



# Unlocking the missing middle in housing

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## Introduction

*‘Gentle density’ or ‘light density’ can unlock significant housing stock and bridge NIMBY’s’*

Both capital cities and regional areas across the country are facing a housing availability and affordability crisis. To address the issue, state and local governments must develop plans and policies that promote housing stock diversification in both Greenfield and infill development scenarios.

However, local residents often fiercely oppose greater density in existing established suburbs, citing concern over a perceived change in the character of their neighbourhoods.

Smart urban planning policies are essential in blending missing-middle housing types into new and existing neighbourhoods. Both new and existing neighbourhoods can benefit from use-specific standards for higher-density missing-middle housing types.

“Gentle Density Housing” (GDH) or “light density” are often synonymous with “Missing Middle Housing,” a concept that emphasizes the creation of diverse housing options that are compatible in scale with ground-oriented, single-detached homes.

Gentle density is a policy approach that seeks to balance the concerns of residents and the demands of the housing market by accommodating gentle density increases in a context-sensitive manner.

Gentle density means building more townhouses, micro-lot houses and triplexes in existing populated areas to accommodate a region’s growing population.

A gentle density paradigm seeks to increase the dwelling stock in existing suburbs but through a less intrusive approach to building new high rise towers, placed next to existing standalone houses.

Gentle density can also be the redevelopment of an existing site to include multiplexes like triplexes, fourplexes, or infill row houses. This optimises land use and offers a variety of housing typologies without changing the neighbourhood’s character and feel.

## The ‘missing middle’ in housing

Australia tends to have a higher proportion of new houses than other types of dwellings. As of the 2021 Census, the ABS reports that for the national dwelling stock, 70 per cent were separate houses, 13 per cent were townhouses and 16 per cent were apartments.

This trend increased further during and after the pandemic, with approvals increasing 40.2 per cent (to 147,349) from 2019-20 to 2020-21. This rise led to a 6.1 percentage point increase (to 66.7 per cent) in the proportion of all dwellings that are new houses in 2020-21, as new houses rose more than new townhouses and new apartments.

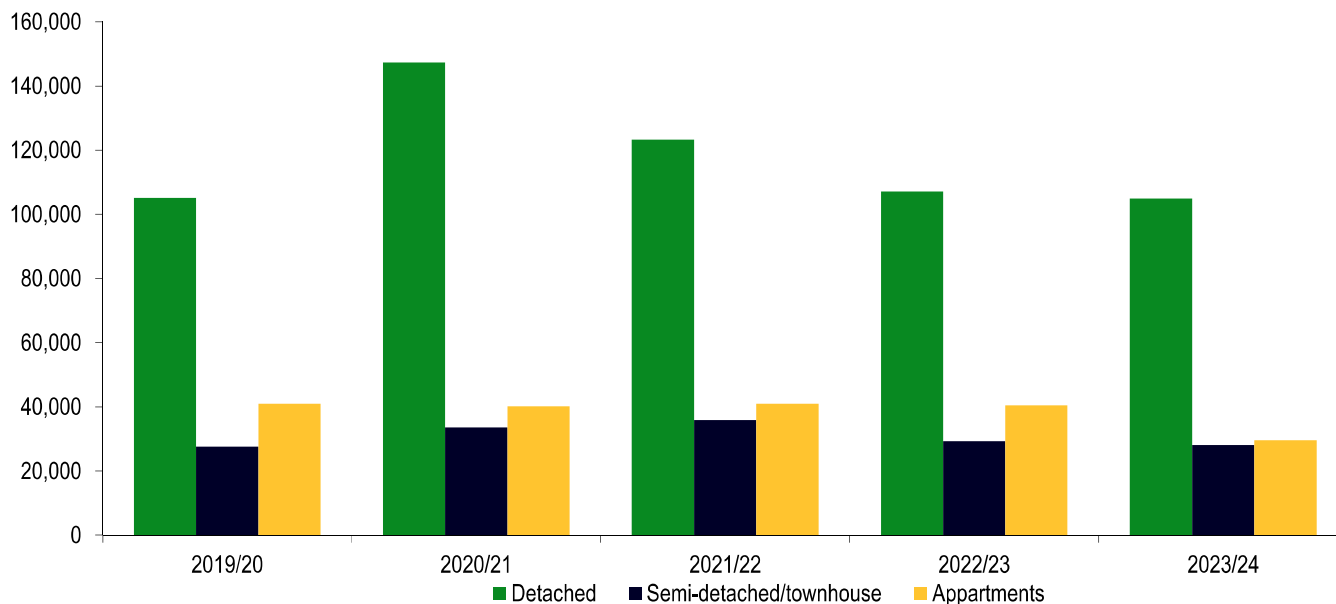
This increase in the proportion of new houses was partly due to shorter lead times qualifying more easily for government stimulus in 2020 than larger apartment buildings, which require longer lead times for developing and commencing construction. New houses were approved in more regular proportions in 2021-22 (61.6 per cent of dwellings) and 2022-23 (60.6 per cent of dwellings) as government stimulus ended.

