The Most, Most Livable Homes

How Victoria builds a lot, and builds accessibly.

YIMBY MELBOURNE

Summer Foundation

About this report

This report was produced by YIMBY Melbourne with support from the Summer Foundation. It examines Victoria's housing supply performance and the implementation of the Livable Housing Design Standard (LHDS) under the 2022 National Construction Code.

About YIMBY Melbourne

YIMBY Melbourne is a grassroots, member-based nonprofit advocating for housing abundance and geospatial equality. Across local campaigns, policy research, and digital tools, we empower Melburnians and Australians to fight for the reforms needed to build a more sustainable, affordable, and liveable city for all.

About The Summer Foundation

The Summer Foundation invests in identifying, designing and scaling up great ideas that deliver better housing and living solutions for Australians with disability who need access to 24/7 support.

The Summer Foundation is also the national convenor of the Building Better Homes campaign, which advocates for consistent national adoption of the Livable Housing Design Standard.

Learn more at **www.summerfoundation.org.au** and **www.buildingbetterhomes.org.au**.

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Executive Summary

Australia faces a housing crisis. Housing affordability continues to decline, as we continue to have the lowest number of homes per person in the developed world. In this context, every policy decision affecting housing supply should face scrutiny to see if the benefits outweigh the costs.

In 2022, the National Construction Code (NCC) introduced the mandatory Livable Housing Design Standard (LHDS) to ensure new dwellings meet the needs of people with disability and older Australians. While most Australian jurisdictions adopted these standards, New South Wales and Western Australia did not, citing concerns that they would increase costs and reduce housing supply.

This raises a compelling question: **Why has Victoria, which has adopted the Livable Housing Design Standard, consistently built more homes than any other Australian state—including those that rejected the standards?**

This research examines Victoria's experience to understand how the state maintained its position as the nation's leader in housing construction while implementing minimum accessibility standards. The findings offer crucial lessons for policymakers navigating the tension between housing quantity and housing quality.

Key Findings

1. Victoria leads the nation in homebuilding

Victoria outperforms every other state on key housing metrics. Between 2019 and 2024, Victoria delivered 306,000 dwellings—more than any other state in absolute terms and per capita. This performance occurred despite public perception of Victoria as a high-regulation, business-unfriendly state. Revealed preferences tell a different story: Victoria is where people and firms choose to build.

2. Victoria's success stems—in part—from foundational advantages

Victoria's high housing output is aided by geography and a strong market. Unlike Sydney, Melbourne's expansive plains allow for low-cost greenfield development, and strong immigration-driven population growth attracts stable investment. However, geography isn't the sole factor—if it were, Sydney's high prices would attract more investment. The key differentiator is policy.

3. Victoria's planning system facilitated easier LHDS implementation

Victoria's more permissive planning system, which lacks the restrictive site coverage and floor area ratios common in NSW, allowed it to implement the Livable Housing Design Standard (LHDS) without constraining supply. The minor $5,400 cost of LHDS

is insignificant compared to the "zoning tax" (e.g., $489k in Sydney vs. $324k in Melbourne) that RBA economists identify as the primary driver of high house prices.

4. Victoria was already prepared for the LHDS

The impact of mandatory LHDS was significantly cushioned because Victoria's planning environment already enacted accessibility principles. State-level policies familiarised the multi-residential sector with accessibility requirements that in many cases exceeded the new LHDS. Several metropolitan councils had already integrated accessibility objectives into their planning schemes for years.

This meant the LHDS represented more of an incremental change rather than a sudden regulatory shock, nullifying many anticipated transitional costs.

5. Harmonised regulation reduces complexity and cost

Where Victoria faced challenges with LHDS implementation, those challenges often stemmed from conflicts between different layers of regulation rather than the Standard itself. Local and state planning rules sometimes conflicted with the National Construction Code, creating complexity that increased compliance costs. The research reveals that regulatory cost burdens often arise from the complexity of compliance rather than the stringency of individual controls.

The introduction of mandatory national LHDS may have reduced regulatory uncertainty by filling a policy vacuum that previously saw local councils attempt to enforce accessibility standards through discretionary permit processes.

Building more, and building better

Victoria's experience offers a critical lesson for policymakers across Australia: **new building standards aimed at creating a more inclusive society can exist alongside increased housing supply.**

When State and Commonwealth governments focus on removing the most significant barriers to housing supply—restrictive planning controls that limit density, height, and land use—the housing market can be more readily adapted to reasonable accessibility standards. The path to building more homes is not to lower standards for accessibility. It is to remove the broader regulatory barriers that truly constrain supply.

Policy implications

For Governments considering LHDS adoption | Victoria's success demonstrates that accessibility standards can be compatible with high housing output when implemented within a supportive planning framework. States like NSW and WA should focus on reforming their restrictive planning systems rather than resisting modest improvements to housing accessibility.

For all Governments | Governments should prioritise high-impact planning reforms—such as allowing greater density in well-located areas, removing floor area ratios, and reducing discretionary approval processes—over marginal adjustments to building standards.

For State and Territory Governments | Harmonising building and planning regulations reduces compliance complexity and costs. State and Territory governments should work to eliminate conflicts between building and planning regulations rather than maintain separate, sometimes contradictory, requirements.

Final reflections

This research demonstrates that Victoria builds the most homes in Australia not by avoiding higher accessibility standards, but by creating a regulatory environment where reasonable standards can be met efficiently. The state builds the most housing at the most affordable prices, ensuring it is accessible to the broadest range of Australians. This is not to say that Victoria's policy settings are perfect—they are not—but it underpins the importance of focusing reform on the main binding constraints.

The question for policymakers is not whether we can afford to build accessible housing. The questions should focus on which policy levers can be pulled to allow more homes to be built, and for those homes to be livable for as many people as possible.

The answer is this: if we reform our overly restrictive planning systems, we can build both abundant *and* accessible housing.

That is the path forward for Australia.

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Background

In 2022, the National Construction Code (NCC) introduced the mandatory Livable Housing Design Standard (LHDS) to ensure that new dwellings can accommodate our ageing population, people with disability, and anyone experiencing temporary mobility limitations throughout their lives.

The introduction of this Standard sparked backlash from a wide range of stakeholders in the property industry. While most states and territories adopted the LHDS, New South Wales and Western Australia chose not to adopt the Standard. This divergence in policy created a natural experiment to assess the relationship between accessibility standards and housing supply.

This context makes Victoria's performance particularly instructive: the state has built more homes than any other jurisdiction—both in absolute terms and per capita—while fully implementing the Livable Housing Design Standard.

The scope of this paper is to investigate how the introduction of the Livable Housing Design Standard has affected Victoria's housing market and what has allowed the state to be more successful in terms of supply and affordability.

This research has uncovered three primary themes related to this question. Firstly, Victoria's geographic and market factors provide historically and currently significant advantages over the rest of Australia. Secondly, Victoria's regulatory settings—specifically planning regulation—have allowed the state to capitalise on this advantage. And lastly, the existing regulatory settings on accessibility have nullified some of the costs relating to implementing the Livable Housing Design Standard.

The nation faces housing challenges

The core of Australia's housing woes lies with a simple fact: we have not built enough homes.

In fact, Australia has the lowest number of homes per person in the developed world.[1]

The reasons for this chronic shortage can be split into two overlapping parts: the COVID shock and the underpinning structural crisis.

The COVID shock saw construction costs rapidly increase even faster than inflation, making it harder for developments to stack up feasibly. This issue was further compounded by interest rate rises that reduced the purchasing power of home buyers and increased the finance costs of homebuilders.

