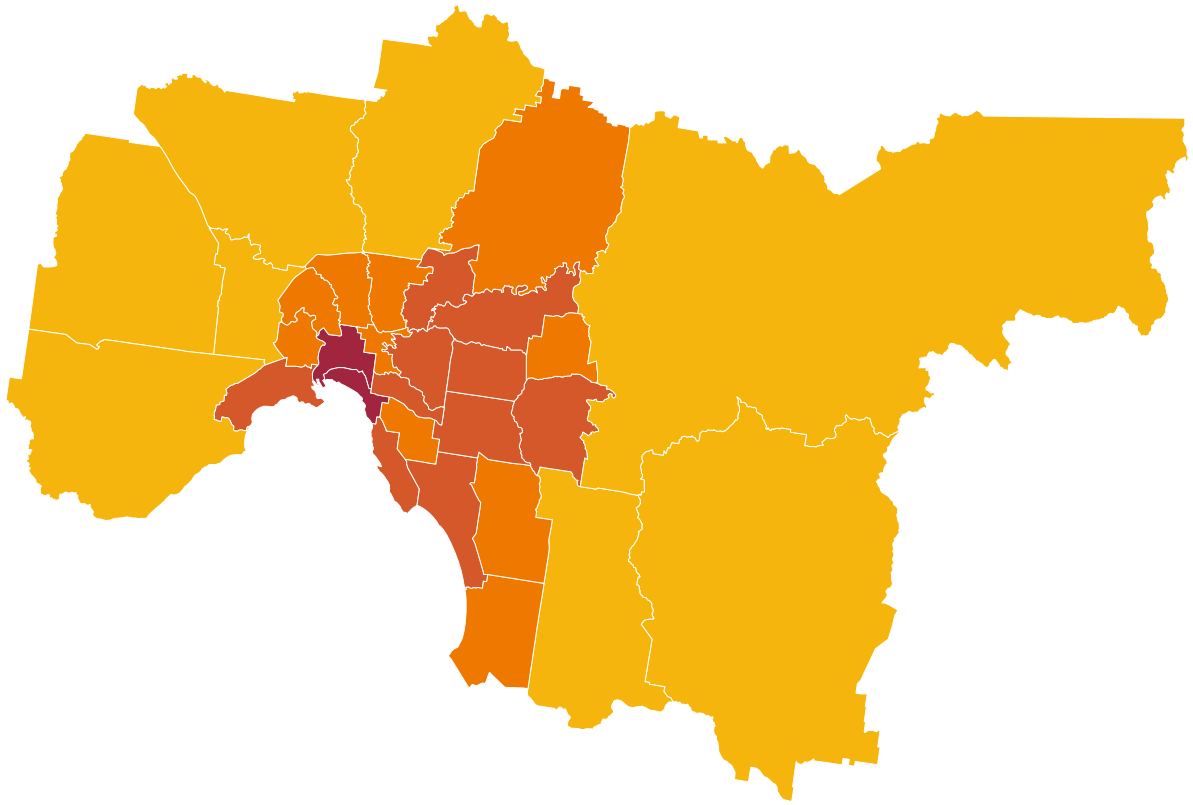
Average excess profits per home among commercially feasible projects of up to 12 storeys, if permitted

Sydney



Melbourne



Less than $50k
$50-100k
$100-200k
$200-300k
$300k+

Notes: Figures represent an average of lot-level estimates for profit margins in excess of 18 per cent on projects up to 12-storeys in Sydney. As profit margins are assessed on a site-by-site basis, the most profitable development on some sites may be less than 12 storeys. Sale prices of apartments are estimated at the SA2 level, while property acquisition costs are based upon lot-level property sales and automated valuation data. Other development costs reflect prevailing input prices. Sources: Grattan analysis of Cotality (2025) and NSW Government (2025) Department of Planning, Housing, and Infrastructure data.

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It takes a lot of zoned capacity to produce enough housing to meet future demand (and past shortfalls)

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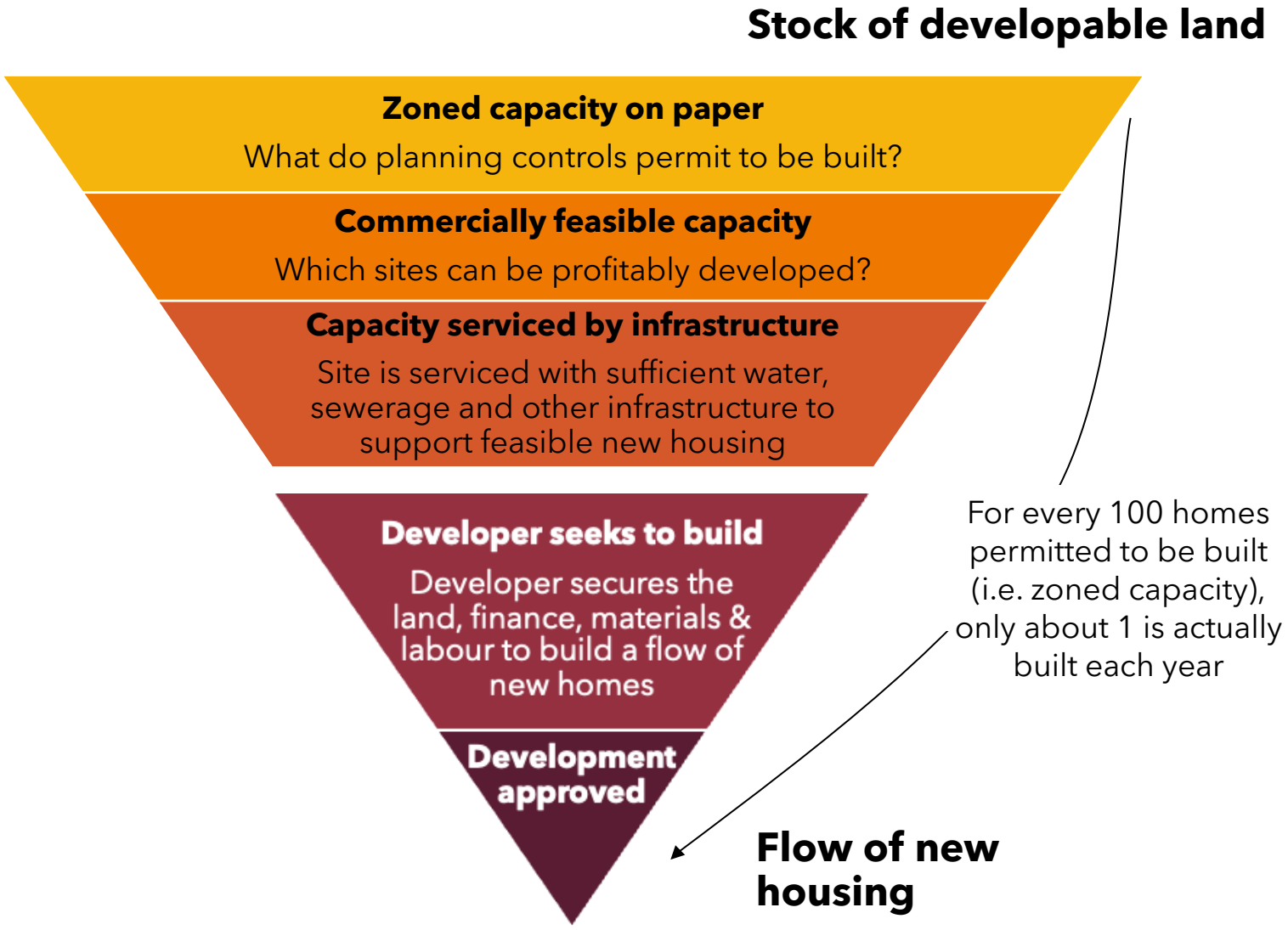

