

# Unlocking 60,000 Homes: The Case for Updating ACT's Residential Zones

## Executive Summary

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Property Council of Australia  
ACT Division







The Australian Capital Territory (ACT) is at a pivotal moment. The population is expected to nearly double by 2060, and much of Canberra's residential zoning is based on planning policies from the 1960s. We face significant challenges in meeting future housing needs and the current rate of home construction is not keeping up. This study explores opportunities to modernise the ACT's zoning laws and deliver an additional 60,000 additional homes while respecting Canberra's 'urban pattern' or character; making best use of existing infrastructure; diversifying the rates base; and increasing housing choice. These thoughtful changes can help address the challenges and position the ACT as a leader in sustainable urban development.





## Population Growth and Housing Demand

The ACT's population is projected to grow by over 330,000 people by 2060, which means around 165,000 new homes will be needed. The government plans for 70% of these homes to be built within existing suburbs, requiring the addition of approximately 116,000 new homes in these areas. This presents a significant challenge, particularly given that the current pace of housing development is far below what is needed to meet this demand.

If these issues are not addressed, the ACT will face increased pressure on housing affordability, impacting both current and future residents. As the population grows, there will also be a greater demand for infrastructure, services, and public amenities—all of which must be integrated into the existing urban landscape in a sustainable way.



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## Preserving Canberra's Character

A key concern for many of us is maintaining Canberra's unique character, defined by its green spaces, low-density neighbourhoods, and high quality of life. The proposed zoning reforms are designed with this in mind. By targeting upzoning in areas with good access to amenities and public transport, the changes will allow for increased density where it makes the most sense, while still preserving the city's distinctive environment.

The reforms also include measures to protect public open spaces and important natural areas, ensuring that Canberra remains a green and pleasant place to live, even as it grows.

## Current Zoning Limitations

The new Territory Plan, introduced in November 2023, made some positive changes to residential zoning with the aim of increasing housing supply. These include adjustments that allow for more dual occupancies (two homes on one block) and changes to height and building size limits in various residential zones. However, while these changes are a step in the right direction, they are not enough to generate the substantial increase in housing supply that the ACT needs. Canberra does not have a lot of housing choice – density is in high rise apartments or detached dwellings, with significant opportunities for the 'missing middle.'



## Proposed Zoning Reforms

Noting that RZ1 continues to play a key role in the Territory Plan, the report explores an approach to development in RZ1/existing suburbs. The idea is to allow for more homes to be built on underutilised land within these areas. The study uses contemporary planning methodology – for example, the concept of a 15-minute city – to look at density in proximity to local centres. It takes into consideration infrastructure such as schools and public transport. And while it maintains the intent of the Territory Plan with RZ3, RZ2 and RZ1, it looks at the extent of zones within existing areas.

The reforms proposed by this report are expected to deliver nearly 60,000 new homes—far more than the likely outcome of the Territory Plan reforms. This would cover over half of the in-fill housing target for 2060 and even exceed some government estimates for new housing from urban renewal areas.



## Economic and Social Impact

The economic benefits of these zoning reforms could be substantial. If implemented, the changes could generate around \$26.5 billion in construction activity by 2060, with private sector gains estimated at \$6 billion.

For the ACT Government, the reforms could also result in significant budgetary benefits, with projected revenues of approximately \$4.2 billion from various taxes and fees. These estimates are conservative and do not account for additional revenues that could come from increased population and economic activity.

Many existing suburbs and ageing infrastructure will continue to face increasing pressure on rates – increased density will help diversify and broaden the rates base, particularly in suburbs currently experiencing falling population numbers and the consequent impact on the viability of services in those local areas.

The zoning changes could also have important social and environmental benefits. By focusing on in-fill development within existing suburbs, the need to expand into new greenfield sites—often at the cost of natural habitats and agricultural land—can be minimised. The report estimates that these reforms could preserve between 2,400 and 3,000 hectares of land that would otherwise be used for new developments.

Moreover, in-fill development is generally more cost-effective when it comes to infrastructure. Studies suggest that the cost of providing infrastructure in existing areas is 25-50% lower than in new greenfield developments. This means that the proposed zoning changes could lead to more efficient use of public resources and improve access to services for all residents.

Importantly, the increase in housing choice and 'missing middle' options, offers more opportunity for people to be able to stay within their communities, close to friends and family at all stages of life.



## Recommendations for Action

- 01** **Upzoning Criteria:** The criteria for upzoning should be carefully considered to strike the right balance between increasing housing supply and preserving Canberra's urban character. The report suggests setting these criteria based on factors like block size and quality, allowing for targeted upzoning that maximises benefits while minimising potential downsides.
- 02** **Incentivising Participation:** To encourage landowners to take part in upzoning, the ACT Government should simplify the application process and keep fees low. This would lower barriers to development and make it easier for individuals and developers to contribute to the housing supply.
- 03** **Monitoring and Evaluation:** It is important to closely monitor the impact of these zoning reforms. The ACT Government should commit to annual reports on the progress of these changes, including how many new homes are being built and where. This transparency will help build trust with the community and ensure that the reforms are working as intended.
- 04** **Advocacy for Further Reform:** Given the broad political and community support for increased density, the 2024 election campaign presents a unique opportunity to consider and discuss the merits of additional zoning reforms and development rights in key residential zones, with the goal of positioning the ACT as a leader in national planning reform.
- 05** **Collaboration with Stakeholders:** The ACT Government should continue to work with the Property Council, with local communities, and industry partners to refine and implement these zoning reforms. By fostering collaboration, all parties can ensure that the reforms are successful and contribute to a more sustainable and liveable future for the ACT.



## A Clear Vision

The ACT is at a crucial point in its urban development journey. With rapid population growth and limited land available, bold solutions are needed to ensure that Canberra remains a great place to live. The zoning reforms proposed in this report offer a clear way forward, balancing the need for more housing with the preservation of what makes Canberra special. By embracing these changes, the ACT can set an example for the rest of the country in how to grow sustainably and ensure a high quality of life for residents for years to come.

This is a critical moment for action, and the Property Council is committed to leading the way. With strong political will, community support, and a clear vision for the future, the ACT can achieve its housing goals and continue to thrive as a vibrant, dynamic city.