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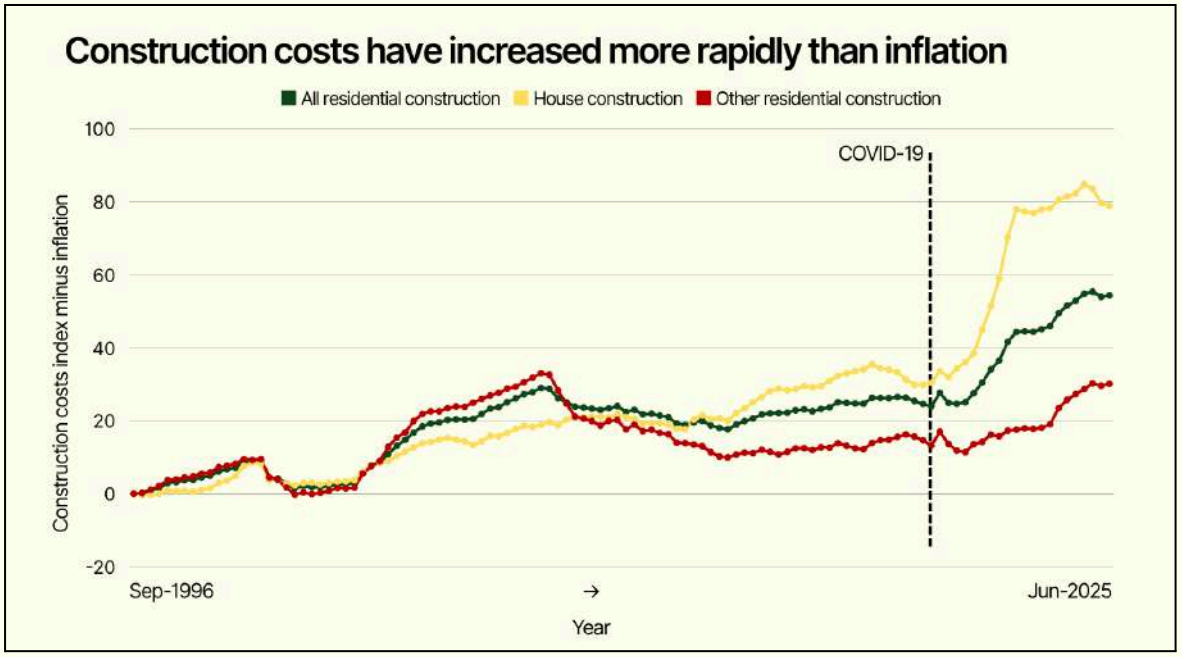
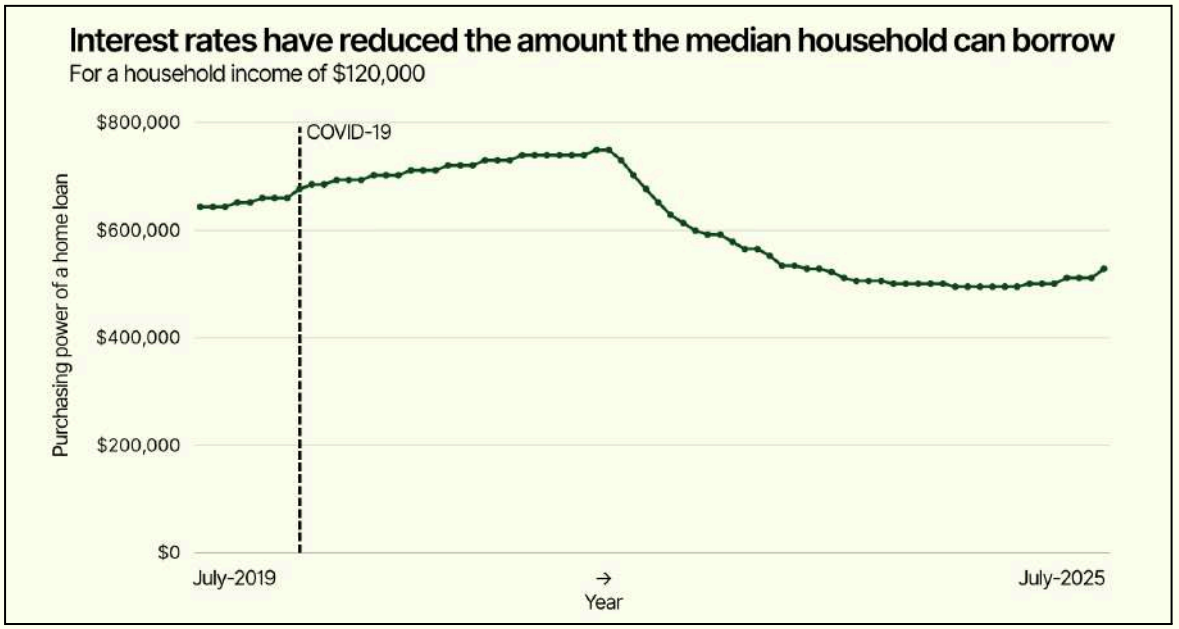
[1] *25 years into a new century and housing is less affordable than ever*, Brendan Coates, Joey Moloney and Matthew Bowes, March 28, 2025, The Conversation

Figure 1 | Construction costs have increased more rapidly than inflation



This meant that development feasibility was squeezed from both ends. Construction costs made more projects too expensive to build relative to the purchase price. Interest rate rises reduced people's capacity to borrow, pushing down the purchase price that new homebuyers could pay.[2]

Figure 2 | Interest rates have reduced the amount the median household can borrow



[2] This is calculated using a Present Value function with RBA's Housing Lending Rates data

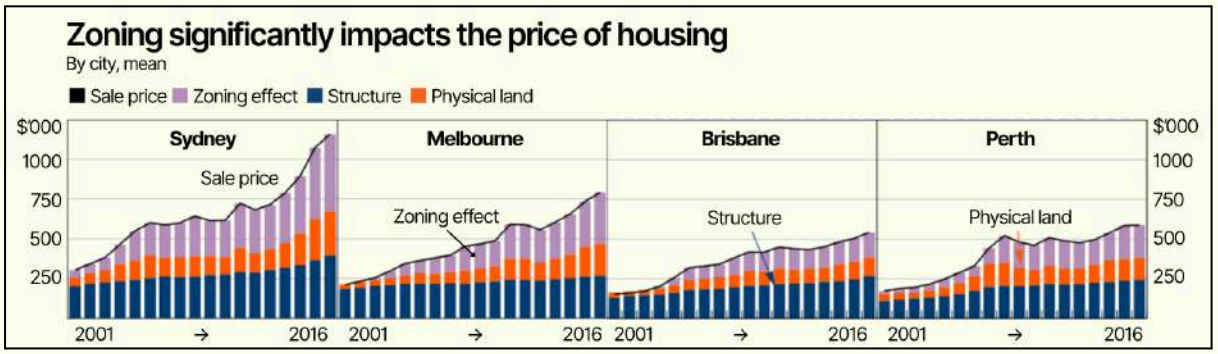
But these factors only explain a point-in-time issue. They do not explain the long-term structural reasons for Australia's growing housing crisis before COVID-19 appeared.

That is because the underlying structural crisis is caused by something prevalent both before and after: our overly restrictive and complex planning rules.

These rules have limited the number of homes that can be built where it is most in demand, such as near public transport or the CBD. And when they do allow housing to be built, they are often so unclear and uncertain that it makes building homes difficult.

Research by two Reserve Bank of Australia economists showed how restrictive planning controls—dubbed the 'zoning tax' by the authors—accounted for a majority of the increasing 'costs' making up house prices.[3]

Figure 3 | Zoning significantly impacts the price of housing



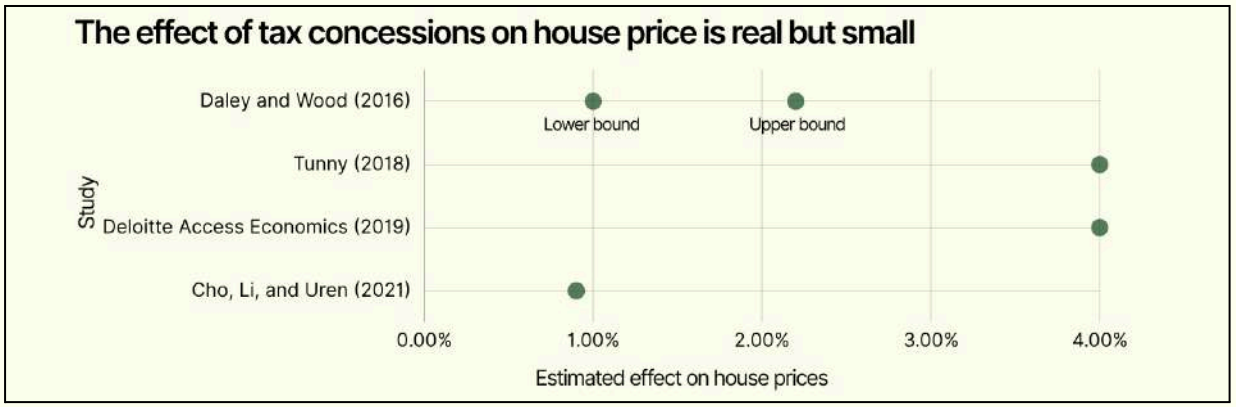
Source: The Effect of Zoning on Housing Prices

Often, there are suggestions that tax concessions, such as negative gearing and the capital gains tax discount, play a significant structural role in the rise in house prices.

However, a wide range of research suggests that it has played only a tiny but persistent role in the overall increase of house prices, ranging from as low as 0.9% to as high as 4%.[4]

[3] Ross Kendall and Peter Tulip, *The Effect of Zoning on Housing Prices*, March 2016, Reserve Bank of Australia
[4] Refer to Appendix 5 | Table 14 for more details.

Figure 4 | The effect of tax concessions on prices is real but small



The bulk of the evidence suggests the following: for housing to get cheaper, it must be legal and simple to build more homes where they are most in demand. For this to happen, we need to reform the way our nation's planning systems work.