The costs of under-zoning land for housing include:

- Unsatisfied housing needs.
- High house prices rents.
- Inefficient development (i.e. a townhouse instead of an apartment on a high-value site).
- Lower incomes (via foregone agglomeration scale economies).
- Higher housing stress and homelessness.

The costs of zoning land for too much housing include:

- Premature investments in infrastructure capacity.
- More uneven street scape with apartments next to freestanding homes.

Source: Adapted from Committee for Sydney, *Planning for Growth*, December 2022.

What do the states needs to change?

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1

Relax planning controls that prevent more density:

- Adopt a **Low-Rise Housing Standard:** all residential zones in capital cities should permit 3-storey townhouses and apartments, with no minimum lot size
- Adopt a **Mid-Rise Housing Standard:** permit at least 6 storeys around transit hubs
- Identify and further upzone high-demand land for even higher densities
- Review systems of heritage controls

2

Improve consistency and certainty in development approval processes:

- Modest density (i.e. up to three storeys) should be able to access a complying development pathway instead of applying for a planning permit
- Medium- and high-density developments should be able to access deemed-to-comply pathways

3

Fix planning system governance

- Subject substantive amendments to planning schemes to regulatory impact assessments
- Set local council targets that reflect unmet demand for housing by location (i.e. prices)
- Formalise regular assessments of the feasible capacity embedded in state planning systems
- Standardise residential zones and remove harmful tools from planning systems

Upzoning has delivered more housing in Auckland

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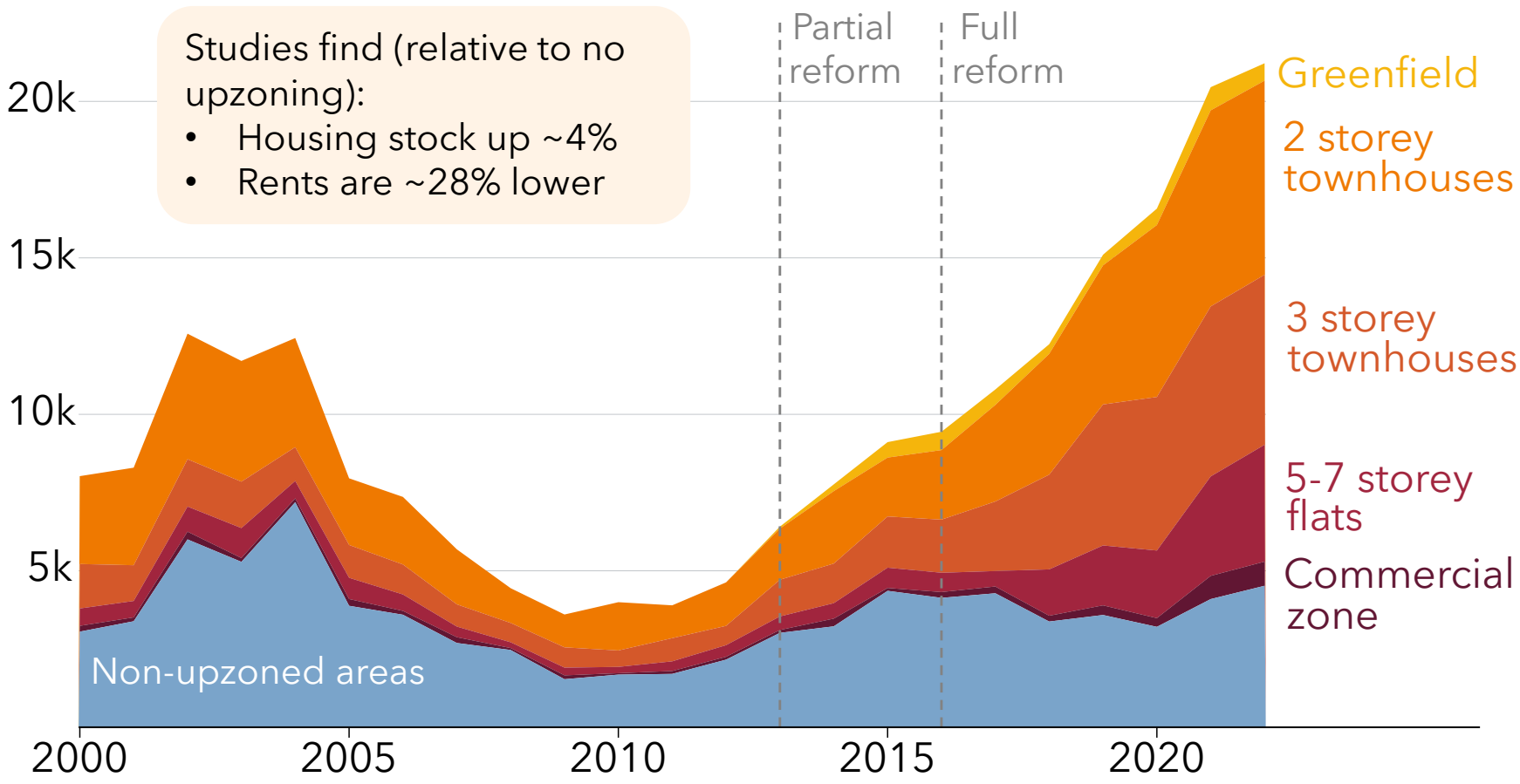
Annual dwelling approvals in Auckland by zone type



Auckland undertook a substantial upzoning in 2016

- The Auckland Unitary Plan was implemented in 2016: it allowed for medium density housing (2-7 stories) on 75% of Auckland's residential land.
- The reforms boosted zoned capacity in Auckland by 100% of the existing housing stock
- About 0.7% of the boost to zoned capacity was built as extra new housing each year.