The number of apartments approved were flat from 2019-20 to 2022-23 and fell to just 29,470 approvals (18.1 per cent of total new dwellings) in 2023-24. This is the lowest number of apartments approved since the 2008-09 financial year which had 21,233 dwellings approved. This reflects the increasingly challenging conditions for apartment buildings owing to long lead times and high construction costs.



## Building approvals by type

Source: ABS 8731



As communities across Australia grapple with worsening housing affordability, there is growing interest in how zoning rules could be relaxed to allow smaller and greater diversity of housing options. Often, the choice is posed as a trade-off between detached homes with big yards or sky scraping apartment towers.

In reality, the housing stock in most communities is much more diverse than these two extremes.

While high-rise apartments in strategic locations should be part of the solution, many single-family neighbourhoods could easily yield more housing—and more affordable housing—if land use rules allowed “gentle” increases in density, such as townhouses, two- to four-family homes, and small-scale apartments.

## The benefits of gentle density

### *Striking a balance with greater density in existing suburbs*

In urban planning, gentle density refers to the concept of balancing population and development in a way that avoids the extremes of both overcrowding and development on urban fringes.

It advocates for a moderate density where spaces are efficiently used without overwhelming existing resources

Not only is having more neighbours beneficial for building community connections and social cohesion, but it also can lead to investment in things like parks, community infrastructure, cultural precincts and café, restaurants etc..

While gentle density has many benefits, it must be thoughtfully planned to ensure that infrastructure (e.g., transportation, schools, utilities) and public services can support the increased population without leading to overcrowding or strain on resources. It also requires community engagement to ensure that new developments are compatible with the needs and preferences of existing residents.

## Is gentle densification something to be welcomed and encouraged?

Gentle density is generally seen as a positive approach to urban and town planning, and it ought to be encouraged in urban planning schemes.

In an era where housing supply has been constrained for a protracted period of time and affordability has deteriorated to extreme lows, sensible and controlled densification is essential.



Significant and sustained housing supply in all areas across CBD's, infill and greenfield housing is the only lasting solution to the deterioration in housing affordability and home ownership.

A sustainable densification agenda emerges as the clear mandate for urban planning authorities. Striking the right balance between supply and sustainability.

## **All forms of housing is needed to deliver 1.2 million homes**

In August 2023 year, National Cabinet endorsed a National Housing Accord (The Accord) that included an aspirational target to build 1.2 million new well-located homes over 5 years from mid-2024.

National Cabinet also agreed to a National Planning Reform Blueprint to outline planning, zoning, land release and other measures to improve housing supply and affordability.

It is well established that Australia's planning systems are overwhelmed and in need of significant reform to enable the delivery of not only the Housing Accord housing targets, but to meet the long term demand for housing.

To achieve the National Housing Accord target of building 1.2 million homes by 2029 each state and territory must recognise the role they have to play and undertake true and meaningful planning reform to significantly reduce approval timeframes.

A key part of the delivery of this volume of new housing is to substantially streamline approval processes to fast track all forms of new housing including greenfield, infill and multi-dwelling housing.

Focussing on only one form of housing such as multi-dwelling housing won't be sufficient. Rather all forms of new housing, and in all locations is needed, as are reforms necessary to enable their delivery in a timely manner.

## **Conclusion**

In summary, gentle density in urban planning brings together the benefits of both compact, efficient use of land and the creation of liveable, sustainable environments.

By balancing population, space, and infrastructure thoughtfully, cities can strike the right balance of more housing while minimizing the negative community concern of potential of overdevelopment.

A key part of the delivery of the much publicised National Housing Accord target of 1.2 million homes or 240,000 annual new housing, includes substantially streamlining approval processes to fast track all forms of new housing including greenfield, infill and multi-dwelling housing

All levels of government must be committed to reforming their planning system to ensure new housing can be delivered in a timely manner, in the right location and at an affordable price point.

This includes measures to support all forms of housing and looking at innovative solutions rather than sticking with the BAU and hoping it will solve itself – we are 20+ years down that track and it hasn't worked.