Table 1 | Estimated policy impacts on housing costs[5]

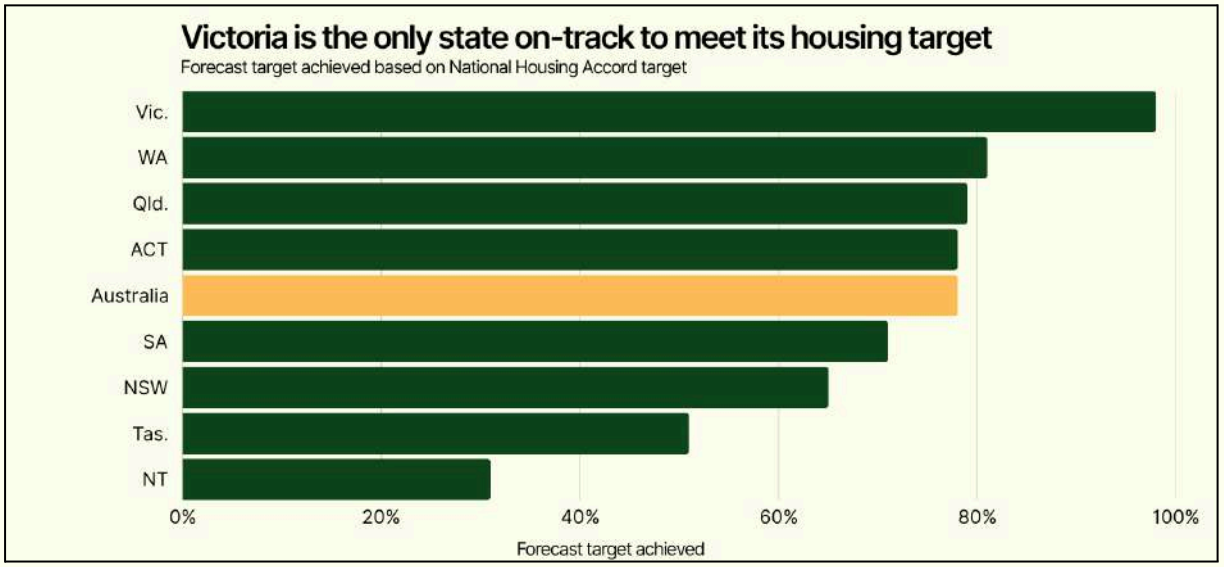
City	Capital Gains Tax Discount / Negative Gearing (Upper bound)	Cost of "zoning" (2016)	Increase in construction costs per dwelling (2020–25) (Upper bound)
Sydney	$44,240	$489,000	$180,565
Melbourne	$31,200	$324,000	$156,591
Brisbane	$34,520	$159,000	$148,286
Perth	$30,920	$206,000	$302,904
Adelaide	$31,720	N/A	$163,092
Hobart	$26,840	N/A	$112,166
Canberra	$33,520	N/A	$174,168
Darwin	$20,120	N/A	$89,152

[5] See Appendix 5 for full details

Victoria leads the nation in homebuilding

Of all Australian states, Victoria builds the most homes. The state builds the most both in nominal terms and as a proportion of the total population.

Figure 5 | Victoria is the only state on-track to meet its housing target



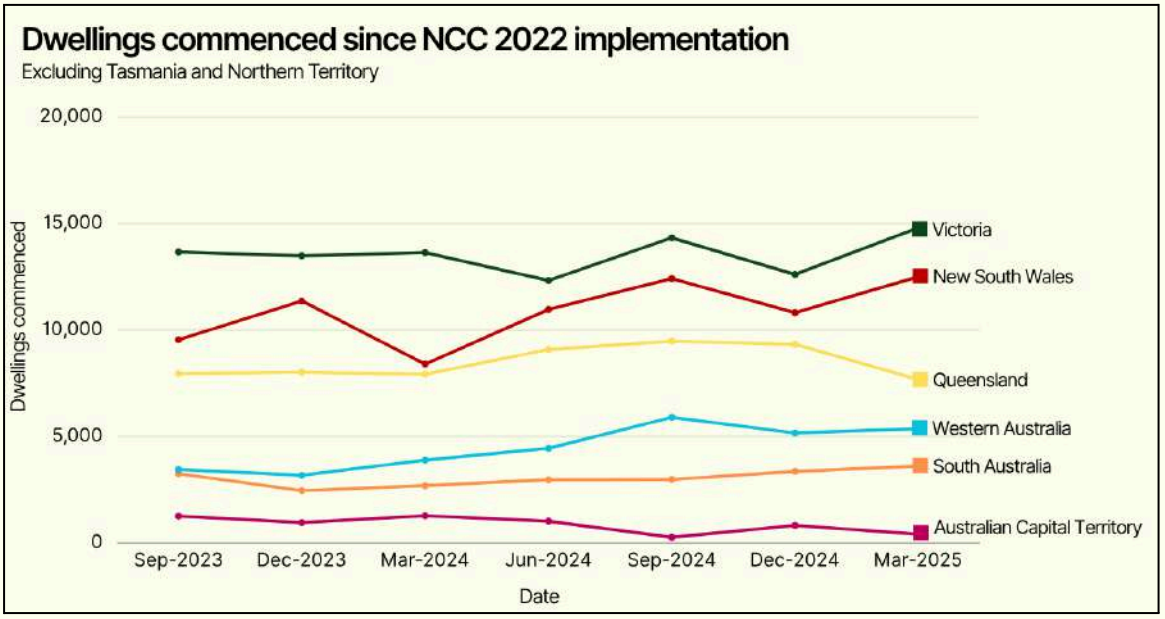
This is significant: a simple narrative of profit-chasing developers should see more homes being built in the high-price and high-rent New South Wales. And yet Victoria has consistently outperformed both New South Wales and all other states by all metrics. This is despite a public and industry perception of Victoria as a high-regulation, business-unfriendly state.[6]

[6] Lily McCaffrey, *Property investors in race for the exit in Victoria*, The Australian, 2 August 2024; Cath Evans, *How Victoria's property taxes killed 81,000 new homes*, Australian Financial Review, 21 May 2025,

Table 2 | Victoria outperforms other states on key housing metrics

State / Territory	Capital City Median Price (2024)[7]	Capital City Median Rent (2024)[8]	Delivered supply 2019–24	Forecast supply 2025–29	Housing target 2025–29	Forecast target achieved
NSW	$1,106,000	$730	251,000	246,000	376,000	65%
Vic.	**$780,000**	**$570**	**306,000**	**300,000**	**306,000**	**98%**
Qld.	$863,000	$630	166,000	194,000	246,000	79%
WA	$773,000	$580	75,000	105,000	129,000	81%
SA	$793,000	$650	54,000	59,000	84,000	71%
Tas.	$671,000	$520	16,000	13,000	26,000	51%
ACT	$838,000	$620	24,000	16,000	21,000	78%
NT	$503,000	$600	3,000	4,000	11,000	31%
Australia	$795,000	$620	896,000	938,000	1,200,000	78%

Figure 6 | Dwellings commenced since NCC 2022 implementation



Melbourne does have significant geographical advantages when it comes to building homes. Sydney's rivers and harbours, in combination with its more hilly topography, mean more sites are constrained by complex land conditions, which raises construction costs. Sydney's rivers and harbours also reduce the total amount of land within a reasonable travel distance from the CBD, compared with Melbourne's limited network of waterways.

[7] Data sourced from PropTrack's Home Price Index
[8] Data sourced from PropTrack's Rental Prices

Melbourne also faces minimal climate risk. Cities like Brisbane face significant flood risks, as highlighted recently in the National Climate Risk Assessment, which found Melbourne to be the capital least likely to feel serious impacts of climate change.[9]

These geographical factors are part of the explanation for why Melbourne builds more, but they do not paint the full picture. Melbourne builds more both on the fringe and in established areas, indicating that geography isn't the only factor and that policy makes a meaningful difference.

Victoria is a state where people and firms time and time again choose to build. And, as this report will explore: what gets built in Victoria is a more universally accessible product.

If the point of housing abundance is greater choice for a greater number of people, then Victoria is succeeding on even more fronts than the optimistic topline numbers tell us.

The Livable Housing Design Standard raises the minimum accessibility standards for new homes

The Livable Housing Design Standard (LHDS) is a part of the 2022 edition of the National Construction Code (NCC), introduced to create more universally accessible housing.

While managed by a central body, every state implements their own slightly altered versions of the NCC. This regulatory fragmentation has problematic implications for construction industry scale and labour mobility, and leads to a less efficient homebuilding sector.[10] The Code is updated every three years, though a freeze has recently been announced, beginning after the 2025 implementation.[11]

But critiques of the NCC often conflate the material requirements of the Code and the imperfect processes of its implementation. The National Construction Code (NCC) is the set of rules and codified standards that govern how homes, offices, and other structures are built across our country.

The Livable Housing Design Standard (LHDS) is a clear-cut example of this conflation. The LHDS was not implemented by all states: notably, New South Wales and Western Australia declined to implement the Standard in full.

Below, we lay out the precise requirements under the fully-implemented LHDS.

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[9] Australian Climate Service, *Australia's first National Climate Risk Assessment*, 15 September 2025

[10] *Housing construction productivity: Can we fix it?*, Productivity Commission, 16 Feburary 2025

[11] *Joint media release: Action on red tape and approvals to build more homes, more quickly*, 24 August 2025, Department of Climate Change, Energy, the Environment and Water

Table 3 | Livable Housing Design Standard requirements are modest

Required element	Pre-2022 industry standard (Class 1)[12]	Livable Housing Design Standard
Dwelling access and entry	One step to access the external front door	One step-free access point (e.g. garage or external path)
	If a ramp is included, it must extend across the full width of a doorway	1000mm wide access path
	If a ramp is included, it must have the top and bottom landing areas, and be at intervals not greater than 15m	The length of ramping must not be more than 9m for a 1:14 gradient, or 15m for a 1:20 gradient.
	Be not less than 750mm long and where this involves a change in direction, the length is measured 500mm from the inside edge of the landing (if there is an external ramp)	Landing area of 1200mm by 1200mm for the front door
	~800mm clear opening front door	820mm clear opening front door
	5mm threshold	1:8 max gradient to ramp within the doorjamb
	Carpark: 3000mm by 5500mm	Carpark: 3200mm by 5400mm
Internal doors and corridors	~800mm	820mm clear opening doors
	Between 800 and 900mm clear width corridors	1000mm clear width corridors
	5mm threshold	5mm threshold
Toilet	No consistent industry standard	Toilet on ground floor/level of entry
		1200mm between front edge of toilet and arc of door
		900mm between side walls of toilet
		Where the toilet pan is within a room with other fixtures, the side of a vanity or other obstruction (e.g. bath) needs to be at least 450 mm from the centreline of the toilet pan
Shower	No consistent industry standard	A maximum 5mm transition for entry
Reinforce walls for bathroom	Not common in the industry	Reinforced walls to support grab rail installation

The modest requirements of the LHDS represent a tradeoff: through a few small design and construction requirements, new housing built in Victoria is accessible to a broader majority of the state's population.