Notes: 'Partial reform' refers to the Special Housing Areas and Auckland Housing Accord, launched in September 2013. 'Full reform' refers to the final Auckland Unitary Plan, which became operational in November 2016.

Source: Ryan Greenaway-McGrevy and James Allan Jones (2023), Can zoning reform change urban development patterns? Evidence from Auckland, Figure 3; Greenaway-McGrevy, Ryan, Pacheco, Gail, and Sorenson, Kade. 2021. "The Effect of Upzoning on House Prices and Redevelopment Premiums in Auckland, New Zealand," Urban Studies 58 (5): 959–976..

More residential land in our capital cities could accommodate townhouses without amalgamations

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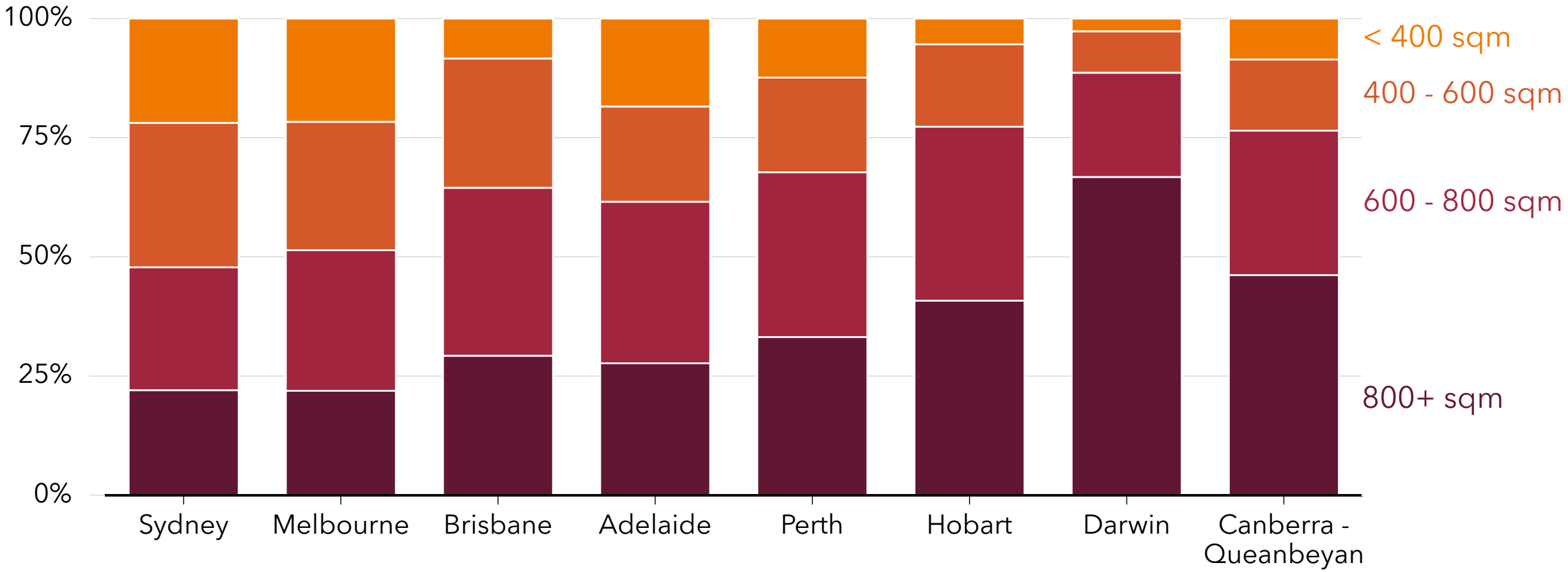
Share of residential land parcels by total lot size



Source: Australian Bureau of Statistics, Land and Housing Supply Indicators, 2022.

New well-located units trigger moving chains that increasingly benefit those with lower incomes

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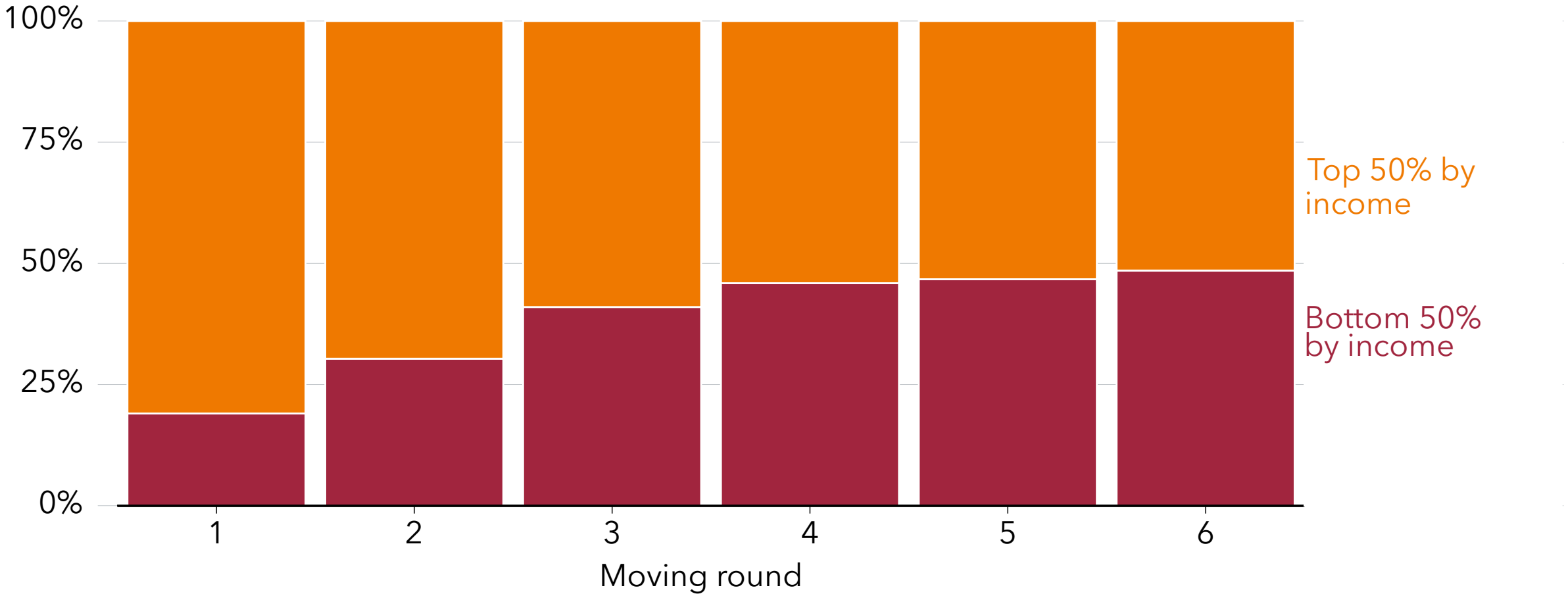
Share of movers by household income and moving round following new units built near the Helsinki CBD



Notes: Round 1 is those moving into new multi-dwelling housing located within 3km of the Helsinki CBD.

