

Low- and Mid-Rise Reforms (LMR) and its application on the North Shore



Development Summit

Chinese Building Association NSW

May 2025



Mecone

Recent housing reforms

Why?

- 377 k new homes in NSW by 2029 required under the National Housing Accord – about 322 k in Greater Sydney → ~75 k dwellings a year, well above current delivery.
- Sydney rental vacancy ~1 % (healthy market ≈ 3 %) and record-high rents/prices underscore the shortfall.
- Previous “missing-middle” code added < 5 % of new supply; restrictive lot sizes, heights and local objections held it back.
- Typical townhouse/duplex site returned IRR < 8 % under old controls vs 12-14 % lender hurdle – projects stalled.
- Without extra urban capacity, Sydney is on track to fall ≈ 120 k homes short of its 2029 target.

What are the reforms?



Reforms Snapshot

Low & Mid-Rise (LMR) Policy – Feb 2025

- Covers 171 centres (800 m radius).
- Allows medium-density in R2, R3, R4 zones:
- State-wide R2: dual occupancies unlocked now;
- Within the 800 m catchments: terraces, townhouses, 3-6-storey flats up to 22 m / FSR 2.2:1 (0–400 m), tapering to 1.5:1 (400–800 m).
- **Pattern Book fast-track:** State-endorsed, pre-assessed duplex / terrace / small-apartment designs that councils must decide in 30 days – cuts risk and consultant costs for compliant projects.

Transit-Oriented Development (TOD) Program – May 2024

- **Category 1:** 8 major stations, high-amenity rezonings, target \approx 47.8 k homes within 1.2 km.
- **Category 2:** 31 additional stations, mid-rise SEPP overlay in a 400 m core (\approx 2.5:1 FSR, \leq 24 m height).

Combined impact: > 250 k extra dwelling capacity in well-served, transit-rich locations – designed to close the feasibility gap and accelerate progress toward Accord targets.



LMR + TOD Controls - Typologies



*2 dwellings,
1 lot*

Dual occupancy refers to two separate dwellings built on a single lot of land. Dual occupancies are allowed in R2 Low Density Residential zones across NSW.



*3+ apartments,
2+ storeys*

Residential flat buildings refers to residential buildings that are a building containing three or more dwellings but excluding attached dwellings or multi-dwelling housing.



*3+ dwellings,
1 lot*

Multi dwelling housing refers three or more dwellings on a single lot that are one or two storeys and each dwelling has access at ground level. This includes townhouses and terraces but does not include apartment buildings.



*1+ apartments,
above ground
floor shops*

Shop top dwellings refer to one or more dwellings located above ground floor retail or business premises.



*3+ dwellings facing
the street, 1 lot*

Multi dwelling housing (terraces) are a type of multi-unit housing where all the homes are connected and typically face one or more public roads

LMR and TOD controls



Dual occupancy

R2 statewide

- Lot size: min 450 m²
- Lot width: min 12 m
- Floor space ratio: max 0.65:1
- Height of building: max 9.5 m

Multi-dwelling housing

R2 in LMR areas

- Lot size: min 600 m²
- Lot width: min 12 m
- Floor space ratio: max 0.7:1
- Height of building: max 9.5 m

Multi-dwelling housing (terraces)

R2 in LMR areas

- Lot size: min 500 m²
- Lot width: min 18 m
- Floor space ratio: max 0.7:1
- Height of building: max 9.5 m

Residential Flat Building / Shop-top Housing

R3/R4 in LMR areas

- 0–400m
- Floor space ratio: max 2.2:1
 - Height of building: max 22 m (RFB); 24 m (shop-top)
 - Storeys: max 6
 - No minimum lot size or width (LEP provisions switched off)

400–800m

- Floor space ratio: max 1.5:1
- Height of building: max 17.5 m
- Storeys: max 4
- No minimum lot size or width (LEP provisions switched off)

Transit-oriented development controls

Residential Flat Building

R1, R2, R3, R4, E1 in TOD areas

- Floor space ratio: 2.5:1
- Height of building: max 22 m
- No minimum lot size
- Lot width: min 21m

Shop top housing

E1 (B2), E2 (B3) in TOD areas

- Floor space ratio: max 2.5:1
- Height of building: max 24 m
- No minimum lot size
- Lot width: min 21m

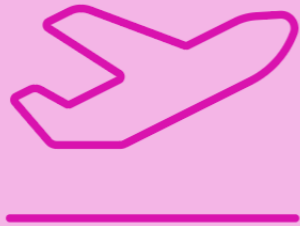
R1/R2 in LMR areas

- Floor space ratio: max 0.8:1
- Height of building: 9.5 m
- Lot size: Min 500 m²
- Lot width: Min 12 m

LMR Modelling - Exclusions



**Bushfire
prone land**



**20+ ANEF/ANEC
noise contours**



Flood-prone land
(within the Hawkesbury–Nepean and
Georges River water catchments)



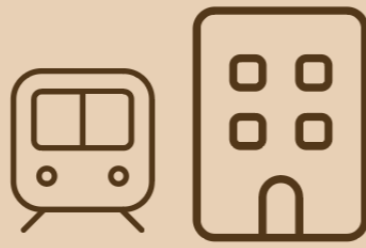
Flood planning areas
(within 22 LGAs that are in
high-risk areas/catchments)



**Coastal wetland, littoral
rainforest or coastal
vulnerability areas**



**200m from high-
pressure pipelines**



**Transit-oriented
development areas**



**Heritage
items**



Specific LGAs
(Bathurst, Blue Mountains,
Hawkesbury and Wollondilly)

Model methodology

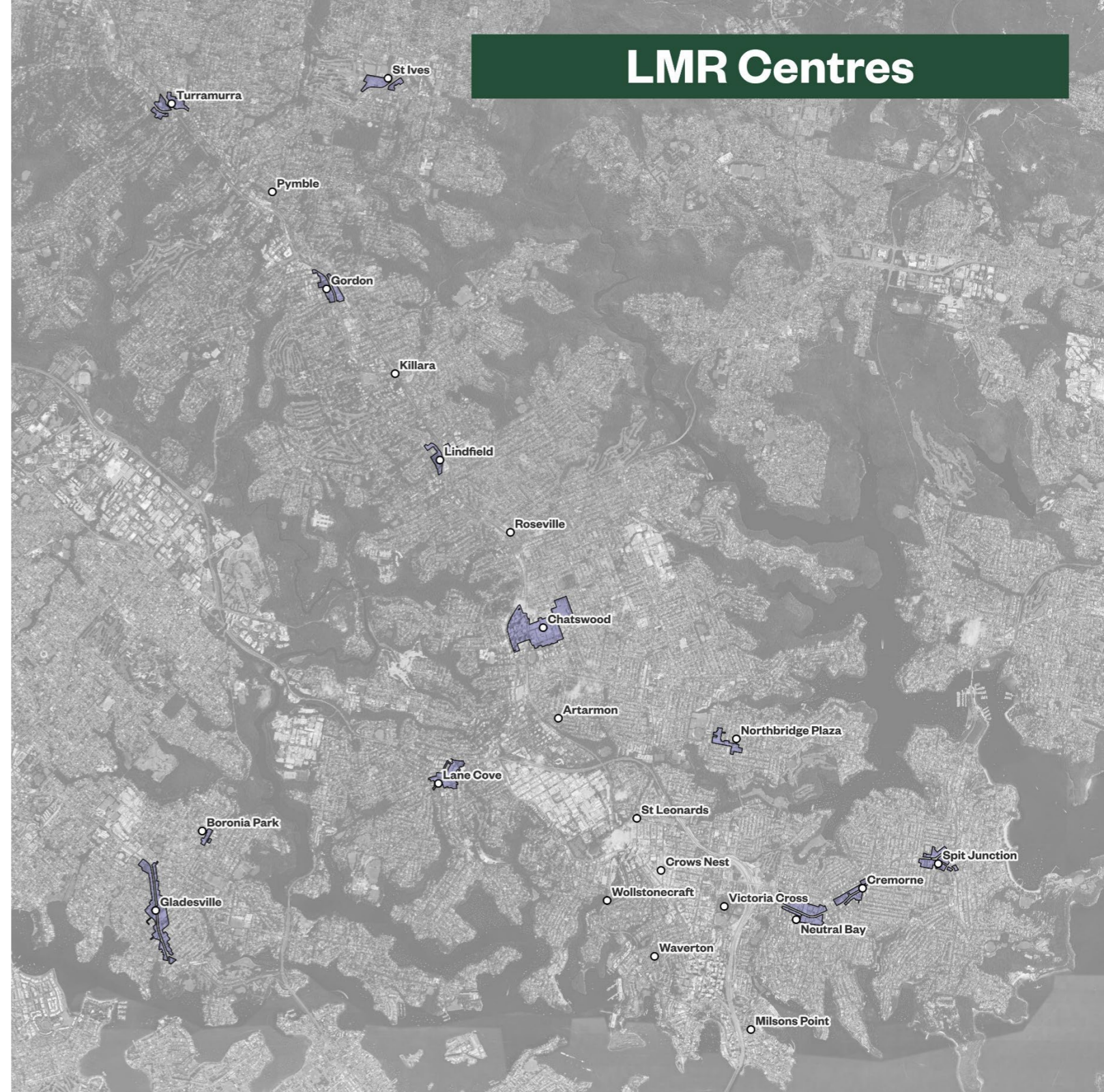
Study Area (LMR centres/stations)

