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NSW housing changes and your property

An owner brief on LMR TOD and State significant development

Paul Ephron | Ephron Property | 29 October 2026

The planning changes may give you more options, but the right decision still starts with your property and what you want to achieve. This brief reviews the 12 months from 29 October 2025 to 29 October 2026, separates earlier reforms from recent changes, and sets out a practical way to assess the next step.

What has changed over the past year

The foundations came earlier. The Low and Mid-Rise Housing Policy (LMR) began in stages on 1 July 2024 and 28 February 2025. The Transport Oriented Development (TOD) program also began before this review period. Those starting dates matter: an older reform can still affect your property without being a new change this year. [1, 5]

TOD has become more location-specific. Ku-ring-gai's alternative controls commenced on 14 November 2025. On 6 February 2026, the Government announced tailored plans had been finalised for St Marys, Croydon, Belmore and Lakemba. A generic map or an old description of the program may no longer tell you which controls apply. [5, 6, 18]

The State pathway has changed. The Housing Delivery Authority (HDA) was established in legislation from 15 December 2025. Its selection criteria were revised in May 2026, including affordable housing expectations and strategic land-use exclusions. These changes concern entry to a State significant development pathway; a declaration is not development consent. [7, 8, 17]

Further low-rise reforms are still a separate question. The targeted assessment framework commenced on 21 March 2026, but the low-rise housing discussion paper exhibited from 14 May to 24 June 2026 was not itself a new entitlement to use that pathway. The Planning Portal still lists that proposal as under consideration. [9, 10]

My view: before treating any change as an opportunity, establish whether it is in force, whether it covers the land and whether a workable project can be delivered.

What LMR TOD and SSDA actually mean

LMR changes housing permissions and standards

LMR encourages a broader range of homes around nominated centres and stations. Most of its area-based provisions concern residential land within an 800-metre walking distance, measured from the relevant station entrance or mapped centre edge. This is not simply an 800-metre circle on a map. [2]

The housing type and zone matter. For example, the Department's summary sets out different standards for dual occupancies, terraces and apartments; the mid-rise apartment standards differ between inner and outer areas. A reference to six storeys does not mean every house block qualifies. [3]

Check the exclusions before discussing yield: heritage items, bushfire-prone land, specified flood risks, coastal constraints, aircraft noise and relevant pipelines can affect applicability. Do not confuse a heritage conservation area with a listed heritage item; ask a planner to check both. LMR does not simply add to TOD controls. [2, 4]

TOD depends on the mapped location

TOD brings more housing close to selected transport locations. It includes different precinct and policy arrangements, with some councils' alternative controls replacing the standard approach. Check the current boundary, instrument, affordable housing requirements and any transition rules for the actual address. Proximity to a station alone is not enough. [5, 6]

SSDA is an application pathway

A State significant development application (SSDA) is an application for a proposal assessed through the State system. The HDA can recommend that eligible housing proposals be declared State significant; it is not the only SSD route. Selection, declaration, assessment and approval are different stages. An SSDA does not, by itself, give the land a blanket height or floor-space uplift. [8, 17]

Ask for written planning advice identifying the applicable pathway and controls, rather than relying on an agent's headline or a developer's indicative sketch.

The market still has to support the decision

The pressure is real, but broad claims about the "worst economy in history" do not help an owner decide. The National Housing Supply and Affordability Council's April 2026 report describes a persistent shortage of suitable, affordable housing, alongside some improvement in supply indicators. Its outlook was based on early-2026 data and remains subject to uncertainty. [11]

The RBA's August 2026 business liaison reported that higher borrowing costs, construction costs and uncertainty about housing prices were weighing on the development outlook. That is national context, not a valuation of your property or a forecast for your suburb. [12]

My approach is to compare realistic options before committing. An extra planning allowance is only useful if the design, costs, finance, timing and owner objectives work together.

Option	The question to resolve
Hold	Can the property meet your needs and carrying costs while you wait?
Improve	Would a smaller renovation or repositioning meet the goal with less exposure?
Partner or work with neighbours	Does a combined proposal improve the design or economics enough to justify the complexity?
Develop	Can an independently tested project withstand cost increases, delays or lower sale prices?
Sell	How does the likely net result compare with holding or developing, after costs and timing?

For a single home, start with the existing use, constraints and a sensible scale of change. For adjoining owners, agree the objectives, decision process and cost sharing before commissioning a combined concept. For strata owners, compare repair and retention with collective sale or redevelopment; the statutory renewal process includes safeguards and cannot be replaced by an informal majority view. Obtain independent legal and valuation advice. [13]

Before signing an option, exclusivity agreement, joint venture or sale contract, understand the conditions, expiry dates, costs, tax position and who carries the risk. No planning policy guarantees a premium.

A local proposal worth watching

Edgecliff–Woollahra remains a draft State-led rezoning proposal as at 29 October 2026. The Department's current page says submissions close at 5 pm on Friday 30 October 2026, with finalisation expected in 2027. The draft should not be treated as an operative control or a promise of approval for an individual site. [14]

The Department presents the proposal as a way to add housing near transport and services. Woollahra Council has raised concerns about scale and infrastructure. Separately, the Property Council of Australia's September 2026 commentary emphasises the gap between approvals and financially deliverable projects. These are attributed perspectives, not findings about the value or potential of your property. [14, 15, 16]

Start with these checks

- Address, lot and deposited plan, title and ownership structure.
- Current zoning, mapped controls, policy area and applicable version of the planning instruments.
- Heritage, hazards, access, services, trees and other design constraints.
- A realistic concept and independent feasibility, including contributions, affordable housing obligations where relevant, finance, tax and contingencies.
- Your timeframe, risk tolerance and preferred outcome, including whether you want to stay.

Send me the address and the question you are trying to answer. We can discuss the practical next steps and identify where a planner, architect, solicitor, valuer or other specialist is needed.

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General information, not site-specific planning, legal, tax, financial or valuation advice. Source guidance checked 29 October 2026. Confirm the current statutory controls and obtain advice for the property before making commitments. Ephron Property is independent of the agencies and organisations cited. Numbered source links follow.

Sources

Numbered links support the statements in the brief. Sources were checked on 29 October 2026.

1. LMR policy and commencement dates — NSW Planning

2. LMR industry and council guidance — NSW Planning

3. LMR summary of key provisions — NSW Planning

4. LMR policy exclusions — NSW Planning

5. TOD program and precinct status — NSW Planning

6. Tailored TOD plans announced 6 February 2026 — NSW Government

7. Duncan Review and HDA statutory commencement — NSW Government

8. HDA criteria changes announced 13 May 2026 — NSW Government

9. Second commencement information sheet March 2026 — NSW Planning

10. Low-rise housing and targeted assessment status — NSW Planning Portal

11. State of the Housing System April 2026 executive summary — National Housing Supply and Affordability Council

12. August 2026 business liaison findings — Reserve Bank of Australia

13. Strata renewal process and safeguards — NSW Registrar General

14. Draft Edgecliff Woollahra rezoning updated 7 October 2026 — NSW Planning

15. Council perspective on the rezoning September 2026 — Woollahra Council

16. Industry commentary on approvals and feasibility 1 September 2026 — Property Council of Australia

17. HDA published recommendations and ministerial declarations — NSW Planning

18. Replacement TOD controls and commencement — Ku-ring-gai Council