Source: Bratu, Harjunnen and Saarimaa (2023) City-wide effects of new housing supply: Evidence from moving chains (Figure 3a).

Allowing more density brings immense broader benefits

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Relaxing planning controls would lift construction productivity and make more housing commercially feasible to build

- The Auckland reforms may have boosted productivity by 8% via: larger firm size; more competition as new firms entered; firms can choose easier sites to build on
- Moving from planning permits to complying development can save over $11k per townhouse

More density means higher incomes

- Letting more people live and work where they want can boost incomes by $25b a year by 2050 via better labour market allocation and larger agglomeration benefits
- More predictable wait times and outcomes can lower hurdle profit margins

More density means lower carbon emissions

- Each 1% increase in density means 0.22-0.55% less emissions per capita via less car use
- We estimate that greater density could reduce Australia's emissions by 2-5% by 2050

Source: Maltman (2025), *Zoning reform and construction sector productivity*

Allowing more density brings immense broader benefits

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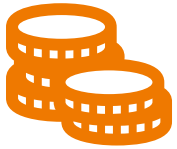
More density can lead to better quality of life

- Many comparable cities have more density and score better on quality-of-life; increase density can encourage more spontaneous interactions
- More density adds less to congestion than urban sprawl and means fewer people living in bushfire- and floor-prone areas

More density makes infrastructure cheaper for governments

- Infrastructure for urban infill is $59k-$75k cheaper per dwelling than new urban sprawl

More density would reduce inequality



- More density enables more people to access well-located job opportunities; the wage premium from moving to the city is $15k p.a.
- New units are typically cheaper than older, detached homes

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How far have NSW and Victoria gone to fulfil our recommendations?

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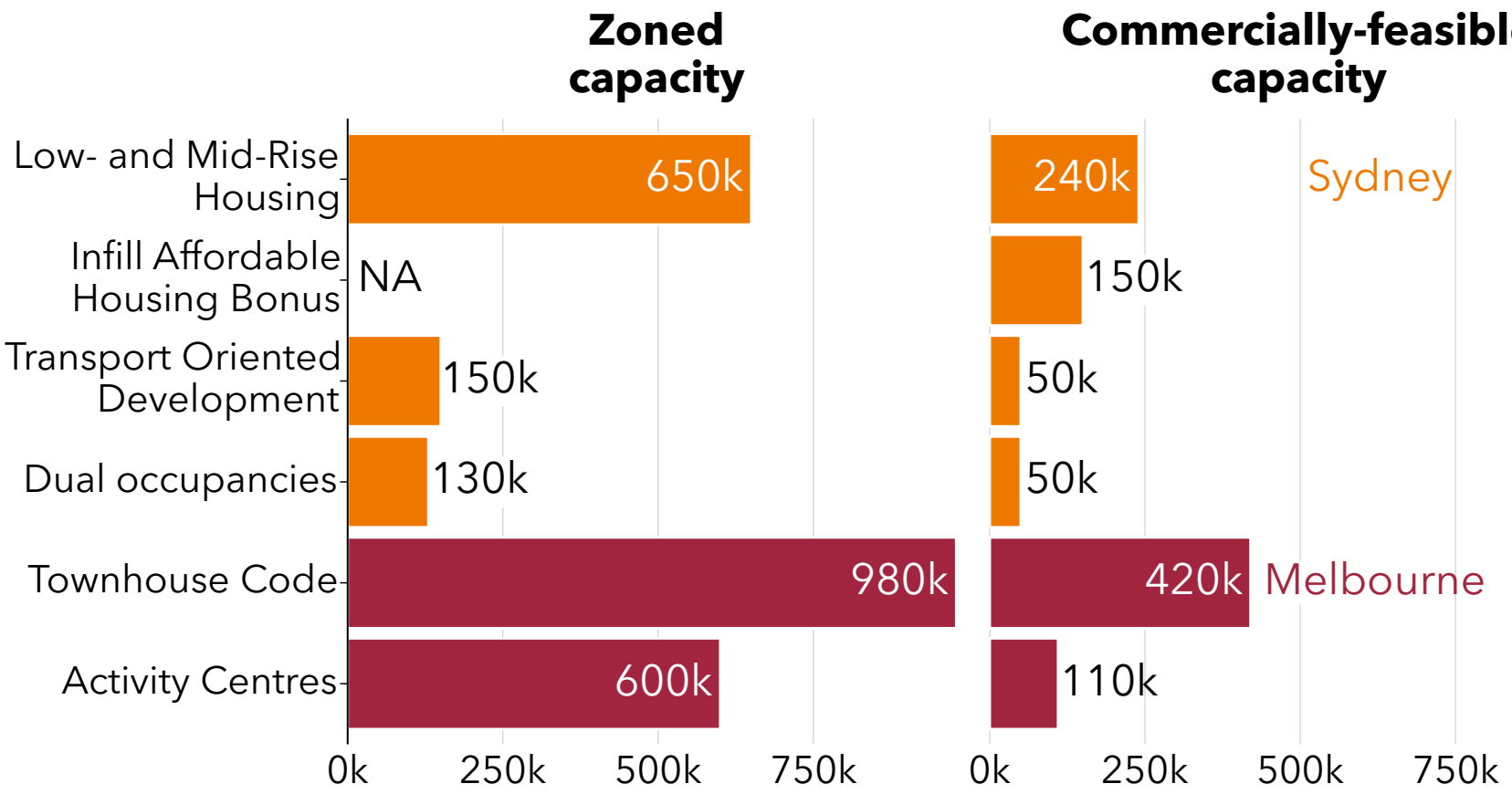
	NSW	Victoria
Duplex or townhouse policies	**Permitting dual occupancies** • Duplexes permitted in all low-density zoned areas	**Townhouse Code** • Creates deemed-to-comply standards for flats or townhouses up to 3 storeys in residential zones
Walkable catchment policies	**Low and mid-rise housing** • Up to 6 storey apartments in areas within 400m of select town centres and train stations, and up to 3-4 storeys in other areas	**Activity centre catchments** • 3-to-6 storey apartments within 800m of 60 activity centres
Higher-density core policies	**Transport-oriented development** • Up to 6 storey* apartments within 400m walking distance of 45 stations	**Activity centre cores** • High-rise apartments in 60 activity centres
Affordable housing	**In-fill Affordable Housing Bonus** • 20–30% floor-space & height bonuses*, where 10-15% of floor area is affordable housing	
State-level approval pathways	**Housing Delivery Authority** • Large projects apply for state-significant status (and concurrent rezoning)	**Development Facilitation Program** • Large projects meeting affordable housing requirements

Notes: * Higher height limits implemented in TOD accelerated precincts; other NSW policies include the State Significant Rezoning Policy; ** The height bonus only applies to residential flat building and shop-top housing.