The study area for our modelling of the LMR controls focuses on the Lower North Shore area, comprising the LMR centres/stations of:

- St Ives
- Turramurra
- Pymble
- Gordon*
- Killara*
- Lindfield*
- Roseville*
- Chatswood
- Artarmon
- Northbridge
- Lane Cove
- Boronia Park
- Gladesville
- St Leonards
- Crows Nest*
- Wollstonecraft
- Waverton
- Victoria Cross
- Milsons Point
- Neutral Bay
- Cremorne
- Spit Junction
- Northbridge Plaza

* Asterisk indicates that this centre also includes TOD areas.

LMR Centres

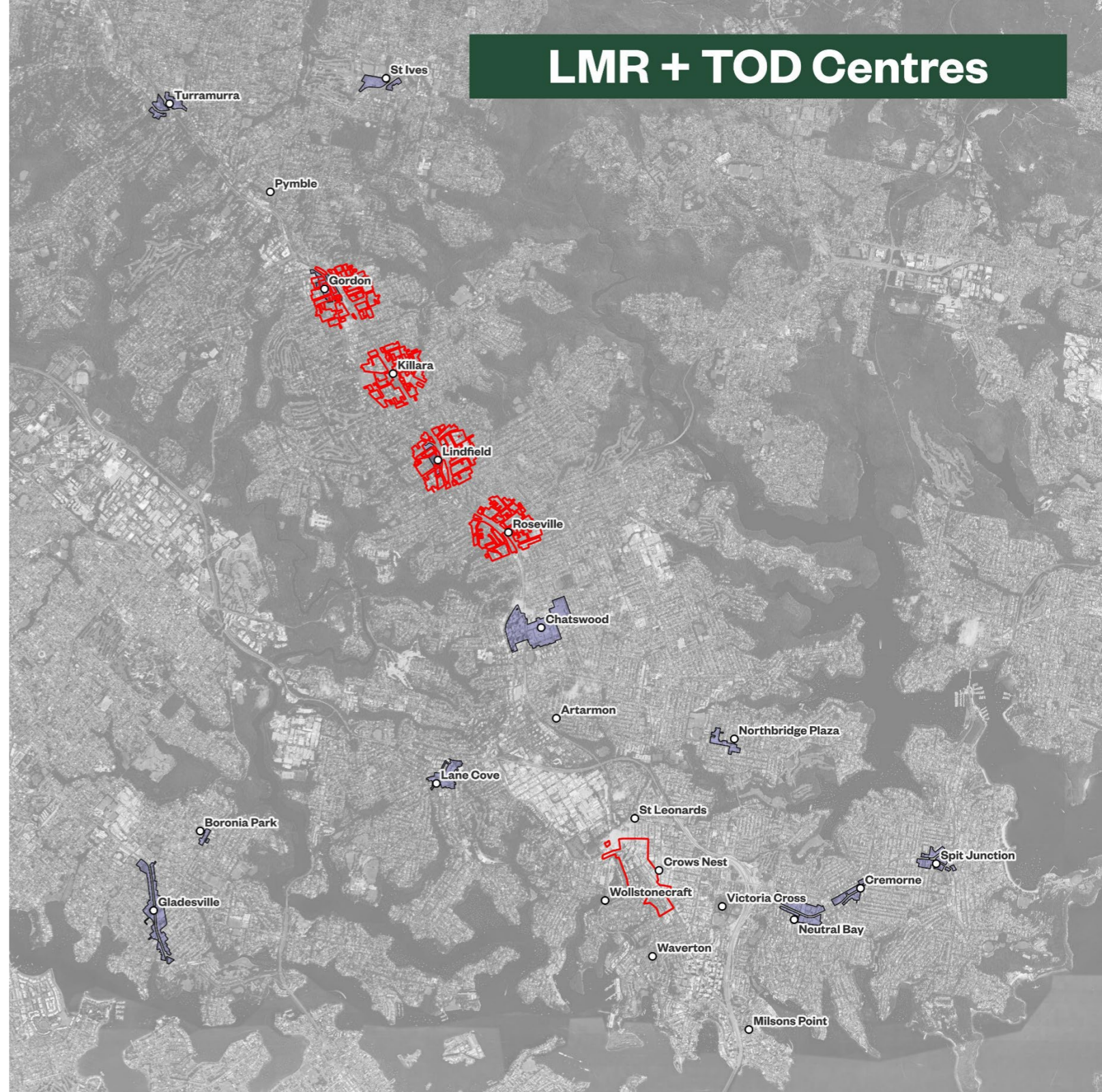


Model methodology

Study Area (TOD Stations)

In addition to the LMR centres, there are also five TOD centres in the study area, shown in red outline:

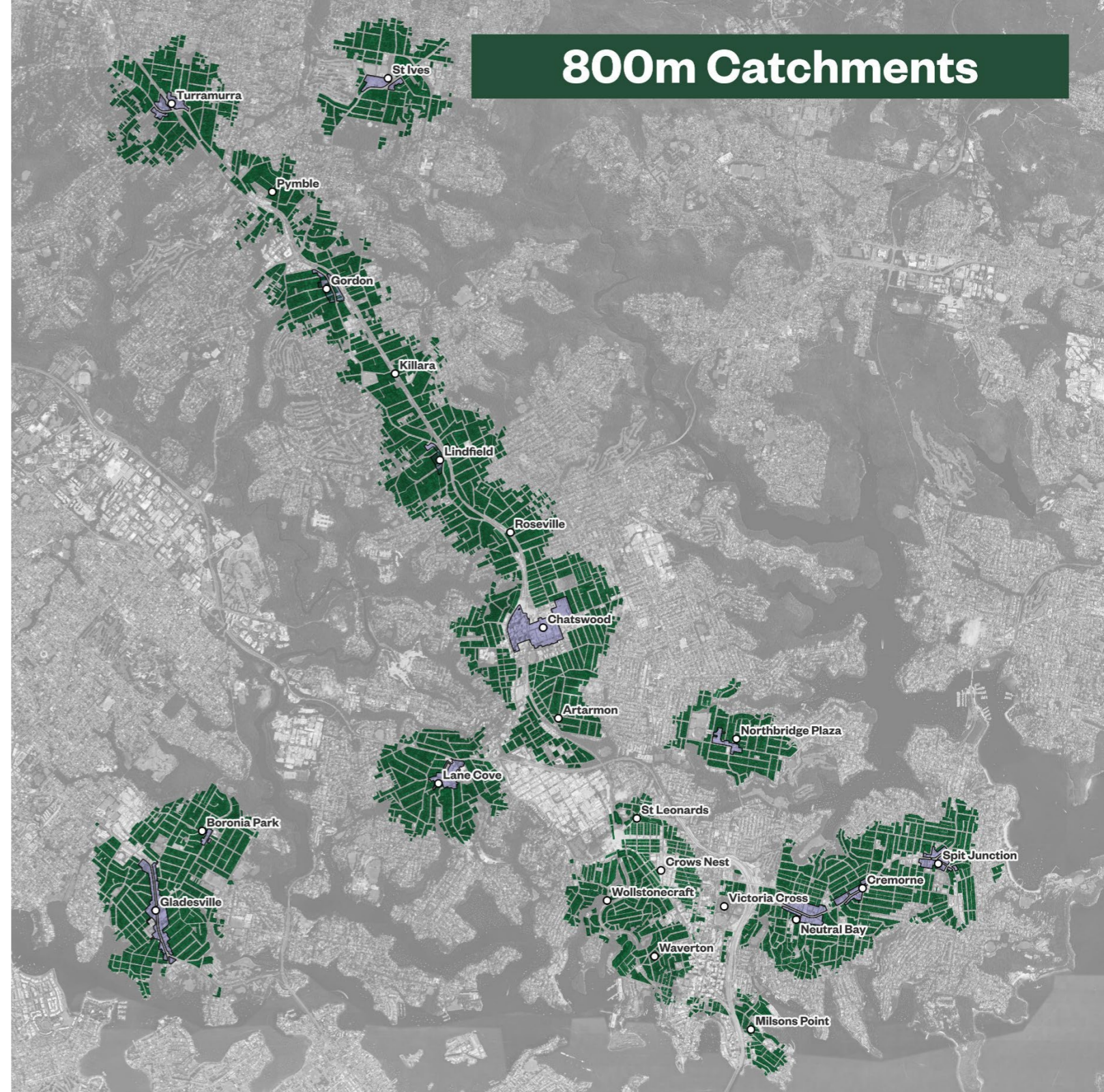
- Gordon
- Killara
- Lindfield
- Roseville
- Crows Nest



Model methodology

Identification of uplift potential

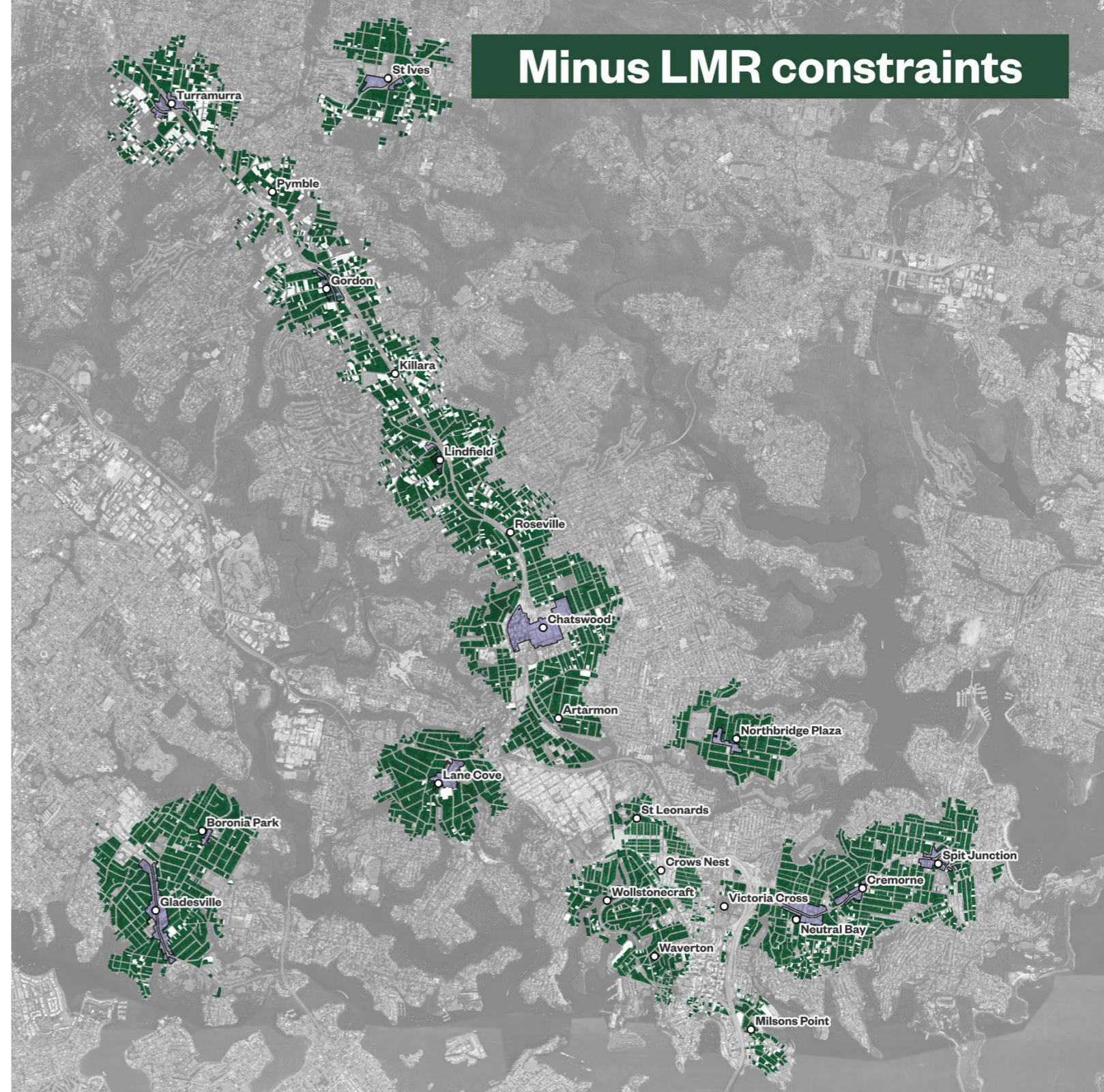
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.