[12] This column shows the estimated standard approach taken by industry for the aspects regulated by the LHDS as per Australian Building Codes Board's RIS.

Not only does the state build the most housing, but it builds the housing most accessible to the largest number of people. The next section of this report will investigate how this is possible.

How Victoria implemented the Livable Housing Design Standard

The purpose of regulatory minimum standards for new housing is to provide a base level of dwelling quality at a given price. Conceived in this way, regulation in the abstract is neither good nor bad: rather, the quality of a given regulation should be determined by the outcomes it creates.

The National Construction Code is clear about this: any major change to the code is typically accompanied by a regulatory impact statement (RIS), which outlines both the costs and benefits of a proposed set of rules. The RIS for the LHDS is clear-eyed about the costs of the proposal.

And yet, despite the costs inherent to standards-raising, Victoria has had no problem continuing to build the most homes in the country.[13] This is for two reasons. As this report will explore:

1. Victoria already builds to high accessibility standards, and
2. Victoria makes nation-leading, high-impact policy decisions to enable better housing outcomes.

As we'll explore, the fact that Victoria was able to implement the LHDS with relative ease compared with other states is not an excuse for states like New South Wales to avoid implementing a higher accessibility standard. **Rather, it is an indication that by making smarter policy choices in other areas, it becomes easy to build nation-leading accessible housing.**

Victoria first implemented an accessibility objective for dwellings in 2006

A broad accessibility objective was first added to all Victorian planning schemes in 2006, though it was relatively broad. This was the sum total of the Clause 55.05-1 Accessibility objective:

> To encourage the consideration of the needs of people with limited mobility in the design of developments.[14]

The objective was accompanied by the single Standard B25:

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[13] An important caveat is that despite the LHDS implementation in Victoria on 1 May 2024, stakeholders mentioned that a large portion of building permits being acted on were approved under NCC 2019. Read *Appendix 01 | Methodology* for more detail.
[14] Particular Provisions - Clause 55.05, Historic Victoria Planning Provision

> The dwelling entries of the ground floor of dwellings and residential buildings should be accessible or able to be easily made accessible to people with limited mobility.

This broadly came to be interpreted, via precedent set at the Victorian Civil and Administrative Tribunal, as a basic requirement to ensure that ground floor dwellings (or parts thereof) be accessible to people with limited mobility.[15]

Notably, this objective was introduced well before 2009's National Dialogue on Universal Housing Design—the catalyst that led to the eventual development of the LHDS. In the face of slow national progress on accessibility standards, it even ignored the Council of Australian Governments' National Reform Agenda to focus on developing building regulation through the Building Code of Australia (the precursor to the NCC), rather than a parallel regulation such as planning regulation, highlighting Victoria's ambition in this space.[16] [17]

Victoria has had high statewide accessibility requirements since 2017

In 2017, the Victorian Government implemented the Better Apartment Design Standards (BADS), which regulate the design aspects of apartment buildings across Victoria. Several of the standards contained therein match the requirements of the Livable Housing Design Standard. This includes the width of entryway doors and hallways, as well as circulation areas in bathrooms.

Table 4 | LHDS vs Better Apartment Design Standards

BADS 2017	NCC22's Livable Housing Design Standard	Which is more stringent?
At least 50% of dwellings should: have a clear opening width of at least 850mm at the entrance to the dwelling and main bedroom	Internal doorways must provide a minimum clear opening width of 820mm	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
At least 50% of dwellings should: have a clear path with a minimum width of 1200mm that connects the dwelling entrance to the main bedroom, an adaptable bathroom and the living area.	Internal corridors, hallways, passageways or the like, if connected to a door must have a minimum clear width of 1000mm, measured between the finished surfaces of opposing walls.	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
Design option A: A minimum clear circulation area in front of the shower	A minimum clear circulation area in front of the toilet of 1200mm deep and 900mm wide.	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are

[15] For example, in *Prack v Hobsons Bay CC [2017]*, Hobsons Bay Council attempted to use Standard B25 (in the aforementioned accessibility clause) to deny permits for dwellings that didn't adhere to broader accessibility concerns not directly outlined in the planning scheme. Ultimately, the tribunal's decision set a precedent that B25 simply requires the ground floor entry of dwellings to be accessible to people with limited mobility, and not anything more.
[16] *National Dialogue Agrees to Improve Accessible Housing Options*, 27 October 2009, The Hon Bill Shorten MP
[17] *Visitable and Adaptable Features in Housing: Regulatory Impact Statement*, Department of Planning and Community Development, 2010

and the toilet of 1200mm by 1200mm. These areas can overlap.		more stringent.
Design option B: A minimum clear circulation area of 1000mm wide and 2700mm deep. These areas can overlap.	A minimum clear circulation area in front of the toilet of 1200mm deep and 900mm wide.	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
Design option A: A hobless (step-free) shower with access from the main bedroom.	At least one hobless (step-free) shower.	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
Design option B: A hobless (step-free) shower that has a removable shower screen and is located on the furthest wall from the door opening with access from the main bedroom.	At least one hobless (step-free) shower.	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
Design option A: A toilet located in the corner of the room.	N/A	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
Design option B: A toilet located closest to the door opening and clear of the circulation area.	N/A	BADS 2017's accessibility standards only apply to 50% dwellings in a project, but are more stringent.
N/A	Two scenarios: Reinforced walls so rails can be installed in one position only; or Reinforced walls so that rails and other fixtures can be installed in any location	NCC22's Livable Housing Design Standards.
N/A	At least one level and step-free entrance door into the dwelling.	NCC22's Livable Housing Design Standards.

The BADS accessibility standards were expanded to small secondary dwellings—"granny flats"—in December of 2023, prior to the full implementation of the 2022 NCC.

As of 2025, a version of BADS have been implemented as part of the Townhouse and Midrise Code, which enables non-discretionary assessment of new developments of three or fewer storeys.

These pre-existing standards meant that the residential development sector was already familiar and experienced with accessibility standards that met or exceeded the LHDS.

Several Victorian councils also had existing accessibility requirements

In addition to statewide standards, several local government areas also had accessibility requirements similar to those introduced under the LHDS.

- **Banyule Council** implemented "Livable Housing Design Guidelines" in 2013, requiring between 11–33% of dwellings to meet their accessibility standards as part of a planning assessment.[18]
- **Knox Council** implemented accessible design objectives in 2016, requiring developments of five or more dwellings to demonstrate accessibility to people with limited mobility.[19]
- **Merri-bek Council** implemented the *Brunswick Structure Plan* in 2016, which contained a number of provisions similar to the Better Apartment Design Standards implemented statewide in 2017.[20]

Of course, this hyper-localisation of rulemaking is problematic: it fragments industry, engenders uncertainty, and reduces housing supply.[21] That the LHDS provides a single framework for delivering accessible housing across the entirety of Australia makes it favourable in comparison to local planning rules, which apply to arbitrary geographies, meaning that while one given block of land in Melbourne may require housing to an accessible standard, its neighbouring block might not.

This will be a theme of the recommendations this report later puts forward: that standardisation is key, and that Victoria's housing successes are owed in no small part to a set of top-down policy decisions that, taken together, work to create a greater industrial capacity for homebuilding.

Conflict between building and planning makes building more complicated

Built-form regulation is most functional when homebuilders only need to meet a single discrete standard. When there are multiple standards, enforced by multiple agencies or tiers of government, complex interactions lead to unintended outcomes.

In order to build a home in Victoria—or in any state—you need both planning and building approval. This leads to unintended consequences, which is recognised in the Victorian Department of Transport and Planning's official materials on the planning standards:

> Responsible authorities should seek to ensure that decisions on planning permit applications for apartment developments do not result in any inconsistencies with the NCC's accessibility and cooling load requirements which could be considered non-compliant.[22]

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[18] *Livable Housing Design Guidelines*, Banyule City Council; Banyule Council representatives, Shawn Neilson and Joel Elbourne, at the Universal Design Conference in 2014
[19] *Accessibility Guidelines for Residential Developments*, Knox City Council
[20] *Brunswick Structure Plan Reference Document*, April 2018, Merri-bek Council,
[21] *Why Has Construction Productivity Stagnated? The Role of Land-Use Regulation*, D'Amico et al, November 2024, National Bureau of Economic Research;
Development Approval Times and New Housing Supply: Evidence from Los Angeles, Gabriel and Kung, 25 February 2025
[22] *Better apartments*, 16 September 2024, Department of Transport and Planning

As an example, Brimbank Council raised this exact issue in 2016, prior to the introduction of the Better Apartment Design Standards:

> It is considered that some of the new [Better Apartment Design Standards] represent a 'double up' with the existing National Construction Code (NCC). In order to reduce the burden of assessment and maintain separation between the two regulatory systems Council proposes that further consideration be given to including some of the proposed new standards within the NCC. Specific examples include Room Depth, Noise Impacts, Natural Ventilation and Energy Efficiency.[23]

Since 2016, the NCC has been updated twice, in 2019 and 2022, and the BADS have been updated once, in 2021. As updates have been made, instances of double-ups have increased—including with the introduction of the Livable Housing Design Standard.