Victoria's Townhouse Code is the most ambitious of the reforms across Victoria and NSW

Increase in housing capacity, by planning policy and commercial feasibility



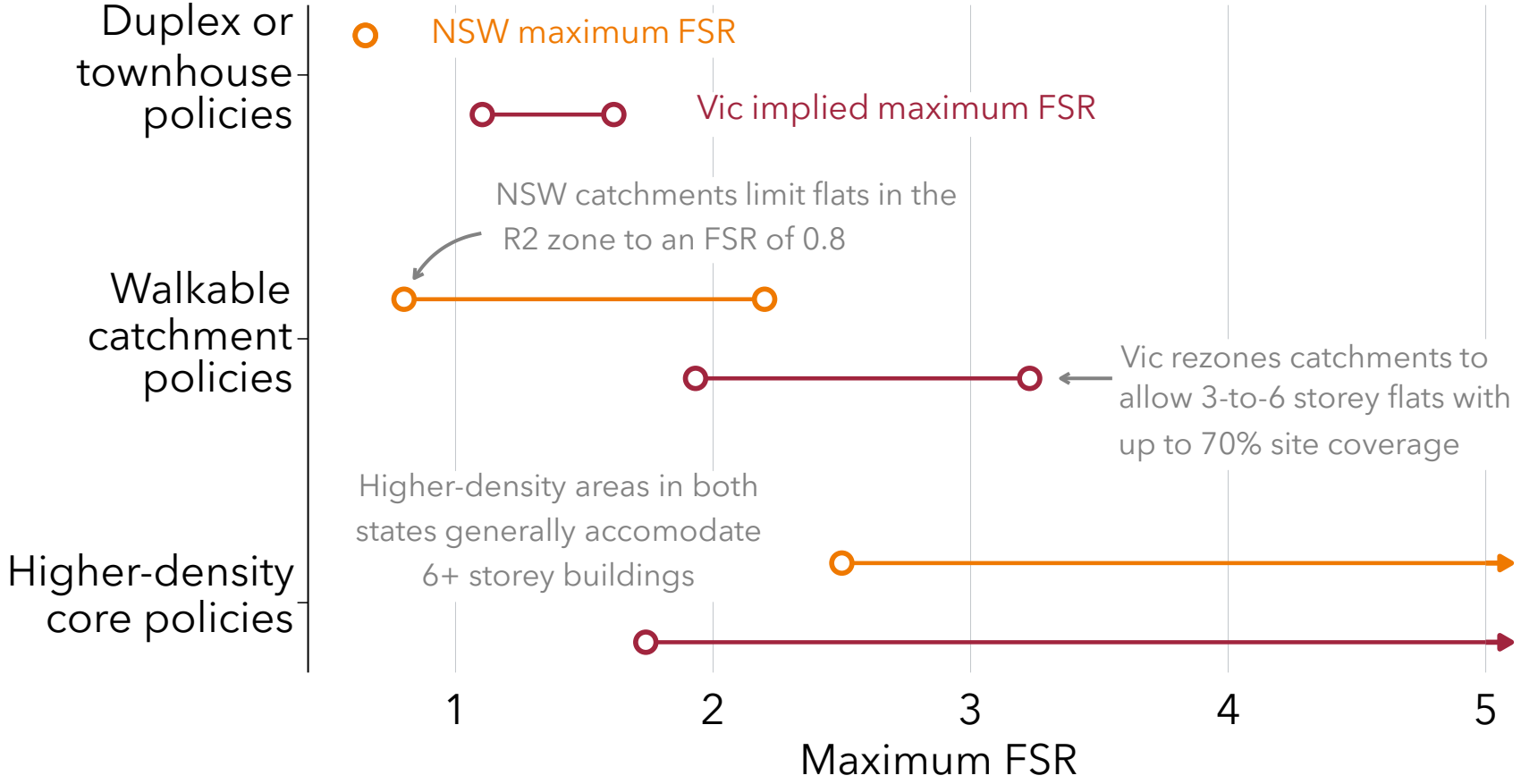
Melbourne & Sydney's reforms fall short of Auckland

- **Melbourne:** boost to zoned capacity equivalent to **70%** of existing housing stock.
- **Sydney:** boost to zoned capacity equivalent to **40%** of existing housing stock.
- **Auckland:** boosted zoned capacity by **100%** of existing housing stock.

Notes: Uplift from the Infill Affordable Housing Bonus not estimated on a zoned capacity basis, because the policy applies only to projects which include more than 10 per cent affordable housing. Uplift from Activity Centres includes both walkable catchments and higher-density cores. Uplift from the Transport Oriented Development policy includes active accelerated precincts. Does not include uplift from State Significant Rezonings in NSW or Priority Precincts in Victoria. Estimates are for GCCSAs, and assume site amalgamations in upzoned residential areas. Source: Grattan analysis of Cotality, Propcode, NSW Department of Planning, Housing, and Infrastructure, and Victorian Department of Transport and Planning data.

Victoria's planning reforms permit greater levels of density than NSW, especially for gentle density

Estimated range of maximum floor space ratio (FSR), by policy reform and jurisdiction



Notes: As Victoria does not directly regulate FSR, figures for Victoria are implied maximums based upon prevailing site coverage and height controls, assuming 92% conversion from site coverage to internal floor area. In addition, the floor area of apartment typologies is reduced by 10% to account for areas not counted toward FSR in under NSW planning controls, and reduced by a further 10% above 3 storeys to account for upper-level set-backs. Actual maximum FSRs may vary from site to site depending a range of other planning controls and site conditions.

Source: Grattan analysis of NSW Government and Victorian Government planning policies.

Townhouses and high-rise apartments are most feasible in Sydney, mid-rise apartments often aren't

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Share of LMRH sites where development is commercially feasible, by project height

Notes: Estimates show share of projects that would be commercially feasible if development at the specified intensity was permitted on each site. Analysis based upon properties in LMRH areas in Greater Sydney. Analysis assumes 50 per cent site coverage and 15 per cent reduction in site coverage above 3 storeys. Commercial feasibility at each height assessed by comparing estimated sale prices for new apartments with total cost of development, including developer margins of 18 per cent.

Sources: Grattan analysis of Cotality (2025), NSW Government (2025) Department of Planning, Housing, and Infrastructure, and Propcode (2025).