Model methodology

Identification of uplift potential

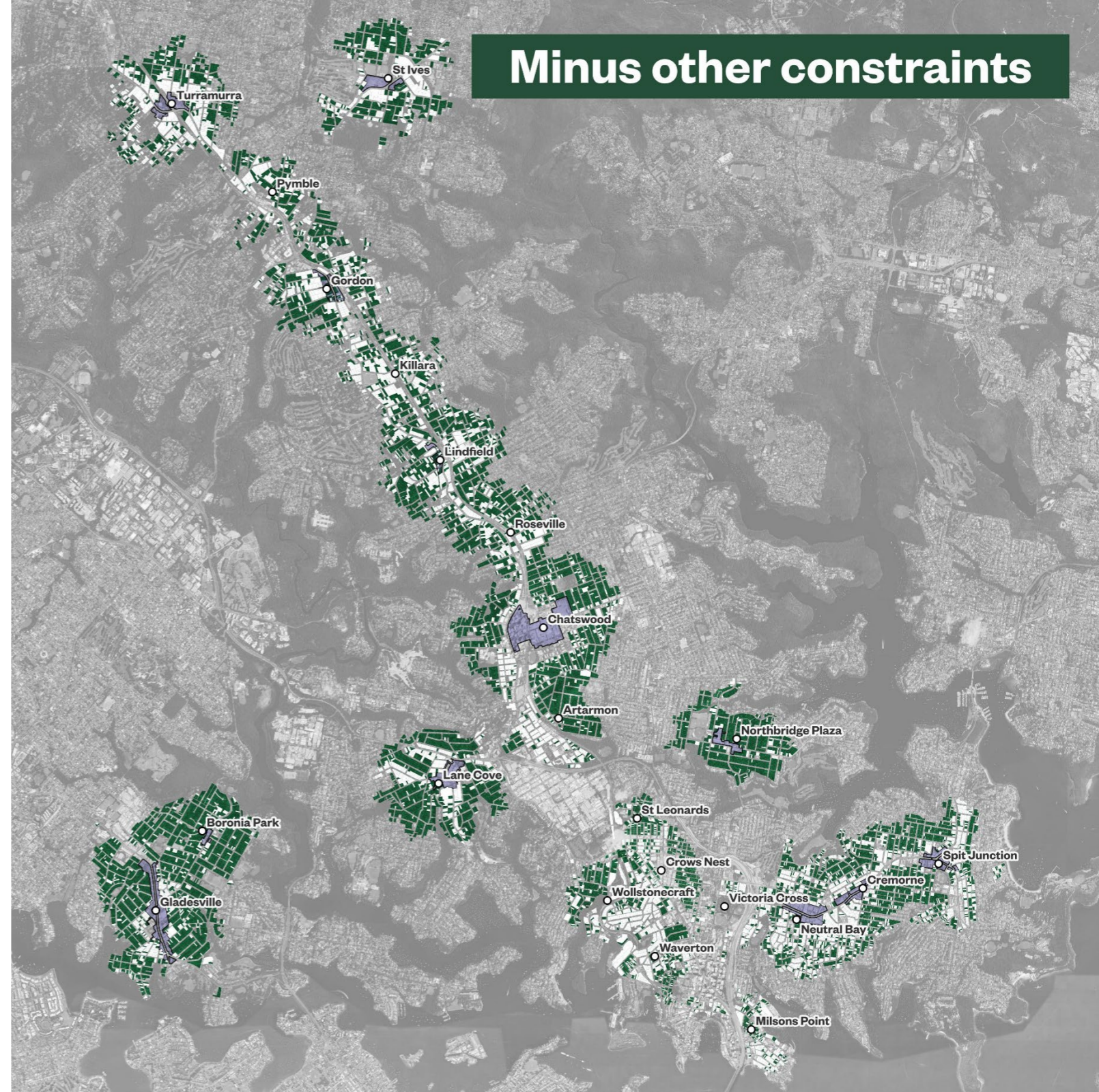
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].



Model methodology

Identification of uplift potential

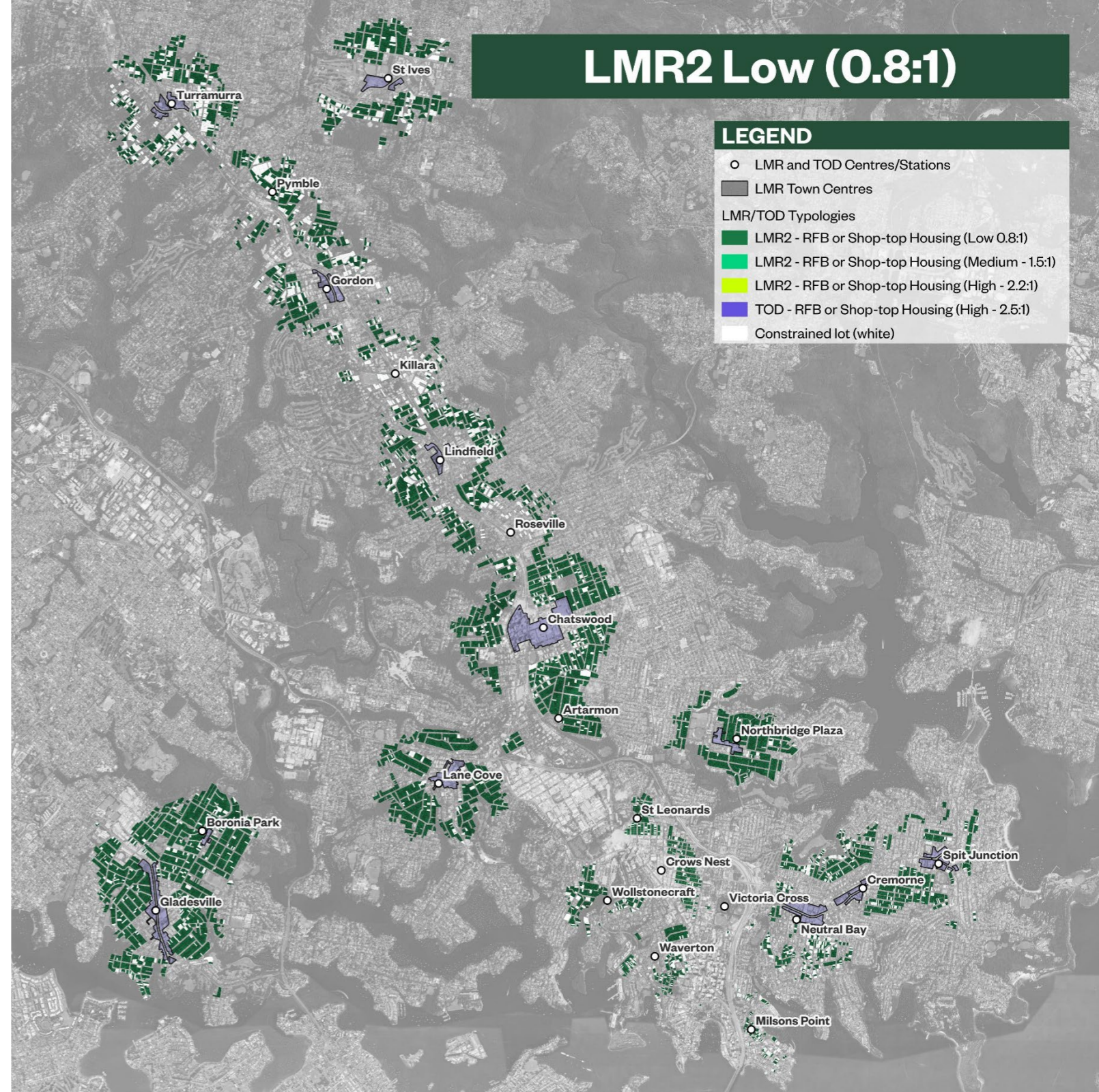
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.



