

# Delivering more housing

Dual occupancy in NSW  
Research snapshot

November 2024



# What is dual occupancy?

Planning NSW defines dual occupancy as a common form of low-rise housing that “comprise two houses on a single lot, usually with a front and back yard. They are often known as duplexes or side by side semis. They offer most of the benefits of a traditional freestanding house at a more affordable cost.”[1]

Planning NSW has identified dual occupancy as one of the solutions to the housing crisis as it can increase housing capacity by replacing one existing home with two homes on a single lot.

## Dual occupancy reforms in NSW

### Approval pathways for dual occupancy[2]

There are two approval pathways for dual occupancy in NSW, the standard Development Application (DA) and Complying Development Certification (CDC). CDC is a streamlined pathway to fast-track approvals, enabling non-complex development to be assessed faster using rule-based Codes.

### NSW Dual Occupancy Reforms[3]

On 1 July 2024, amendments to the Housing SEPP (State Environmental Planning Policy (Housing) 2021) began to take effect across NSW. These amendments seek to increase housing supply by introducing updated policies for low- and mid-rise housing.

The first stage of these changes, known as the NSW Dual Occupancy Reforms, expands the permissibility of dual occupancy and semi-detached homes. These housing types are now allowed in all R2 low-density residential zones across NSW, with minor exceptions.

NSW Planning states that these amendments are anticipated to significantly increase the number of homes delivered statewide, supporting metropolitan and regional councils meet the housing targets outlined in the National Housing Accord.

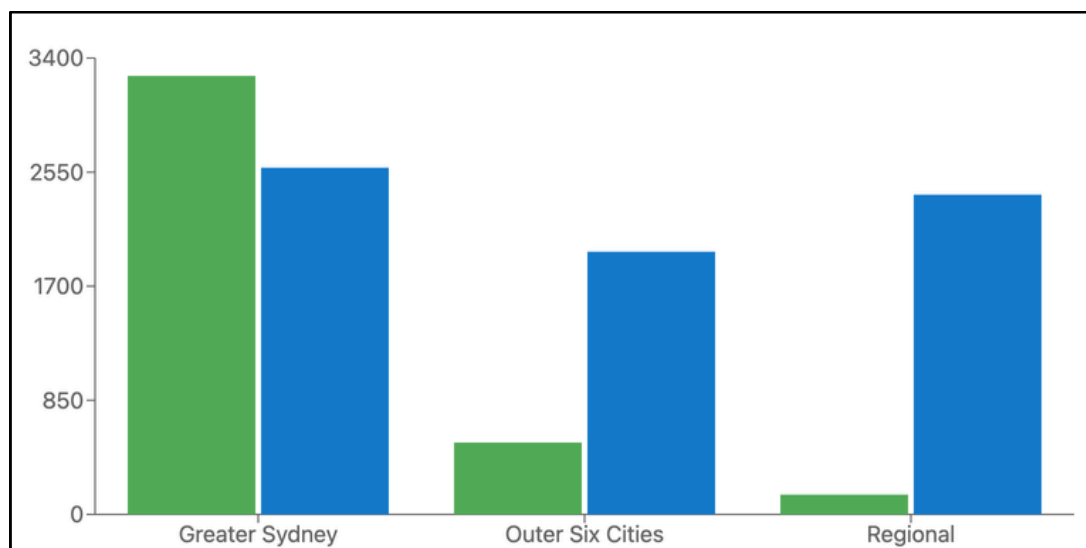


Figure 1: Distribution across Sydney and NSW regions

- Complying Development Certificate
- Development Application

[1] <https://www.planning.nsw.gov.au/policy-and-legislation/housing/diverse-and-well-located-homes#stage-1-dual-occupancies-and-semidetached-homes>

[2] <https://www.planning.nsw.gov.au/assess-and-regulate/development-assessment/planning-approval-pathways/complying-development>

[3] <https://www.planning.nsw.gov.au/policy-and-legislation/housing/diverse-and-well-located-homes>



# Impact of NSW dual occupancy reforms

## 5-month snapshot

### Development Applications since 1 July

Since the introduction, only seven DAs were submitted in areas where dual occupancies were previously prohibited. Figure 2 illustrates the geographic distribution of six of these applications within metropolitan Sydney.