This paints a very clear picture of the nuances of regulatory impact: often it is the complexity, rather than the stringency, which increases the costs for all stakeholders in the homebuilding process. Where high standards are to be enforced, they should be enforced with simplicity, and with minimal conflict between authorities, objectives, and prescriptions—for example, where BADS has been supplanted by LHDS, it may be appropriate to retire the predecessor requirements.

It was relatively less costly for Victoria to implement the Livable Housing Design Standard

We have laid out above that implementation costs of the LHDS may be less for Victoria than other states, because many controls equivalent to the LHDS had already been implemented in whole or in part through other state-wide regulations.

The state-wide nature of rules like the Better Apartment Design Standards is emblematic of Victoria's relatively centralised system of built form and planning regulation. The state's system is much more consistently standardised on a state level than New South Wales, where the planning system is much more devolved to local Councils, and is much more stringent overall.

University of New South Wales research has indicated that local controls in that state have made more significant attempts to mandate livable housing design aspects as a part of local planning schemes.[24] This local variation increases systemic complexity which, noble intentions notwithstanding, can increase regulatory burdens and costs.

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[23] *Brimbank Submission To Better Apartments – Draft Design Standards*, 19 September 2016, Brimbank City Council

[24] Matthew Gee Kwun Chan, *To promote or to limit Livable Housing Design Guidelines within Development Control Plans is the question for governments and built environmental professionals*, May 2022, University of New South Wales School of Built Environment

Finally, we have noted in this section that transition costs of Victorian LHDS implementation may be lower than peer states. This, however, should not be taken as an argument that other states cannot afford to implement the LHDS. Rather, to the degree that implementation in Victoria was less costly than in peer states, it was only because Victoria was already building to relatively higher accessibility standards.

Put simply: the state's lower cost of implementation is a function of already building accessible housing prior to the controls. The fact that Victoria leads the nation on homebuilding, while also requiring nation-leading accessibility in all dwellings, adds to the case that these requirements are not binding on housing construction, given the appropriate use of other policy settings. In the following section we will quantify the impact of the Livable Housing Design Standard, alongside other housing policy levers that governments may pull.

Quantifying the Livable Housing Design Standard

Estimating the cost of implementation

Within the *Proposal to include minimum accessibility standards for housing in the National Construction Code*, clear estimates of LHDS construction costs are laid out based on work by Donald Cant Watts Cork.[25] Using 2020 construction costs, the Centre for International Economics estimated an implementation cost of between $3,874 per detached dwelling and $5,748 per apartment.[26]

Since 2020, construction costs have increased ~39% for detached homes and ~29% for all other residential construction, meaning that we can make the following estimates of LHDS costs:

Table 5 | LHDS Costs increased between 2020 and 2025

Dwelling type	2020 estimate	2025 estimate[27]
Separate house	$3,874	$5,402
Townhouse	$4,186	$5,439
Apartment	$5,748	$7,662

These numbers align both with the range of estimates given by homebuilders interviewed for the project and with the numbers recently produced by the Building Commission NSW.[28]

The LHDS impacts homebuilders in similar ways to other regulatory controls

The first stage of the 2022 NCC only came into effect in Victoria in late 2023. Stage 2 of the Code—which contains the LHDS—was only implemented in May of 2024.

Obtaining retrospective case studies of LHDS implementation costs is difficult because very few homes have actually been built to the new Standard. Because the implementation of the National Construction Code is staged, the Livable Housing Design Standard has only very recently come into effect.

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[25] *Accessible Housing: Estimated Cost of Proposed Changes to NCC*, Donald Cant Watts Corke, 2020
[26] *Proposal to include minimum accessibility standards for housing in the National Construction Code*, Centre for International Economics, February 2021
[27] See Appendix 4 for methodology and breakdown
[28] *Livable Housing Requirements in NSW: Discussion Paper*, Building Commission NSW, 20 January 2025

This does not mean that all dwellings commenced since implementation have been required to comply with the Standard. Projects that are in the pre-construction phase at the time new requirements come into effect are generally eligible to obtain building permits that comply with the previous iteration of the NCC. Interviewees engaged as part of this report suggested that a majority of construction projects across Victoria are currently building without needing to comply with the LHDS.

This, of course, will change over time, and within a few years all new builds will be required to build to the standards.

For volume builders, the fixed costs of implementation have already been incurred: as their business model requires them to design a large number of homes which they can then build and sell en masse, the redesign process associated with any set of new controls represents a large fixed cost. This is not unique to the LHDS in any regard, and also applies to any other built-form regulation in areas such as energy efficiency, material durability, and fire safety.

Smaller-scale home builders do not incur the fixed cost: as they build a more bespoke product, the large majority of their costs are effectively incurred on a per-project basis.

The Livable Housing Design Standard increases the diversity of people able to choose a given dwelling

Some stakeholders noted that a number of new provisions within NCC 2022, including the Livable Housing Design Standard, marked a shift away from the Code's traditionally perceived role of governing structural integrity and safety. This shift has led some industry members to question the Code's overarching remit, as it strays into regulating built form elements that are best dictated by consumer choice, rather than mandatory regulation.

A greater diversity of people will be able to live in each and every one of the dwellings built under LHDS controls. But because of the controls' requirements, the total pool of dwellings will be less diverse, meaning that there will be fewer options for people who might want to make different tradeoffs regarding where and how they live. This was reflected by interviewee testimony, which suggested that a portion of the Livable Housing Design Standard actively go against some consumer preferences and incentivise renovation work to make a dwelling non-compliant. This tension has been previously captured in Summer Foundation work.[29]

[29] *Supporting the design and construction sector to transition to minimum accessible standards in new homes: A qualitative study*, April 2024, The Summer Foundation

Given this, we can conceptualise the LHDS as trading off between two different forms of choice, in favour of the former over the latter:

> **Choice form 1:** The diversity of *people* able to choose a given dwelling
>
> **Choice form 2:** The diversity of *dwellings* from which all people may choose

Any piece of accessibility policy will trade off between these two forms of choice. The Australian Building Code Board (ABCB), who manage the NCC, did not naively choose the first form over the second in this instance. The choice the ABCB made, in fact, may be the best way to enable housing choice within the confines of the NCC as a policy tool.

It is important to note that the NCC is not the only policy tool available for the provision of equitable housing. An alternative policy option that maximises both forms of choice listed above is the provision of retrofitting grants as part of government support for those impacted by disability. These are currently available to individuals as part of the National Disability Insurance Scheme (NDIS), and through some state programs such as the Victorian Aids and Equipment Program, and these will likely remain available to those living in homes built prior to LHDS implementation.[30] However, these schemes are not perfect substitutes for LHDS for a few reasons:

1. Retrofitting existing homes is much more expensive compared to including features at the initial design and construction stages. NSW workers compensation insurer icare spent $6.5m in FY23 to retrofit homes for 107 people.[31]
2. Many people who would benefit from the LHDS would likely not meet the threshold for these schemes. In FY25, the NDIS funded $558 million in home modifications, separate from expenditure on specialist disability accommodation.[32]
3. While addressing the recipient's home, they do not address how they can visit the homes of friends and family.
4. These programs generate greater friction for the individuals affected than the front-loading of regulation that mandates a given standard in all new homes, which over time should be expected to become a larger share of the total pool of housing options available.

These sorts of questions are emblematic of the tradeoffs required to be made as part of practicing any given robust regulatory framework. These tradeoffs will be the focus of our discussion and recommendations in the following section of this report.