Model methodology

Identification of uplift potential

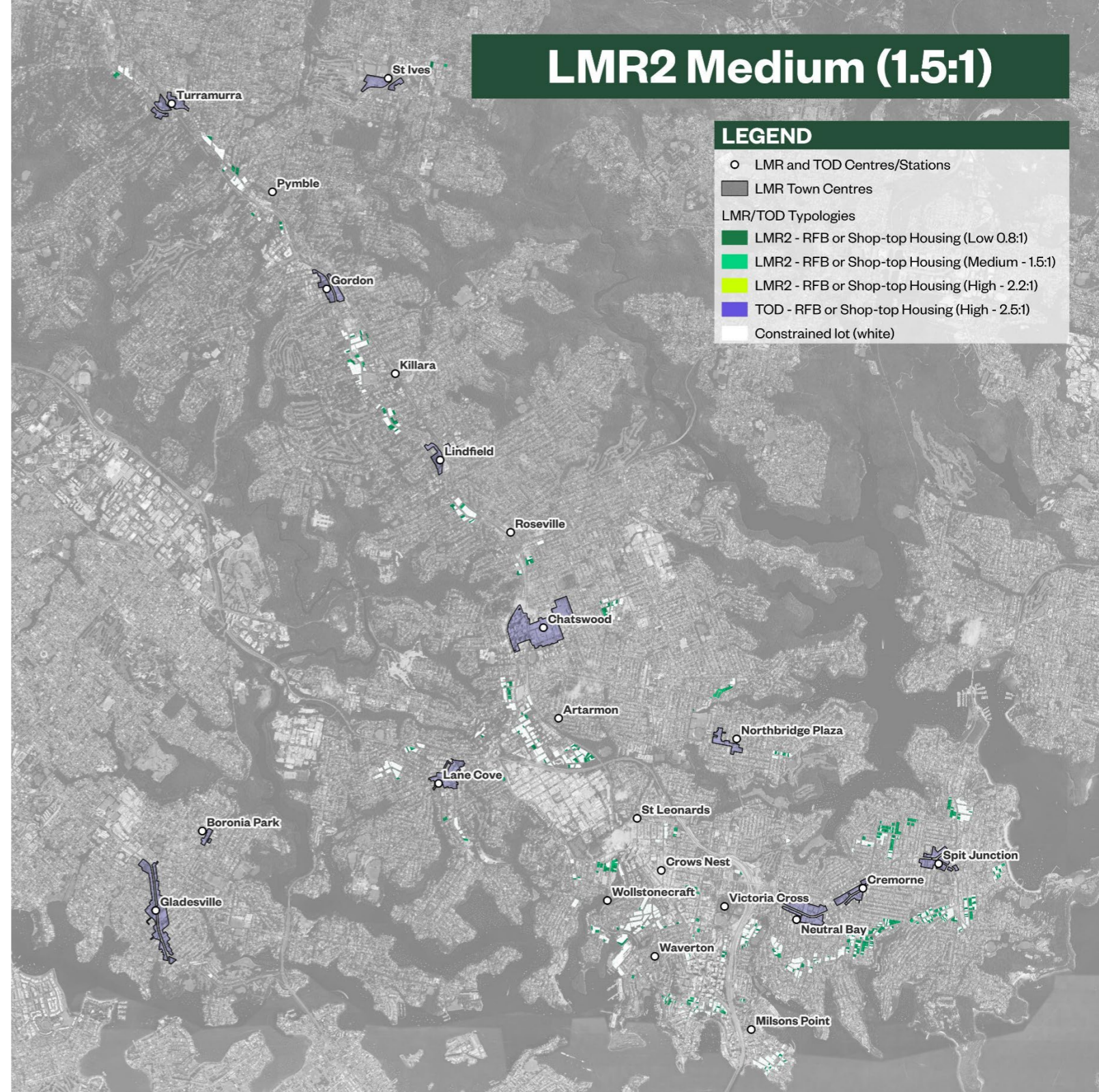
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.
- In the final step, uplift sites were categorised by their potential maximum typology based on their distance to the LMR/TOD centre and zoning.



Model methodology

Identification of uplift potential

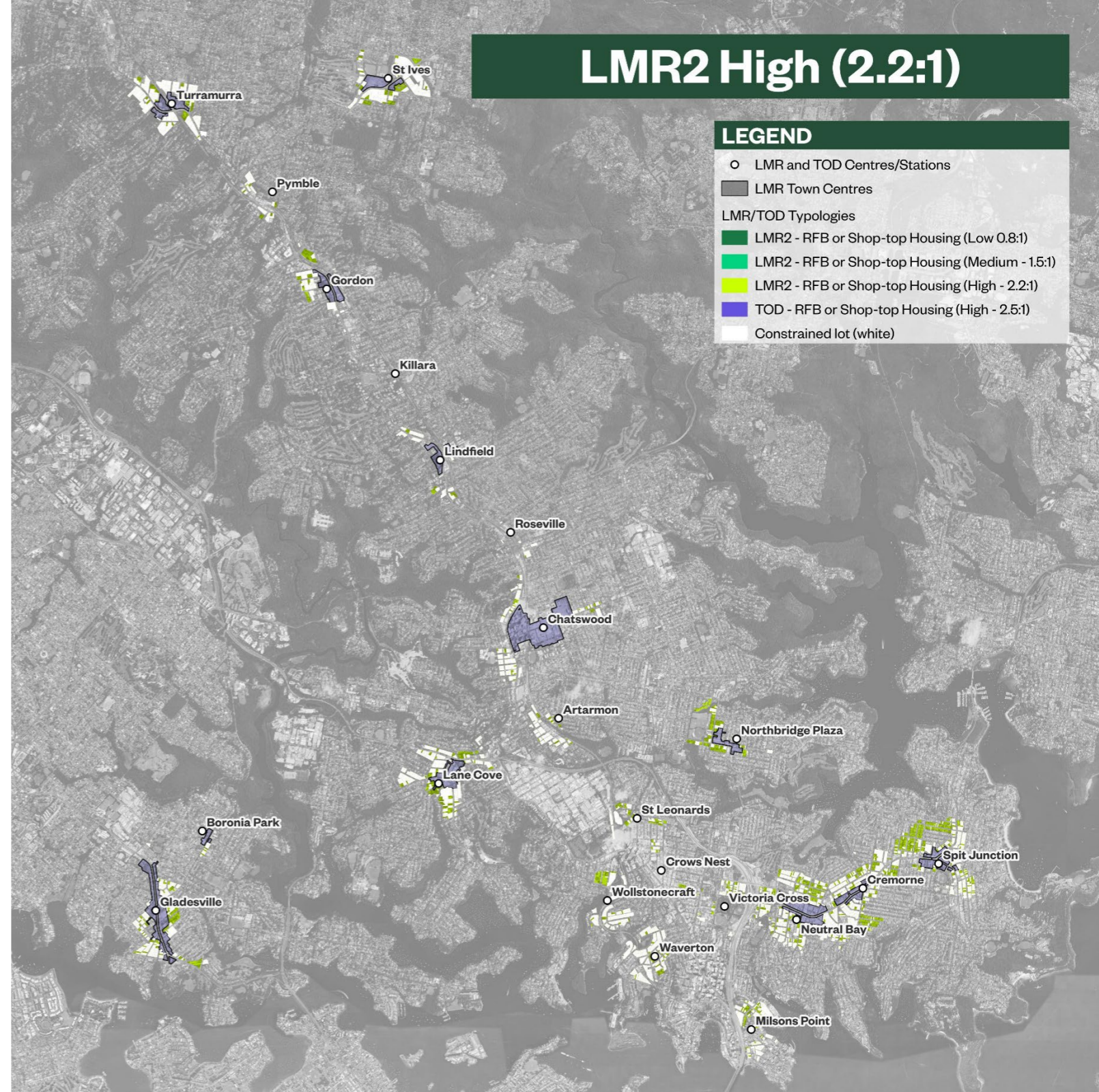
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.
- In the final step, uplift sites were categorised by their potential maximum typology based on their distance to the LMR/TOD centre and zoning.