The low number of DAs falls significantly short of the policy's intended outcomes and broader expectations, highlighting a potential gap between policy objectives and on-ground ability to deliver.

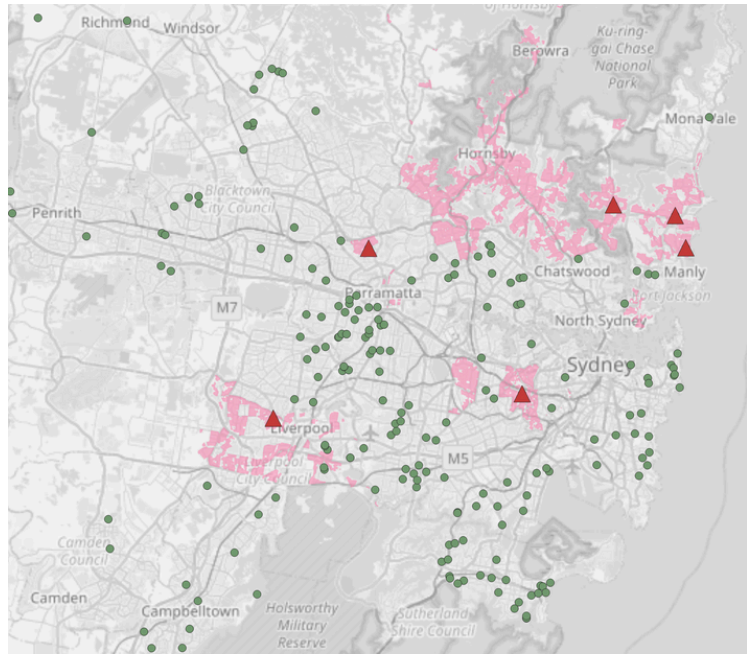


Figure 2: Dual Occupation Development Applications since 1 July 24

- DAs lodged where dual occs were permitted pre-reform
- ▲ DAs lodged where dual occs were prohibited pre-reform
- Areas where dual occs were prohibited pre-reform and are now permitted

### Distribution of dual occupancy Development Applications

To understand this discrepancy in greater depth, Figure 3 provides a potential explanation for the gap between policy intentions and outcomes. The map illustrates the distribution of dual occupancy DAs across Local Government Areas (LGAs), revealing an uneven pattern. Specifically, six LGAs account for a significant concentration of DAs, while most others report fewer than 40 DAs per financial year.

This uneven distribution suggests that, beyond urban typologies, local planning controls may also play a significant role in the uptake of dual occupancy developments.

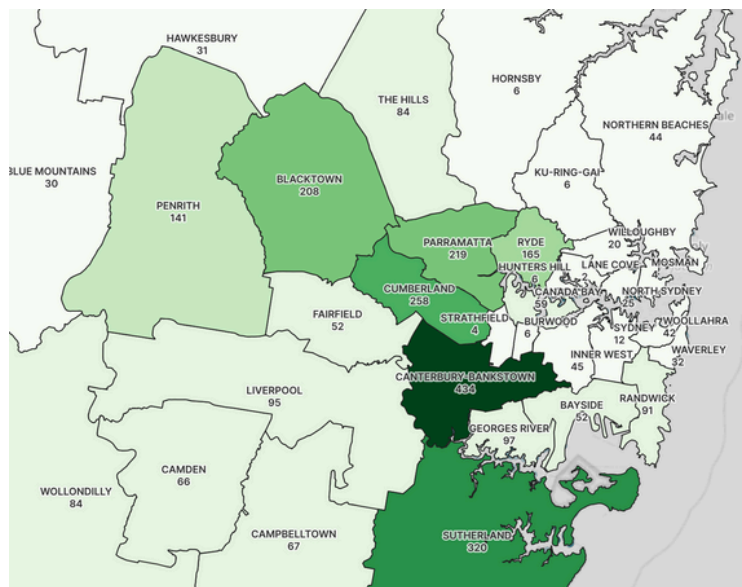


Figure 3: Distribution by Local Government Area applications & certificates  
Financial years 22-24





## How R2 zones are impacted by local planning controls

To assess the feasibility of the DA pathway for dual occupancy developments, it is essential to understand how local planning controls, such as Local Environmental Plans (LEPs), regulate R2 zones.