These reforms are expected to boost commercially feasible capacity most in Melbourne's middle suburbs

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Councils where uplift in commercially-feasible capacity from existing reforms exceeds 5,000 homes

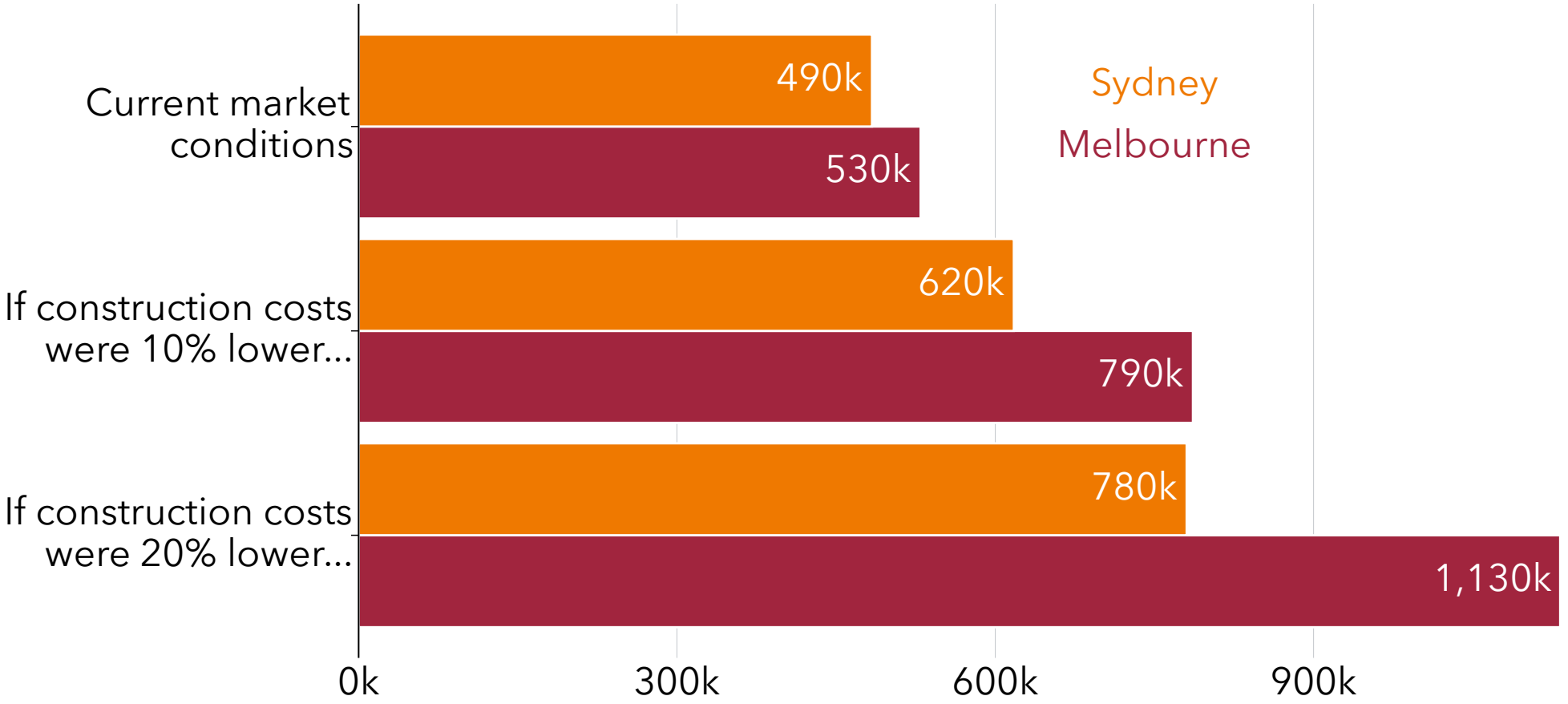
Local Government Area	Uplift	Share of existing housing
Melbourne		
Monash	124,000	163%
Banyule	68,000	128%
Glen Eira	59,000	89%
Manningham	39,000	78%
Darebin	38,000	56%
Knox	15,000	24%
Hobsons Bay	12,000	30%
Moonee Valley	9,000	17%
Casey	9,000	7%
Stonnington	9,000	15%
Boroondara	9,000	12%
Greater Dandenong	5,000	9%
Whitehorse	5,000	7%
Frankston	5,000	9%

Local Government Area	Uplift	Share of existing housing
Sydney		
Sutherland	88,000	96%
Northern Beaches	75,000	72%
The Hills	36,000	57%
Canterbury-Bankstown	30,000	23%
Ku-ring-gai	28,000	61%
Ryde	23,000	42%
Randwick	20,000	33%
Canada Bay	15,000	39%
Woollahra	15,000	58%
North Sydney	14,000	37%
Hornsby	11,000	19%
Cumberland	11,000	13%
Willoughby	10,000	34%
Inner West	10,000	11%
Parramatta	8,000	8%
Mosman	7,000	55%
Lane Cove	7,000	42%
Georges River	7,000	12%

Source: Grattan Model of Australian Planning Systems and ABS 2021 Census.

Lower construction costs (or higher home prices) would increase the impact of recent reforms

Increase in commercially-feasible capacity from recent planning reforms



If constructions costs were **10% lower...**

- An **extra 100k homes** in Activity Centre catchments become commercially feasible
- An **extra 160k homes** in areas covered by the Townhouse Code become commercially feasible.

Source: Grattan Institute analysis of Cotality (2025), Propcode (2025), NSW Department of Planning, Housing, and Infrastructure (2025), and Victorian Department of Transport and Planning (2025) data.

The success of the Victorian Activity Centre and NSW TOD programs depends on land amalgamation