Model methodology

Identification of uplift potential

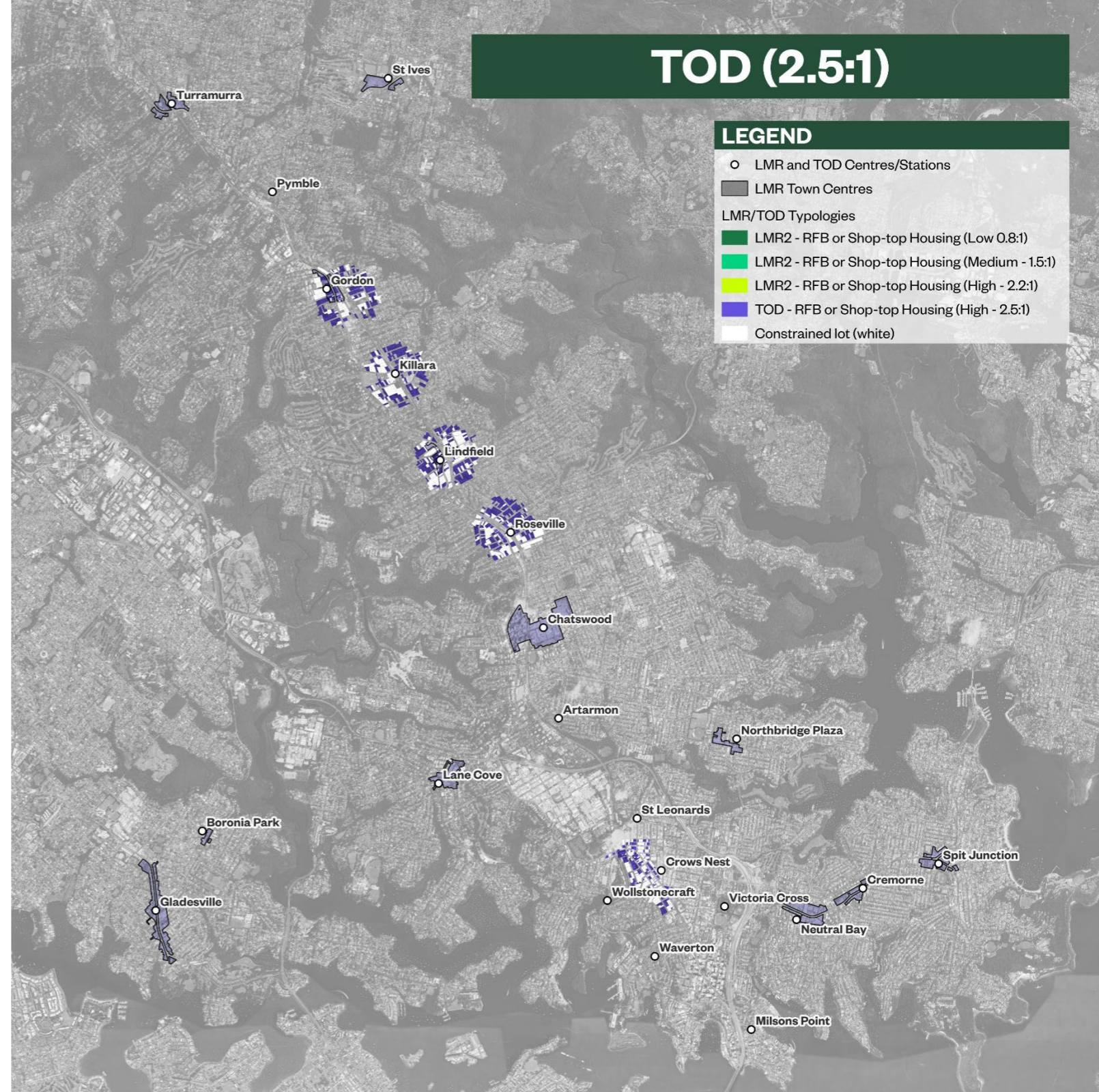
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.
- In the final step, uplift sites were categorised by their potential maximum typology based on their distance to the LMR/TOD centre and zoning.



Model methodology

Identification of uplift potential

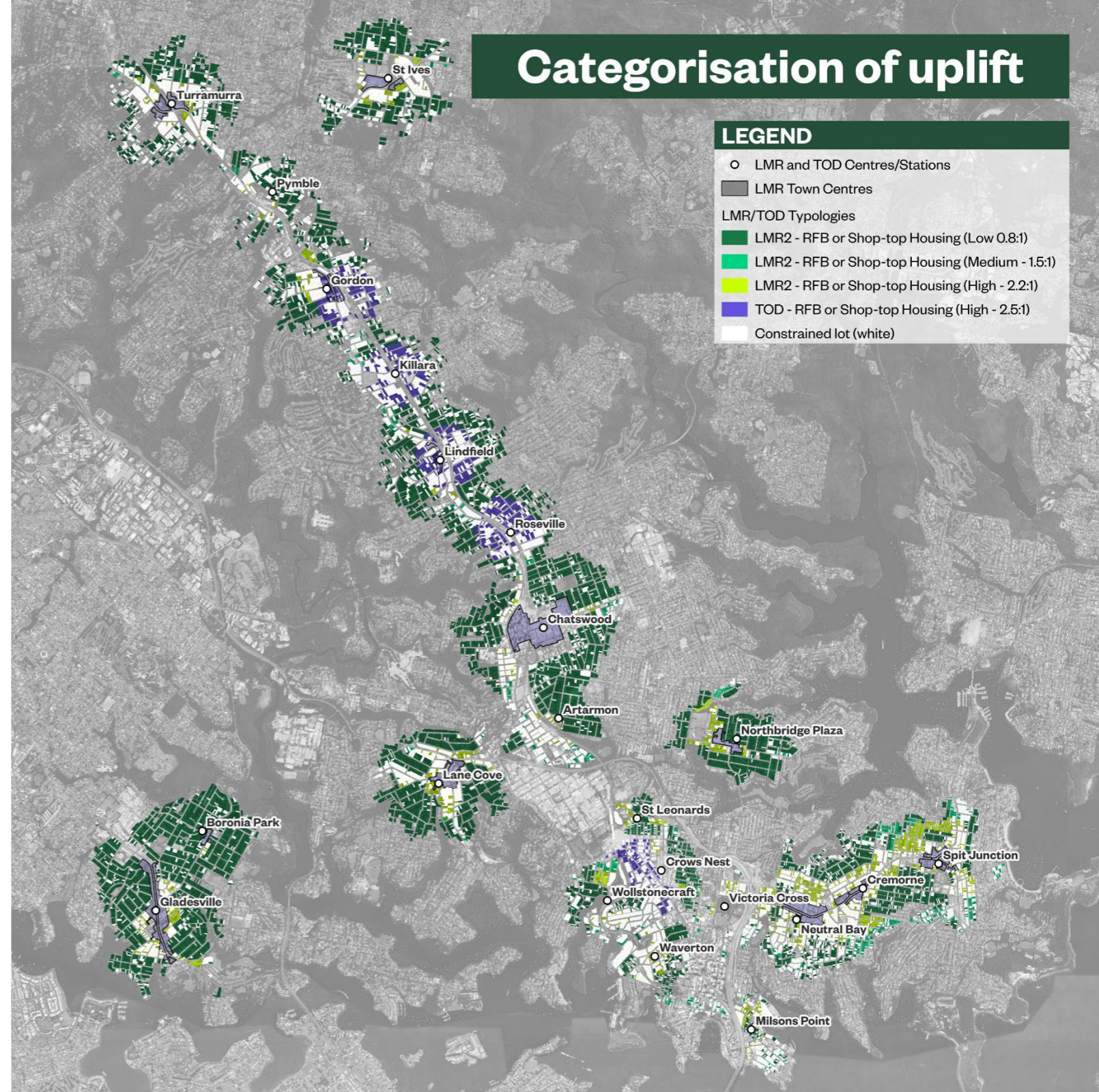
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.
- In the final step, uplift sites were categorised by their potential maximum typology based on their distance to the LMR/TOD centre and zoning.