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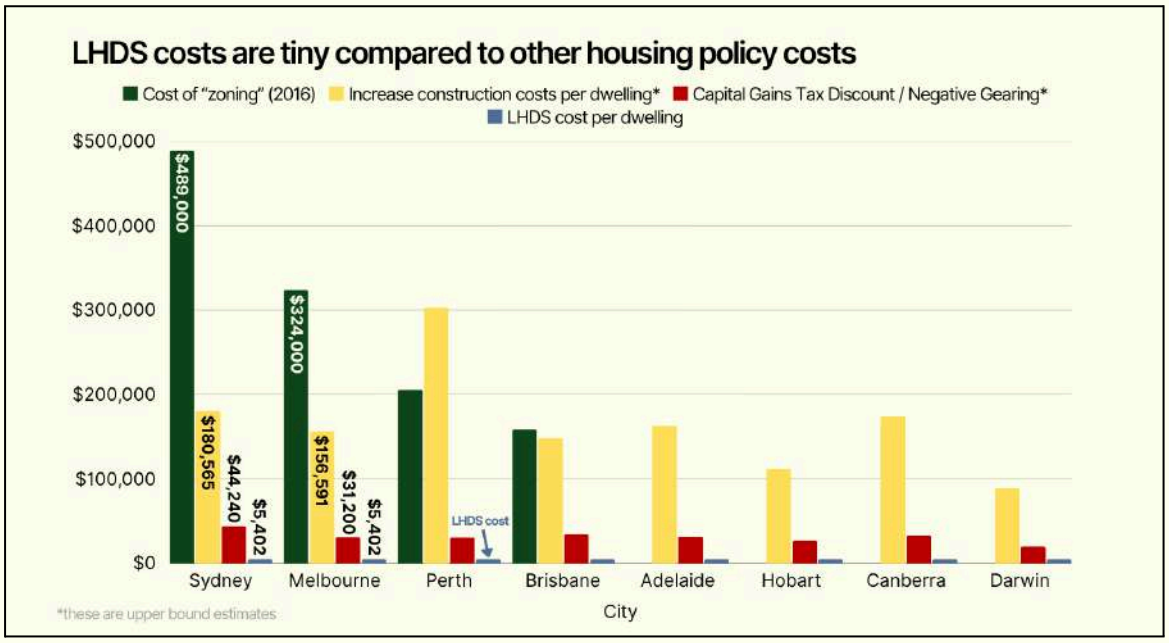
[30] *Victorian Aids and Equipment Program*, Department of Health, 17 July 2025
[31] *Icare Annual Report 2022-23*', icare NSW, 31 October 2023
[32] *Quarterly report to disability ministers Q4 2024-25*, National Disability Insurance Agency

Governments should spend political capital on removing barriers that impose high costs on homes

LHDS is trivial compared to other housing costs

To conclude, we synthesise our updated cost estimates of the Livable Housing Design Standard alongside earlier estimates of major contributors to high housing costs. The cost of LHDS compliance is very low compared to other drivers of housing costs.

Figure 7 | LHDS costs are tiny compared to other housing policy costs



See Table 6 for full cost breakdown

These figures should be used to inform any government policymaking. When states like New South Wales fail to implement LHDS on the basis of imposed costs, they are making this decision in the context of many other more costly decisions.

It is difficult to make tradeoffs that may add costs to an already costly product. It is also worth noting that governments all the time make the choice to take—or not take—actions which impose costs and benefits.

To implement the LHDS is to impose a cost of less than $8,000 per dwelling in Sydney.

But reforming negative gearing and the capital gains tax discount has been estimated to reduce home prices in Australia's most expensive city by more than $40,000. And with planning imposing costs in the range of $400,000 per dwelling, the $8,000 cost of the LHDS becomes a rounding error, particularly in the context of construction

costs that have increased by more than $180,000 per Sydney dwelling over just five years.

State and federal governments should focus on implementing high-impact reforms, rather than tweaking around the edges and rearranging deckchairs. Victoria hasn't built the most homes by avoiding the implementation of national standards: it has built the most homes through a combination of geographic blessings and a centralised planning system that has consistently worked to reduce localisation and control.

Harmonised planning and building systems decrease costs. Jurisdictions like New South Wales would benefit from systemic consolidation, which would reduce conflicts with nationwide controls like the Livable Housing Design Standard. In addition to reducing complexity, jurisdictions should also look to reduce the stringency of poorly justified controls, most notably New South Wales's floor area ratio (FAR) controls, which significantly reduce both project yield and floorplan flexibility. This lack of flexibility may increase the costs of the LHDS, particularly through a higher opportunity cost imposed by other additional regulatory constraints.

Table 6 | Synthesised costs of housing policies

City	Capital Gains Tax Discount / Negative Gearing (Upper bound)	Cost of "zoning" (2016)	Increase construction costs per dwelling (Upper bound)	LHDS cost per dwelling
Sydney	$44,240	$489,000	$180,565	$5,402
Melbourne	$31,200	$324,000	$156,591	$5,402
Brisbane	$34,520	$159,000	$148,286	$5,402
Perth	$30,920	$206,000	$302,904	$5,402
Adelaide	$31,720	N/A	$163,092	$5,402
Hobart	$26,840	N/A	$112,166	$5,402
Canberra	$33,520	N/A	$174,168	$5,402
Darwin	$20,120	N/A	$89,152	$5,402

Conclusion

This research sought to understand why Victoria has maintained its position as the nation's leader in housing construction while adopting the Livable Housing Design Standard (LHDS) under NCC 2022. The answer reveals important lessons for policymakers across Australia grappling with how to increase housing supply while ensuring homes meet the needs of all residents.

Victoria’s housing supply story

Victoria’s strong housing supply story is based on three interdependent factors:
Geographic and market advantages provide the foundation | Unlike Sydney, Melbourne faces few natural barriers to expansion and has expansive plains to the west and east, enabling lower-cost greenfield development. This geographic advantage is amplified by strong population growth through immigration, creating a deep and stable market that attracts sustained investment.
Permissive planning enabled LHDS implementation | Victoria's relatively flexible planning system means that it has more capacity to absorb new regulatory costs. For example, less restrictive site coverage requirements and minimal use of floor area ratios—controls that severely constrain development in NSW—gave the construction sector more flexibility to accommodate accessibility standards. When research by RBA economists shows that restrictive planning adds approximately $489,000 to house prices in Sydney and $324,000 in Melbourne, the estimated $5,400 cost of LHDS implementation becomes a rounding error.
Victoria was already building accessible homes | State-level policies like the Better Apartment Design Standards (2017) had familiarised the multi-residential sector with accessibility requirements that in many cases exceeded the new LHDS. Several metropolitan councils—including Knox, Banyule, and Merri-bek—had integrated accessibility objectives into their planning schemes for years. This meant the LHDS represented an incremental change rather than a sudden regulatory shock, minimising transitional costs.

Complexity drives regulatory costs

Where Victoria faced challenges with LHDS implementation, those challenges often stemmed from conflicts between different layers of regulation rather than the standards themselves. Local and state planning rules sometimes conflicted with the National Construction Code, creating complexity that increased compliance costs.

The introduction of mandatory national LHDS may have actually reduced regulatory uncertainty by filling a policy vacuum. Previously, local councils attempted to enforce accessibility standards through discretionary permit processes, leading to inconsistent outcomes and contentious tribunal disputes. A harmonised national standard eliminated this fragmentation, potentially reducing overall regulatory burden despite adding technical requirements.

This finding has broader implications: regulatory cost burdens often arise from the complexity of compliance rather than the stringency of individual controls. Governments seeking to reduce housing costs should prioritise harmonising regulations and eliminating conflicts between different regulatory layers.

Building more, building better

Victoria's experience offers a critical lesson for policymakers across Australia: **new building standards aimed at creating a more inclusive society do not have to come at the expense of housing supply.**

When state and federal governments focus on removing the most significant barriers to housing supply—restrictive planning controls that limit density, height, and land use—the housing market can readily adapt to reasonable accessibility standards. The path to building more homes is not to lower standards for accessibility, safety, or sustainability. It is to remove the broader regulatory barriers that truly constrain supply.

Policy implications

For Governments considering LHDS adoption | Victoria's success demonstrates that accessibility standards can be compatible with high housing output when implemented within a supportive planning framework. States like NSW and WA should focus on reforming their restrictive planning systems rather than resisting modest improvements to housing accessibility.

For all Governments | Governments should prioritise high-impact planning reforms—such as allowing greater density in well-located areas, removing floor area ratios, and reducing discretionary approval processes—over marginal adjustments to building standards.

For State and Territory Governments | Harmonising building and planning regulations reduces compliance complexity and costs. State and Territory governments should work to eliminate conflicts between building and planning regulations rather than maintain separate, sometimes contradictory, requirements.

Limitations and future research directions

This qualitative research provides a strong explanatory framework, but limitations remain. The gradual implementation of NCC 2022, with many projects still proceeding under older permits, complicates direct quantitative comparisons between states. The construction sector's adjustment to both LHDS and energy efficiency standards, introduced simultaneously, makes it challenging to isolate the impact of accessibility requirements.

Future research could build on these findings by:

- Quantitatively analysing whether mandatory LHDS reduced planning disputes related to accessibility at state tribunals, as suggested by research on Environmentally Sustainable Development in Victoria.[33]
- Examining whether states with more fragmented planning systems experienced higher LHDS implementation costs than Victoria.[34]
- Assessing consumer awareness and demand for accessible housing features to understand market dynamics beyond regulatory requirements

[33] See: Trivess Moore, Susie Moloney, Joe Hurley & Andréanne Doyon, *Implementing sustainability in the built environment: An analysis of the role and effectiveness of the building and planning system in delivering sustainable cities*, August 2017, Centre for Urban Research
[34] Notably Queensland has not implemented statewide standardisation reforms like WA, SA, Vic., etc.

Appendix 01 | Methodology

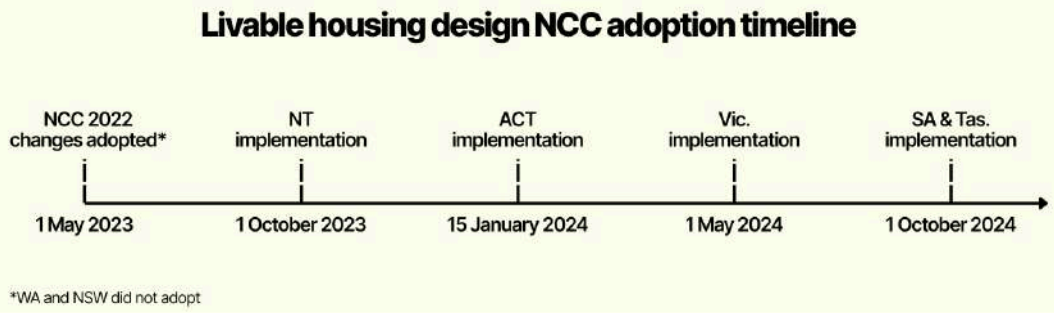
How this research was conducted

This qualitative research has been informed by discussions with various stakeholders in the residential construction industry. We've taken their comments on face value and have not substantiated them quantitatively. Where possible, we've tried to find corroborating evidence to supplement or expand the viewpoints expressed.