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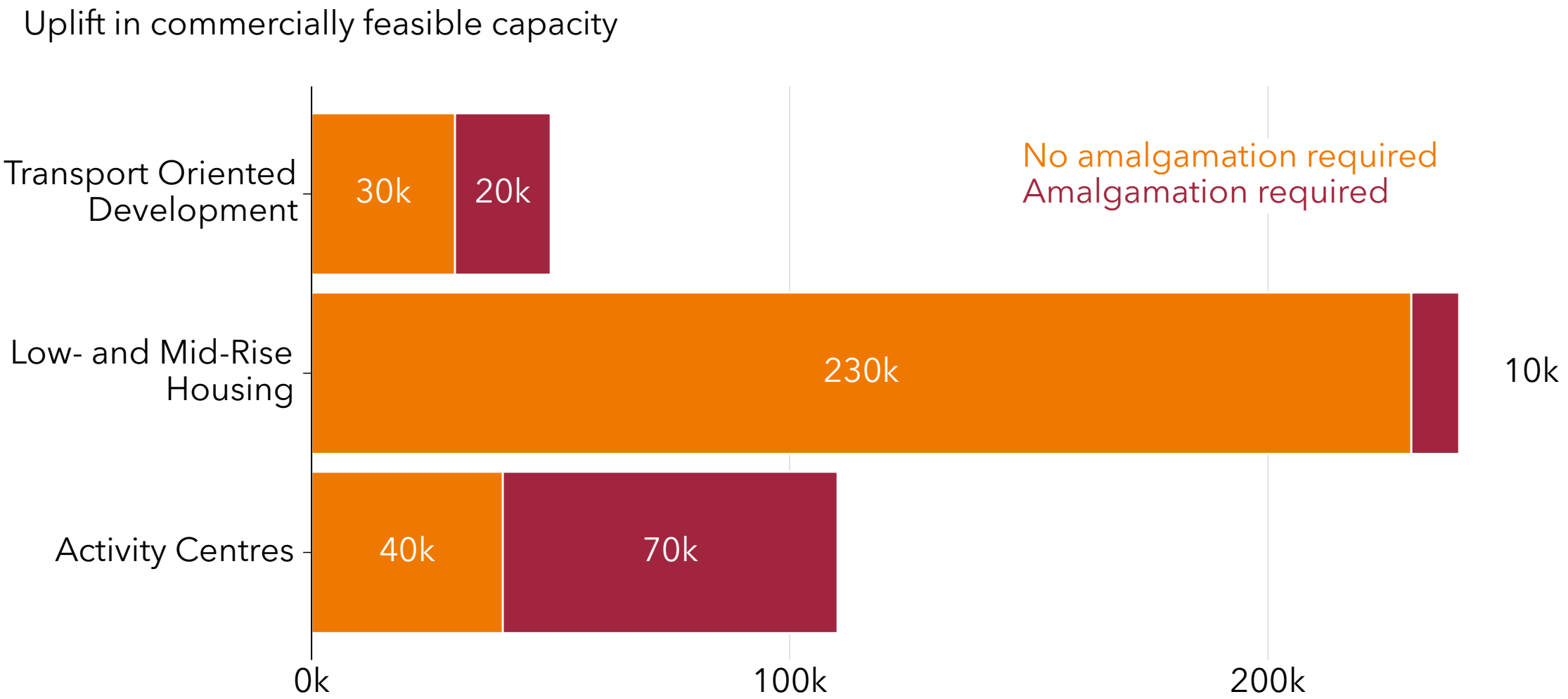

Notes: Feasible capacity uplift in LMRH and TOD areas excludes uplift associated with the Infill Affordable Housing Bonus. Estimates are based upon amalgamations required to meet planning controls relating to lot size or street frontage, and do not account for the need to amalgamate land to achieve yields given other planning constraints.

Source: Grattan analysis of NSW Department of Planning, Housing, and Infrastructure, Victorian Department of Transport and Planning, Cotality (2025), and Propcode (2025) data.

More homes, better cities

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Australia has built too few homes where Australians most want to live

- Australia's housing stock per adult has gone backwards, whereas housing demand has risen rapidly
- Australia's capital cities are among some of the least dense of their size in the world

Restrictive planning systems prevent many more homes from being built

- Land-use planning is necessary to mediate between land uses and coordinate the public realm. But there are three problems:
  1. Much inner-city land in our major cities is subject to restrictive zoning & built form controls that prevent greater density
  2. Development approval processes are costly, slow, and uncertain
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There is a strong case for federal government involvement in planning reforms

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Land use planning controls are a key economic policy lever to raise Australians' incomes

- Land use planning controls play a huge role in shaping our cities, which are the engines of our economy
- Research shows that relaxing land use controls can substantially boost Australians' incomes

The vertical fiscal imbalance means the federal government stands to gain the most from reforms to land use planning controls

- The federal government collects three in every five tax dollars in Australia (excluding the GST) and will benefit most from the larger economy that arises from planning reforms

Federal incentives 'strengthen the hand' of states that are committed to planning reforms

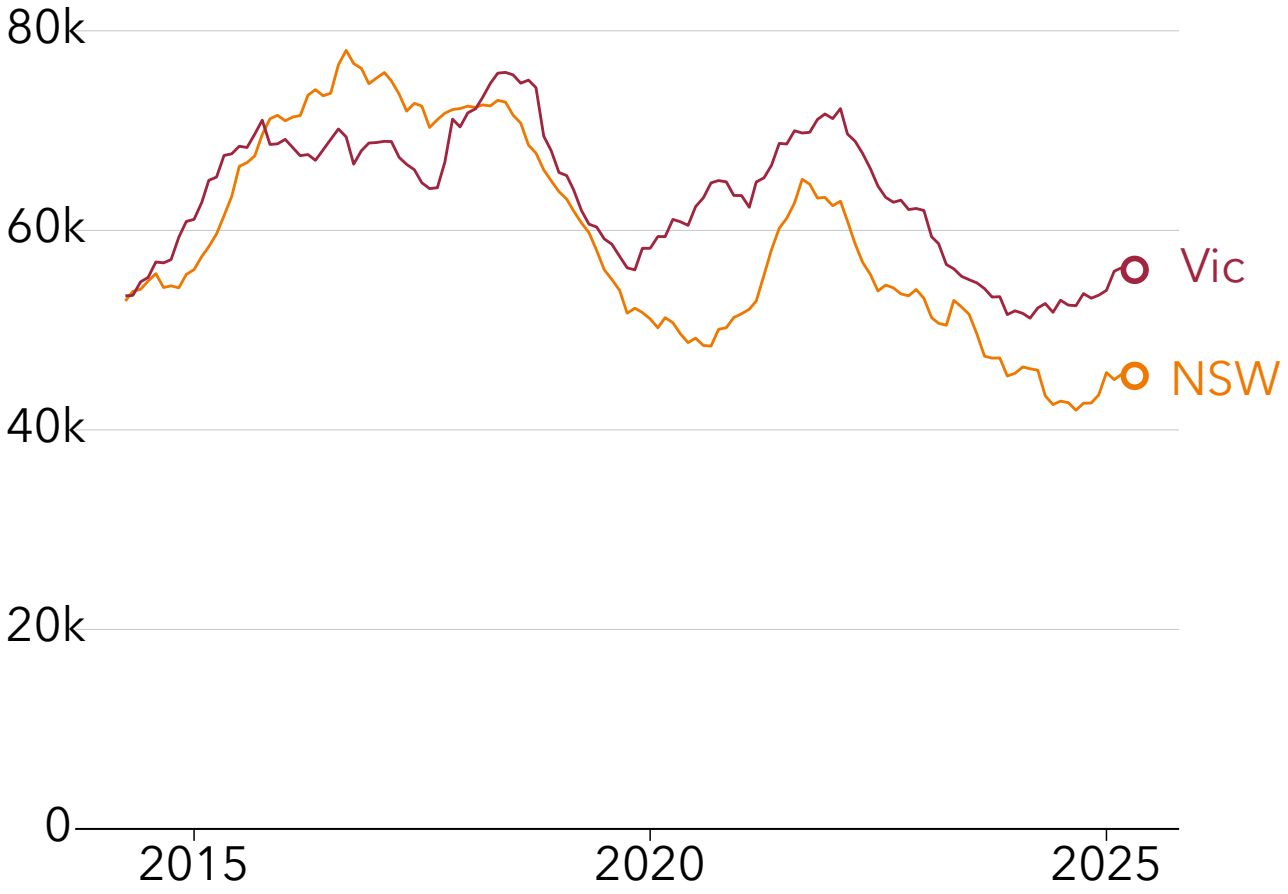
- The biggest roadblocks to planning reforms are NIMBY councils
- Past NCP reforms have been effective in pushing states to undertake costly reforms, producing a big lift in Australians' incomes