Model methodology

Identification of uplift potential

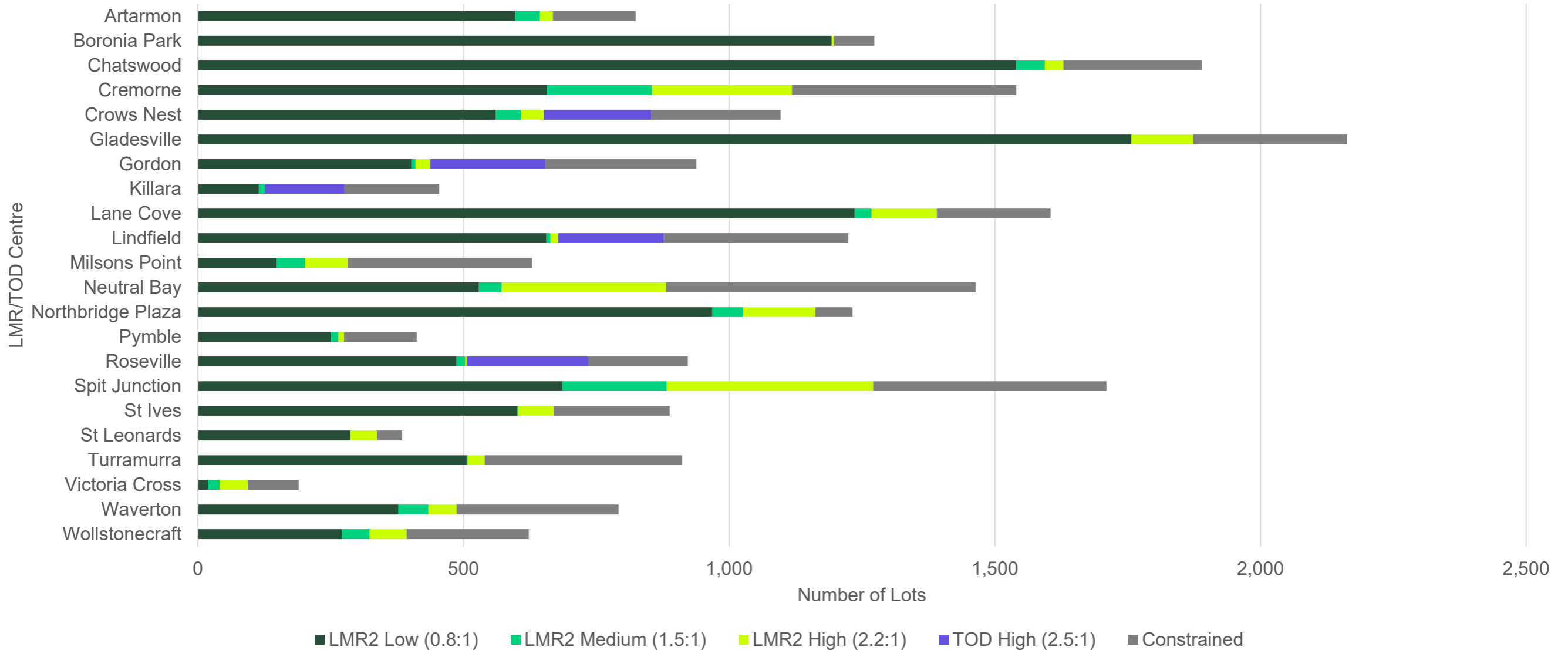
- Lots where LMR/TOD controls were identified, firstly by identifying the 800-metre walking catchments in R zones, shown in green.
- Sites with constraints excluded by the LMR (such as bushfire, flood, heritage items) were then excluded [shown in white].
- Additional constraint exclusions were then applied for sites unlikely to develop, such as for land fragmentation (strata ownership), recent developments \$1m+ and special land uses such as schools.
- In the final step, uplift sites were categorised by their potential maximum typology based on their distance to the LMR/TOD centre and zoning.



Model findings



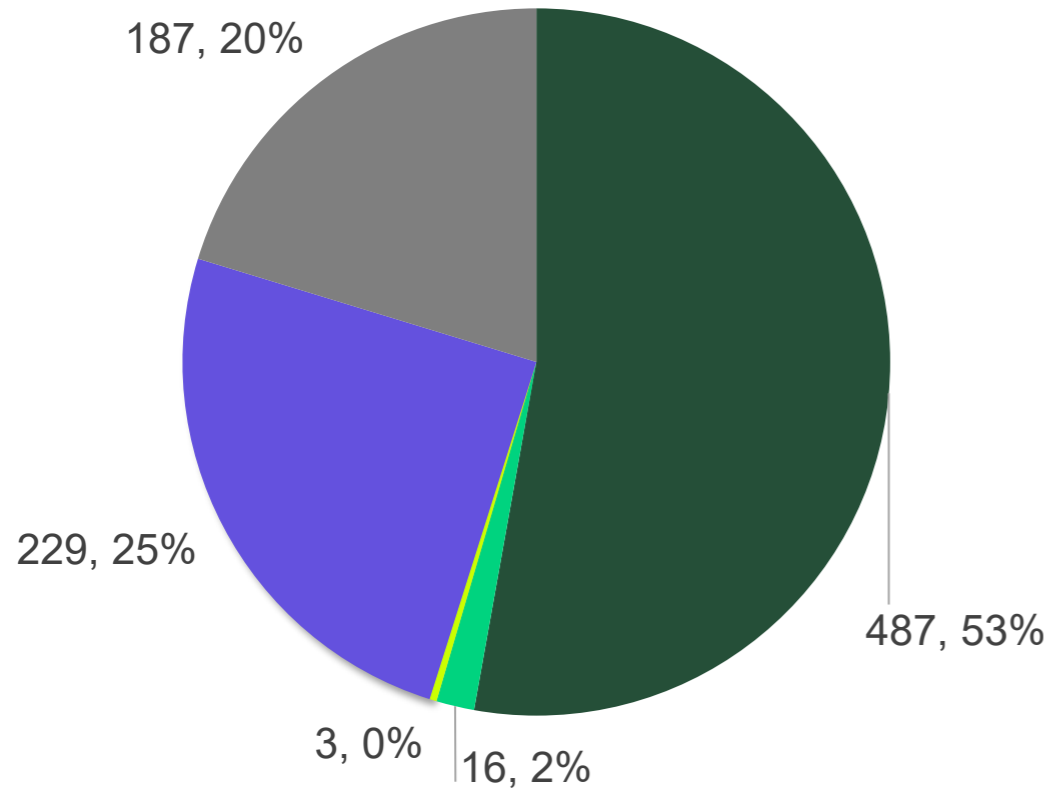
Development Opportunity in LMR/TOD Centres (Number of Lots)



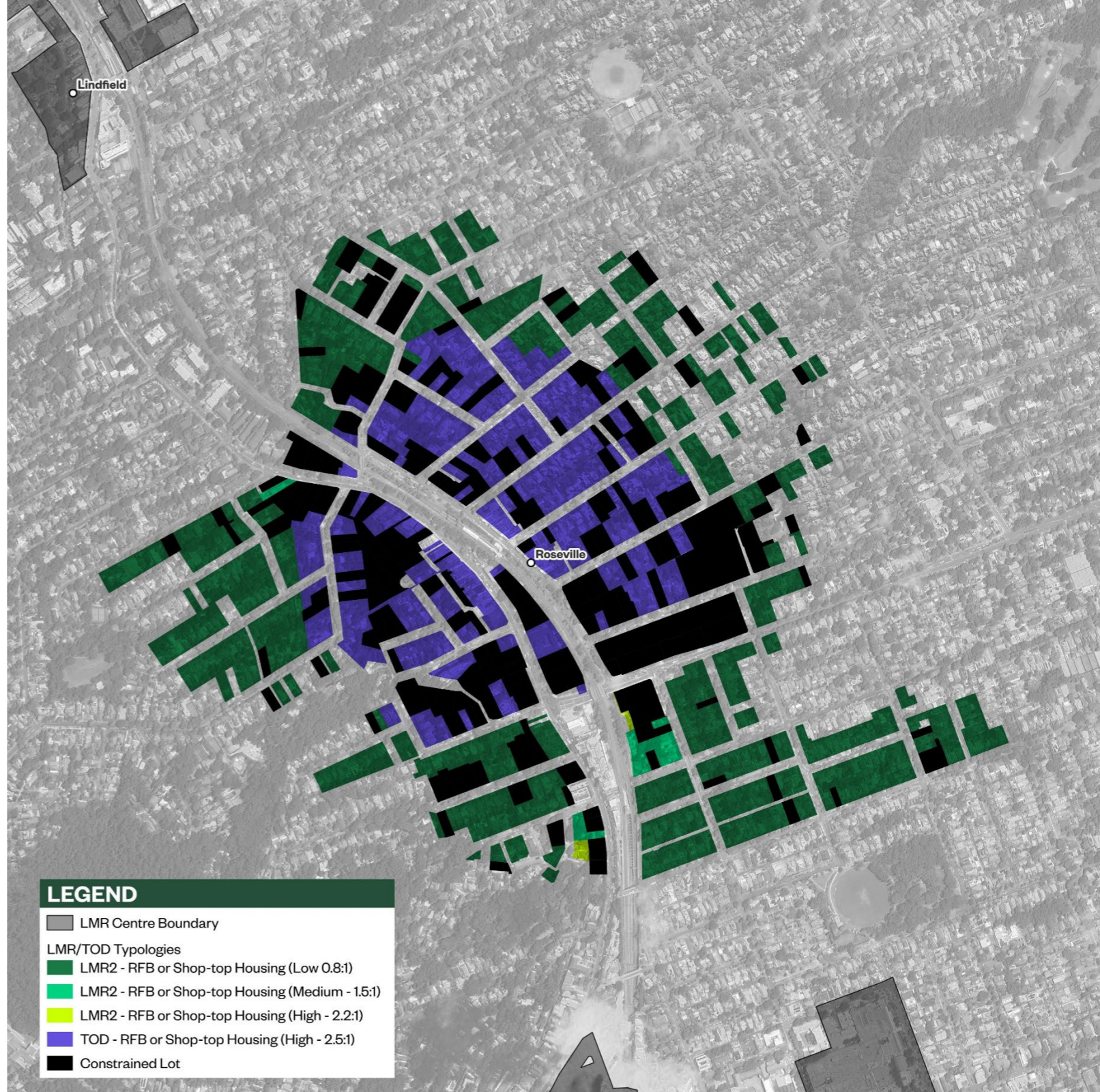
Note: Minimum lot sizes and frontages requirements have not been modelled, as lot amalgamation may occur to meet these requirements. 17