We've kept the exact stakeholders consulted anonymous so they can express their viewpoint more freely. See Appendix 1 for more details.

Assumptions and limitations

Stakeholders have suggested that, although the implementation of Stage 2 of the NCC 2022 in Victoria was scheduled to start in May 2024, this is somewhat misleading.



As housing projects, which include new home sales contracts, were substantially in place before that date, they are still proceeding with permits approved under NCC 2019. This means that many projects are still being built without these changes, and the implementation is more gradual than many would assume at first glance. A similar story applies across Australia (see the implementation timeline above).

Although stakeholders could not provide clear data on this, one estimated that a majority of construction projects were still operating under the NCC 2019 permits.

This means that vis-à-vis comparison between states and territories is not clear-cut and has the potential to mislead on the effects of the Livable Housing Design Standards.

This was previously assumed, but it's worth noting that the industry stakeholders stressed that many other factors would make the analysis challenging:

- COVID-19-induced inflation on both labour and material costs
- The implementation of other construction code standards, such as those related to energy efficiency, further complicates the analysis.

This does not mean that comparison between jurisdictions is impossible, but they need to be analysed with this context in mind.

Appendix 02 | Stakeholders consulted

Stakeholders are anonymous due to personal views being discussed that shouldn't be attributed to the source.

Stakeholder No.	Type	Brief meeting	Long meeting
1	Property sector representative #1	1	1
2	Property sector representative #2		1
3	Property sector representative #3	1	1
4	NCC expert		1
5	Class 1 Builder #1	2	1
6	Class 1 Builder #2		1
7	Council planner #1	1	
8	Council planner #2	2	
9	Class 6 contractor		1
10	Class 2 builder	1	

Appendix 03 | Planning policies

Amendment VC37 (ResCode)

55.05 ON-SITE AMENITY AND FACILITIES

15/07/2013
VC100

55.05-1 Accessibility objective

19/01/2006
VC37

To encourage the consideration of the needs of people with limited mobility in the design of developments.

Standard B25

The dwelling entries of the ground floor of dwellings and residential buildings should be accessible or able to be easily made accessible to people with limited mobility.

Knox Council

22.07-7 Accessible Design

17/03/2016
C131

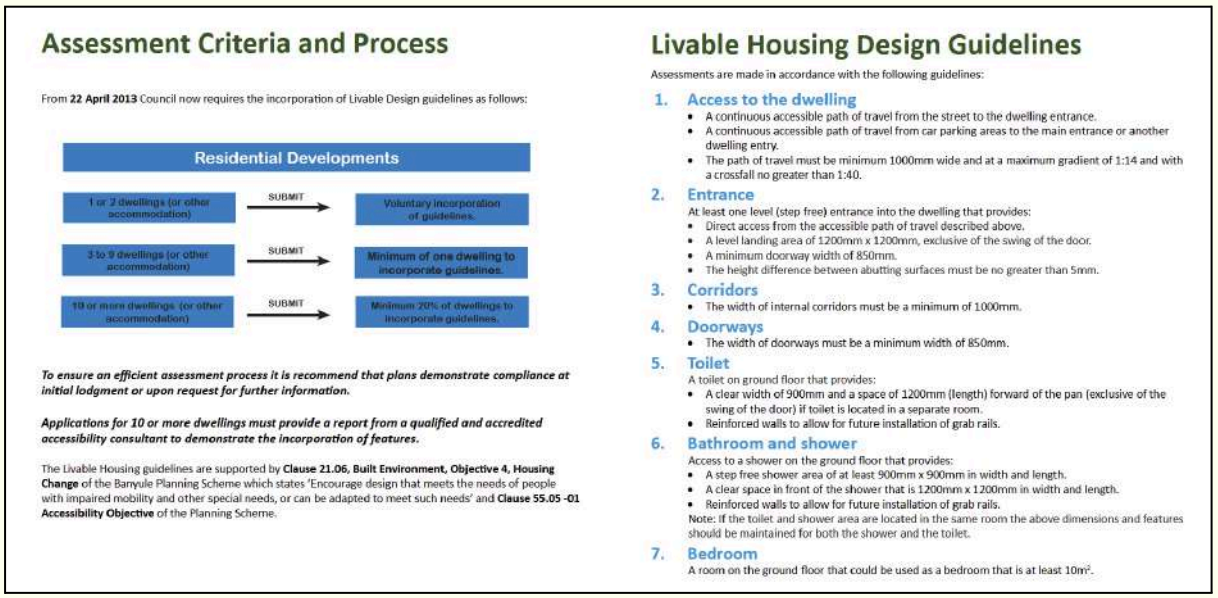
Design Objectives

- To ensure that new development considers the needs of people with limited mobility in design.

Design Guidelines

- Provide a clear and accessible path from the street to the front door.
- Ensure that all dwellings with ground floor level entrances are visitable by people with limited mobility.
- Where possible, the entries of all dwellings should be visible from the street.
- Provide wide and sheltered step-free entries.
- In developments of three or more dwellings provide at least one dwelling with a bedroom, kitchen, bath or shower, and a toilet and wash basinon the same level as the entrance to the dwelling.

Banyule Council



Assessment Criteria and Process

From **22 April 2013** Council now requires the incorporation of Livable Design guidelines as follows:

Residential Developments

1 or 2 dwellings (or other accommodation)	SUBMIT →	Voluntary incorporation of guidelines.
3 to 9 dwellings (or other accommodation)	SUBMIT →	Minimum of one dwelling to incorporate guidelines.
10 or more dwellings (or other accommodation)	SUBMIT →	Minimum 20% of dwellings to incorporate guidelines.

To ensure an efficient assessment process it is recommend that plans demonstrate compliance at initial lodgment or upon request for further information.

Applications for 10 or more dwellings must provide a report from a qualified and accredited accessibility consultant to demonstrate the incorporation of features.

The Livable Housing guidelines are supported by **Clause 21.06, Built Environment, Objective 4, Housing Change** of the Banyule Planning Scheme which states 'Encourage design that meets the needs of people with impaired mobility and other special needs, or can be adapted to meet such needs' and **Clause 55.05 -01 Accessibility Objective** of the Planning Scheme.

Livable Housing Design Guidelines

Assessments are made in accordance with the following guidelines:

1. **Access to the dwelling**
   - A continuous accessible path of travel from the street to the dwelling entrance.
   - A continuous accessible path of travel from car parking areas to the main entrance or another dwelling entry.
   - The path of travel must be minimum 1000mm wide and at a maximum gradient of 1:14 and with a crossfall no greater than 1:40.
2. **Entrance**
   At least one level (step free) entrance into the dwelling that provides:
   - Direct access from the accessible path of travel described above.
   - A level landing area of 1200mm x 1200mm, exclusive of the swing of the door.
   - A minimum doorway width of 850mm.
   - The height difference between abutting surfaces must be no greater than 5mm.
3. **Corridors**
   - The width of internal corridors must be a minimum of 1000mm.
4. **Doorways**
   - The width of doorways must be a minimum width of 850mm.
5. **Toilet**
   A toilet on ground floor that provides:
   - A clear width of 900mm and a space of 1200mm (length) forward of the pan (exclusive of the swing of the door) if toilet is located in a separate room.
   - Reinforced walls to allow for future installation of grab rails.
6. **Bathroom and shower**
   Access to a shower on the ground floor that provides:
   - A step free shower area of at least 900mm x 900mm in width and length.
   - A clear space in front of the shower that is 1200mm x 1200mm in width and length.
   - Reinforced walls to allow for future installation of grab rails.

   Note: If the toilet and shower area are located in the same room the above dimensions and features should be maintained for both the shower and the toilet.
7. **Bedroom**
   A room on the ground floor that could be used as a bedroom that is at least 10m².

Merri-bek Council

4.2.11 Encourage all dwellings to be visitable by a person with limited mobility by providing:

- An accessible path from the street and car park areas to a level entry;
- Minimum width of 850mm for doors and 1000mm for hallways at entry level; and
- A clear path of travel from the accessible entry to a living area and toilet suitable for people with limited mobility.

4.2.12 Encourage the provision of liveable housing that can be lived in by people with limited mobility (or easily adapted to be lived in) by incorporating the following design features:

- An accessible path from the street and car park areas to a level entry;
- A bedroom, living area, kitchen, private open space, bathroom and toilet which can be efficiently adapted for people with limited mobility on entry level; and
- Minimum width of 850mm for doors and 1000mm for hallways at entry level.

Screenshot from Merri-bek Council's *Brunswick Structure Plan*

16.01-1L
14/01/2021
C200more

Housing for people with limited mobility

Strategies

Encourage the provision of housing that can be lived in by people with limited mobility (or easily adapted to be lived in) by incorporating the following design features:

- An accessible path from the street and car park areas to a level entry.
- A clear path of travel from the accessible entry to a living area and toilet.
- A bedroom, living area, kitchen, private open space, bathroom and toilet for people with limited mobility on entry level.