The federal government is being held accountable for housing affordability, and is expected to act

- Opinion polls regularly rate housing as one of the top 2-3 issues facing Australia
- The electorate expects the federal government to act to solve this problem
- Without a suite of genuine reforms, federal politicians are likely to fall back on popular but ineffective federal interventions such as FHB grants

The flow of new housing is an imperfect measure of state government efforts to reform land use controls

Rolling annual building approvals, by state



Source: ABS Building approvals (April 2025)

The **New Homes Bonus** pays states $15k per home built over the 5-year period that exceeds states' per capita share of national baseline targets of 1m homes a year.

- For example, NSW will only get the payment for extra homes once they exceed the baseline of 62.5k homes a year (up to 75k homes a year)

The New Homes Bonus should be **paid in annual instalments**, rather than at the end of the 5-year period.

But there will always be limits to rewarding states on the basis of new housing construction each year.

There are different approaches to incentivizing state action on housing supply

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Basis for rewarding states

Flow of new housing

Pay states for increasing the flow of new housing each year

But annual flow of housing affected by interest rates, construction costs, global conditions etc.

Specific reforms

Pay the states for specific reforms to planning controls, such as:

- Upzoning inner-city land
- Increasing share of code-assessed DAs

States fully control planning legislation, which delegates authority to councils

The federal government should pay the states for explicit changes to residential land use controls

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Reform	Indicative standard	Precedents
Low-Rise Housing Standard	• Permit three-storey townhouses and apartments across all residential-zoned land within capital cities, with minimum site coverages of at least 65% • Developments that satisfy these requirements don't need a permit • Limited exemptions (heritage; flooding risk etc.) would apply	• NZ: Medium Density Residential Standards (2022)

Mid-Rise Housing Standard	• Permit building heights of at least six storeys on residential-zoned land within:
	  • 2km+ of capital city CBD
	  • 400m+ of transit hubs and commercial centres
	• Developments that satisfy these requirements should be code assessed (i.e. planning permits cannot be denied based on built form)
		• NZ: National Policy Statement on Urban Development (2020)
		• US: Washington State
		• Canada: British Colombia

The Productivity Commission should regularly assess the performance of state planning regimes

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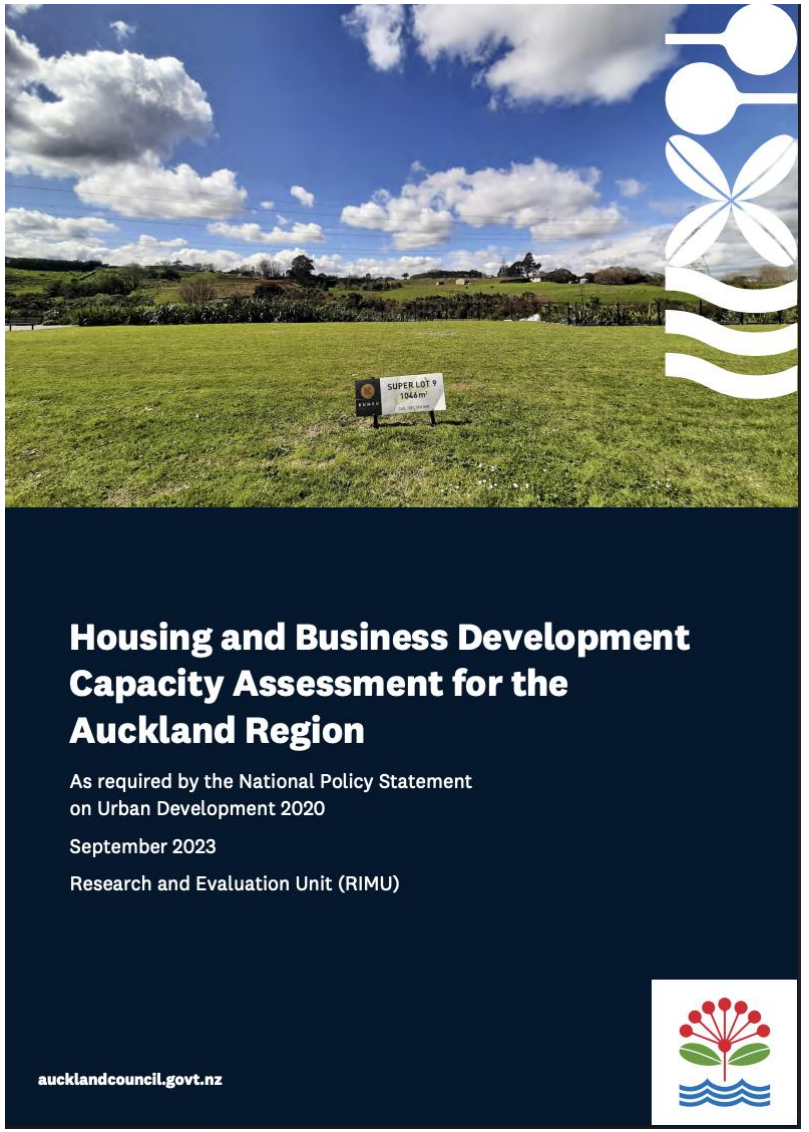
The Productivity Commission should regularly assess the **performance of state and territory planning regimes** (similar to annual Trade and Assistance assessments).

That assessment should include:

- Comparisons of the price of newly built homes to the cost of constructing those homes (i.e. 'zoning tax' estimates).
- Trends in the ratio of house prices to the cost of constructing new dwellings.
- Trends in the ratio of urban to rural land prices at the urban fringe of capital cities.

The Productivity Commission should also estimate the **commercially feasible capacity** for more housing in each state and assess if there is sufficient capacity to meet 30 years of expected demand.



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