Figure 4 outlines the subdivision rules for dual occupancies across metro Sydney LGAs, categorising them into four levels of permissibility. These range from the most permissive - allowing subdivisions of any child lot size - to the most restrictive, where duplex subdivisions are entirely prohibited. Between these extremes, councils either do not outline specific conditions or have local rules related to minimum child lot sizes.

While only three councils (Lane Cove, The Hills and Woollahra) explicitly prohibit duplex subdivisions, 10 councils impose specific child lot size requirements, which are a looser restriction than the standard minimum lot size map. This underlines that local restrictions can create barriers to pursuing dual occupancy developments through the DA pathway.

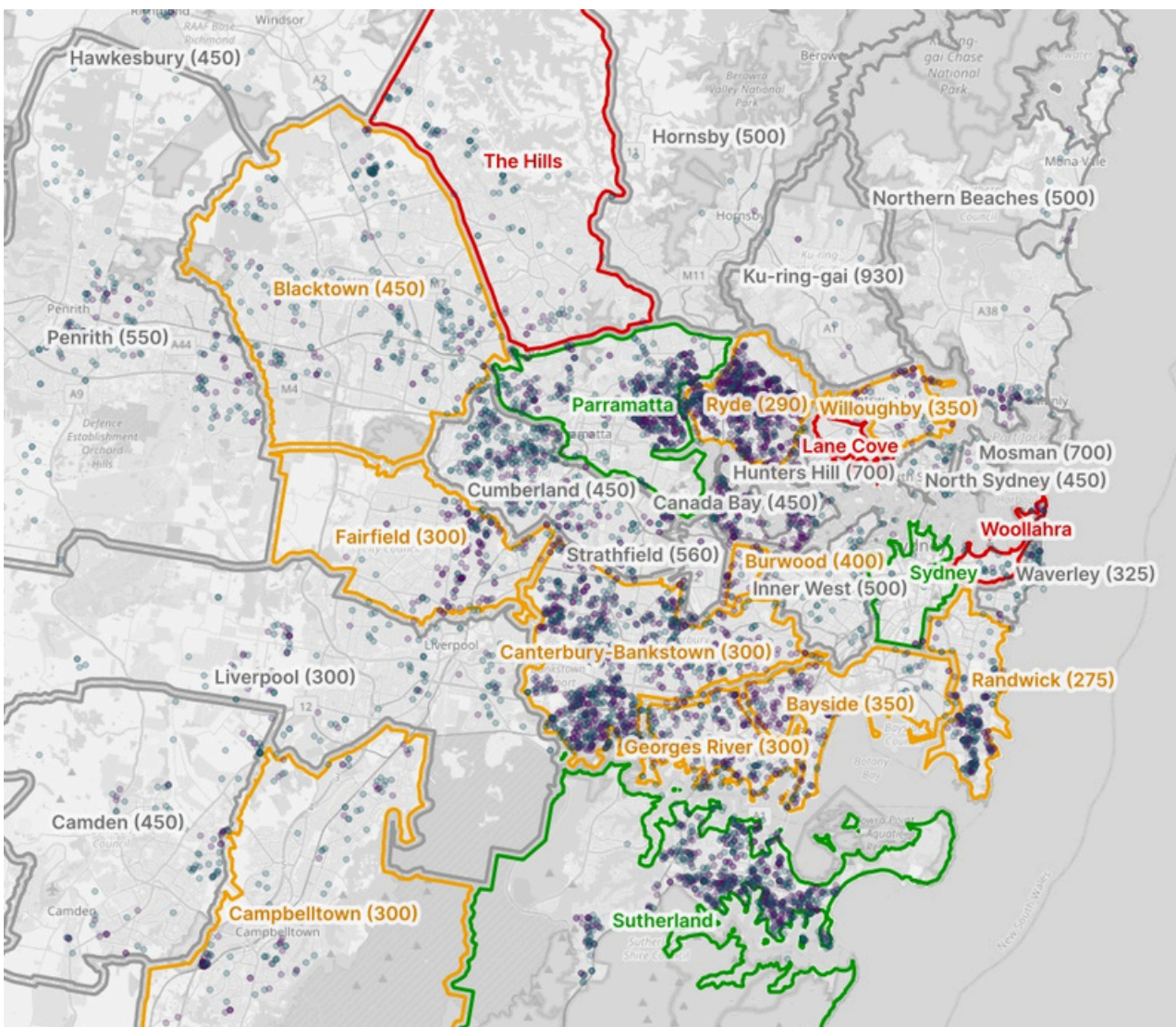


Figure 4: Dual Occupancy: subdivision rules in R2 zone

- Child lots follow Lot Size Map
- Any child lot area allowed
- Specific child lot area for duplex
- No duplex subdivision permitted





# Potential delivery of more housing

To realise the potential of the NSW Dual Occupancy Reforms and accelerate housing development, it is essential to address the factors contributing to the 'dual occupancy voids' across metropolitan Sydney.

Key solutions include:

- Reviewing how local planning controls interact with the reforms to ensure alignment and reduce barriers
- Increasing awareness of the various approval pathways available to developers and property owners
- Simplifying the process of determining whether a site is suitable for this housing typology.

Innovative digital tools, such as [Propcode](#), offer a rapid and cost-effective way to assess site suitability by incorporating relevant planning controls and potential pathways. Leveraging such technology can enhance awareness, drive interest, and ultimately increase the uptake of dual occupancy developments across the region.