Policy guidelines

Consider as relevant:

- The design principles contained in the *Liveable Housing Design Guidelines*, Liveable Housing Australia.
- A minimum width of 850 millimetres for doors and 1000 millimetres for hallways at entry level.

Policy document

Consider as relevant:

- *Liveable Housing Design Guidelines* (Liveable Housing Australia, 2017)

Screenshot from Merri-bek's Planning Scheme

Appendix 04 | 2024 update on ABCB RIS

Table 7 | Estimated marginal cost of land[35]

City	Elasticity	Median greenfield lot size (m^2)[36]	1 m2 reduction in lot size (per cent)	Implied reduction in property value (per cent)	Median property value ($'000)[37]	Cost of lost space ($ per m^2)
Sydney	0.24	413	-0.24%	-0.06%	$1,106,000.00	-$642.71
Melbourne	0.25	361	-0.28%	-0.07%	$780,000.00	-$540.17
Brisbane	0.21	421	-0.24%	-0.05%	$863,000.00	-$430.48
Perth	0.24	375	-0.27%	-0.06%	$773,000.00	-$494.72
Adelaide	0.24	411	-0.24%	-0.06%	$793,000.00	-$463.07
Hobart	0.24	507	-0.20%	-0.05%	$671,000.00	-$317.63
Canberra	0.24	484	-0.21%	-0.05%	$838,000.00	-$415.54
Weighted average						**-$531.79**

Table 8 | Average price per square metre - apartments[38]

City	Median apartment price ($)[36]	Average apartment size (m^2)[39]	Average cost per square metre ($ per m^2)
Sydney	$816,000.00	107	$7,626.17
Melbourne	$590,000.00	118.7	$4,970.51
Brisbane	$666,000.00	144.3	$4,615.38
Perth	$559,000.00	150.5	$3,714.29
Adelaide	$595,000.00	149.8	$3,971.96
Hobart	$541,000.00	132.5	$4,083.02
Canberra	$598,000.00	143	$4,181.82
Darwin	$374,000.00	145.3	$2,573.98
Weighted average			**$5,661.81**

[35] See Table 6.6 in *Proposal to include minimum accessibility standards for housing in the National Construction Code* for full methodology
[36] *UDIA State of the Land 2025*, 18 March 2025; No data for Hobart and Darwin. RIS figure used.
[37] Data sourced from PropTrack's Home Price Index
[38] See Table 6.7 in *Proposal to include minimum accessibility standards for housing in the National Construction Code* for full methodology
[39] 2024 date from *ABS Building Activity Average Floor Area* for Sydney, Melbourne and Brisbane. For Perth, Adelaide, Hobart, Canberra and Darwin, *CommSec Home Size Trends Report 2020* was used.

Table 9 | Net opportunity cost of space impacts[40]

Type of house	Type of house Opportunity cost ($/m²)	Capital value ($/m²)[41]	Net opportunity cost ($/m²)
Option 1 (Silver) Separate house	$531.79	$481.00	$50.79
Option 1 (Silver) Townhouse	$531.79	$481.00	$50.79
Option 1 (Silver) Apartment	$5,661.81	$682.00	$4,979.81

Table 10 | Estimated space impacts of complying with proposed changes to NCC[42]

	Option Building Estimated space impacts (m²)	Share of dwelling footprint (per cent)
Option 1 (Silver) Separate house	1.5	1
Option 1 (Silver) Townhouse	1.4	1.4
Option 1 (Silver) Apartment	0.8	0.6

Table 11 | Estimated additional compliance costs[43]

Dwelling	Estimated 2020 construction costs ($ per dwelling)	Estimated construction costs ($ per dwelling) adjusted for 2024[44]	Net opportunity cost of space ($ per dwelling)	Total ($ per dwelling)
Separate house	$3,837	$5,326	$76.18	$5,402
Townhouse	$4,150	$5,368	$71.10	$5,439
Apartment	$2,843	$3,678	$3,983.84	$7,662

[40] See Table 6.8 in *Proposal to include minimum accessibility standards for housing in the National Construction Code* for full methodology
[41] Assumed to be the same as outlined in *Proposal to include minimum accessibility standards for housing in the National Construction Code*
[42] This is unchanged from the LHDS RIS and is just here for reference purposes.
[43] See Table 6.1 in *Proposal to include minimum accessibility standards for housing in the National Construction Code* for full methodology
[44] Adjusted to 2024 costs with ABS' *Producer Price Indexes*; Separate house with *House Construction*; Townhouse and Apartment with *Other Residential Building Construction*.

Appendix 05 | Costs associated with housing production

Table 12 | Summary of costs

City	Capital Gains Tax Discount / Negative Gearing (Upper bound) [45]	Cost of "zoning" (2016)	Increase construction costs per dwelling (Upper bound)	LHDS cost per dwelling
Sydney	$44,240	$489,000	$318,010	$5,402
Melbourne	$31,200	$324,000	$229,235	$5,402
Brisbane	$34,520	$159,000	$254,705	$5,402
Perth	$30,920	$206,000	$472,500	$5,402
Adelaide	$31,720	N/A	$293,865	$5,402
Hobart	$26,840	N/A	$327,015	$5,402
Canberra	$33,520	N/A	$297,660	$5,402
Darwin	$20,120	N/A	$200,265	$5,402

Table 13 | Estimated increase in construction costs[46] [47]

	Cost increase per m^2		Average house size m^2	Increase construction costs per dwelling	
City	Lower	Upper		Lower	Upper
Sydney	$710.00	$770.00	234.5	$166,495.00	$180,565.00
Melbourne	$620.00	$635.00	246.6	$152,892.00	$156,591.00
Brisbane	$540.00	$605.00	245.1	$132,354.00	$148,285.50
Perth	$920.00	$1,260.00	240.4	$221,168.00	$302,904.00
Adelaide	$670.00	$715.00	228.1	$152,827.00	$163,091.50
Hobart	$595.00	$645.00	173.9	$103,470.50	$112,165.50
Canberra	$570.00	$615.00	283.2	$161,424.00	$174,168.00
Darwin	$370.00	$395.00	225.7	$83,509.00	$89,151.50

[45] This is just the upper bound estimated effect of tax concessions x median house price.
[46] *ABS Building Activity, December 2024* for Average house size m^2; state/territory wide measure used rather than city.
[47] Sourced from *Rawlinsons Construction Cost Guide 2020 and 2025*; benchmark was "INDIVIDUAL HOUSE - One storey, tiled roof/metal deck, split system air-conditioning to living areas and bedrooms, approximately 150/350 m2 - Medium standard finish - Framed"

Table 14 | Estimated effects of tax concessions on house prices

Study	Estimated effect (lower bound)	Estimated effect (upper bound)
Daley and Wood (2016)	1.00%	2.20%
Tunny (2018)	4.00%	4.00%
Cho, Li, and Uren (2021)	0.90%	0.90%
Deloitte Access Economics (2019)	4.00%	4.00%

Table 15 | Average House Price Decomposition $'000 (per cent of total) 2016[48] [49]

	Perth	Brisbane	Melbourne	Sydney
Dwelling structure	242 (41%)	267 (49%)	268 (34%)	395 (34%)
Land	346 (59%)	275 (51%)	524 (66%)	765 (66%)
Physical land	140 (24%)	116 (21%)	201 (25%)	276 (24%)
Zoning effect	206 (35%)	159 (29%)	324 (41%)	489 (42%)
Total	**588 (100%)**	**542 (100%)**	**793 (100%)**	**1,160 (100%)**
Adj. for inflation to 2024	259.869	200.5785	408.726	616.8735

Table 16 | Rawlinsons construction costs 2020 vs 2024 (Individual House)[50]

	2020		2024		Cost increase per sqm	
City	Lower	Upper	Lower	Upper	Lower	Upper
Sydney	$1,765.00	$1,900.00	$2,475.00	$2,670.00	$710.00	$770.00
Melbourne	$1,450.00	$1,595.00	$2,070.00	$2,230.00	$620.00	$635.00
Brisbane	$1,580.00	$1,680.00	$2,120.00	$2,285.00	$540.00	$605.00
Perth	$1,480.00	$1,595.00	$2,400.00	$2,855.00	$920.00	$1,260.00
Adelaide	$1,100.00	$1,195.00	$1,770.00	$1,910.00	$670.00	$715.00
Hobart	$1,790.00	$1,930.00	$2,385.00	$2,575.00	$595.00	$645.00
Canberra	$1,560.00	$1,685.00	$2,130.00	$2,300.00	$570.00	$615.00
Darwin	$2,055.00	$2,215.00	$2,425.00	$2,610.00	$370.00	$395.00

[48] Ross Kendall and Peter Tulip, *The Effect of Zoning on Housing Prices*, March 2016, Reserve Bank of Australia.
[49] These figures are nearly a decade out of date. Due to the recent rises of construction costs they are likely an overestimate. These should be interpreted as the absolute upper bound of the cost of "zoning".
[50] Sourced from Rawlinsons Construction Cost Guide 2020 and 2025; benchmark was "INDIVIDUAL HOUSE - One storey, tiled roof/metal deck, split system air-conditioning to living areas and bedrooms, approximately 150/350 m2 - Medium standard finish - Framed"