Victoria and the Australian Capital Territory are examples of other jurisdictions that have made recent changes to planning to help facilitate more dual occupancy to deliver more housing.



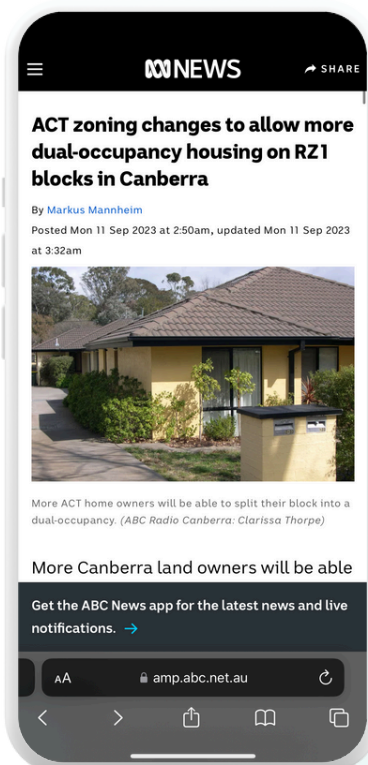
## Victoria declares goal to be Australia's townhouse capital

In 2024, Victorian Premier Jacinta Allan set an aspiration for the state to become Australia's "townhouse capital."

The Victorian Government will undergo an investigation and set of reforms targeted at streamlining adding a second home, building two new homes, or subdividing lots into two. Planning schemes across Victoria changed in 2023 to codify townhouse development requirements with the intent to streamline development assessment across councils.

*"It's the achievable dream for the modern millennial, and if you're an owner, it's a good way to make a bit of money while you're building a home for someone else."*

- Jacinta Allan



## Recent changes to allow more dual occupancy in the Australian Capital Territory

In 2023, the ACT Government changed planning legislation to permit more dual occupancy development on up to 45,000 additional residential lots.

Dual occupancies are now permitted in larger RZ1 residential zoned blocks have also been implemented, with lots over 800 square metres being able to accommodate secondary dwelling up to 120 square metres in size. This also includes the ability for the landowner to formally subdivide these lots, which was previously barred.







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We work with local councils, state and federal government, universities, industry, not for profits and peak associations to build clarity and consensus across diverse stakeholders when tackling challenges across cities, urban and regional places.

Astrolabe Group is trusted delivery partner for independent analysis based on evidence, insights and understanding of local placed based contexts.





## Get in touch

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