Roseville

Most TOD (2.5:1) Capacity

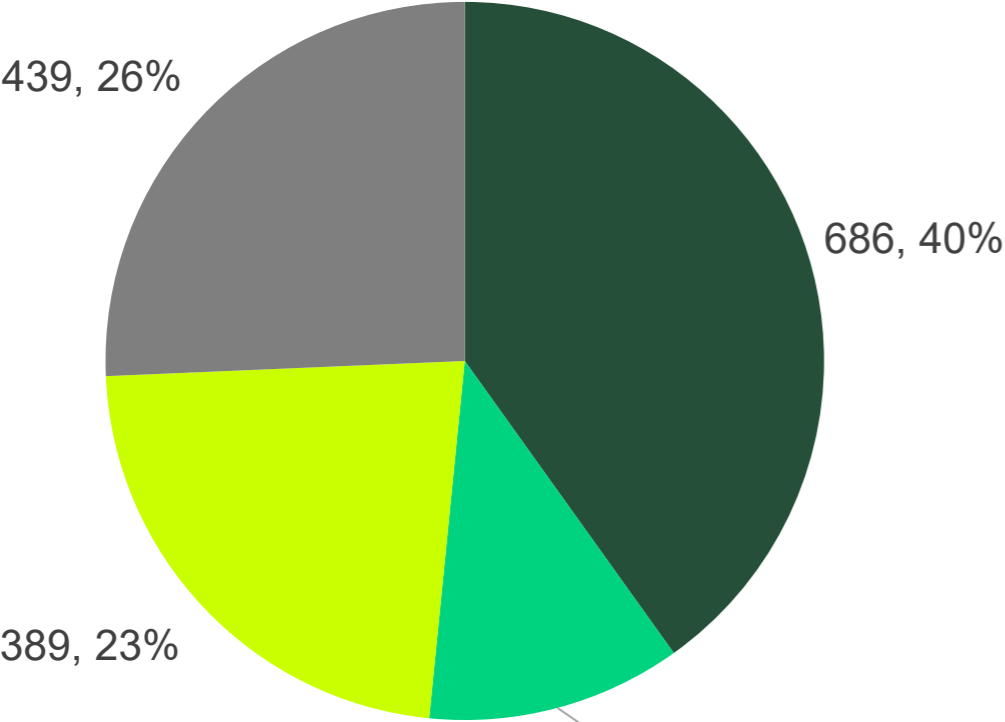


- LMR2 Low (0.8:1)
- LMR2 Medium (1.5:1)
- LMR2 High (2.2:1)
- TOD High (2.5:1)
- Constrained

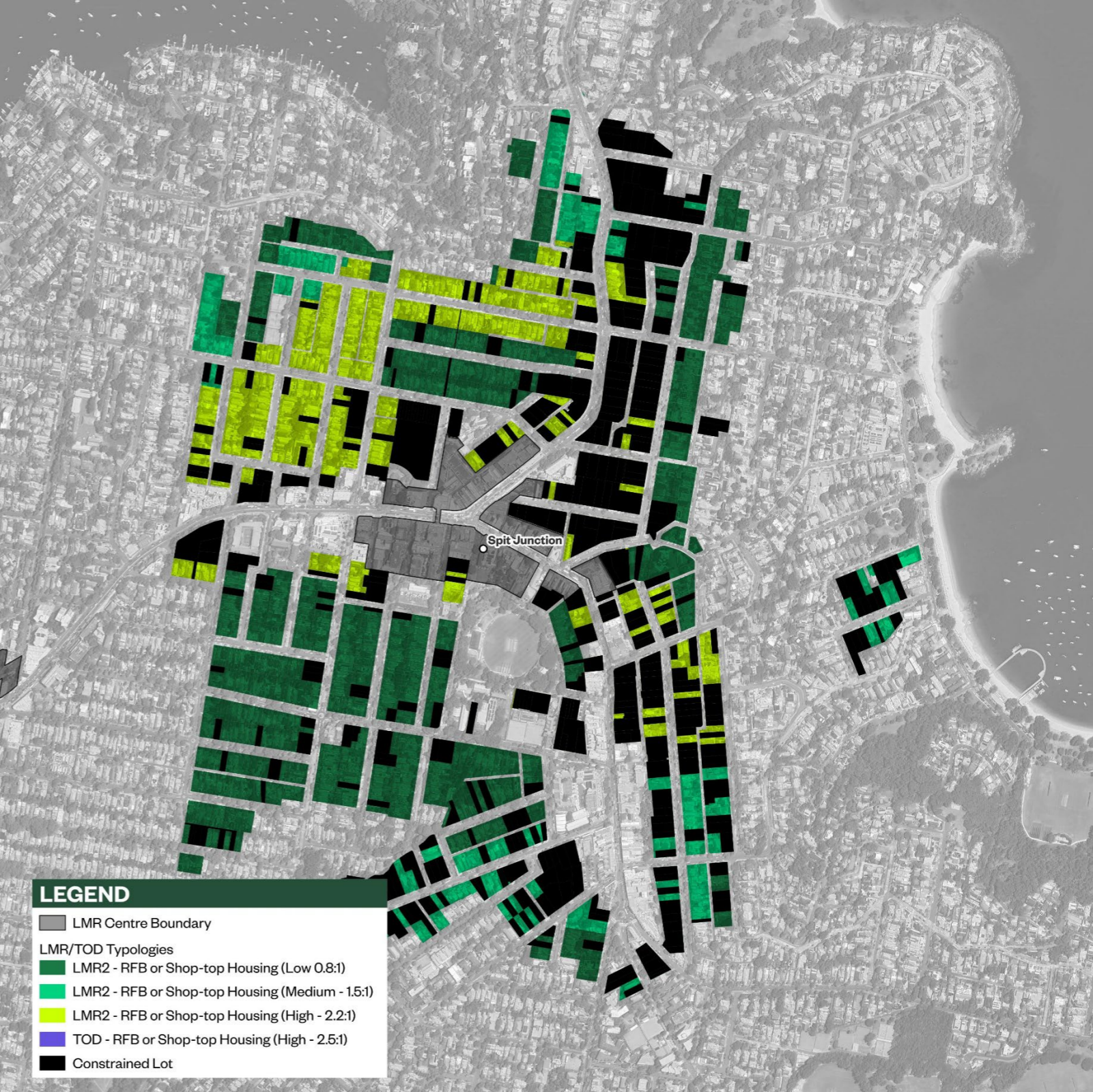


Spit Junction

Most high (2.2:1) LMR capacity



- LMR2 Low (0.8:1)
- LMR2 High (2.2:1)
- Constrained
- LMR2 Medium (1.5:1)
- TOD High (2.5:1)

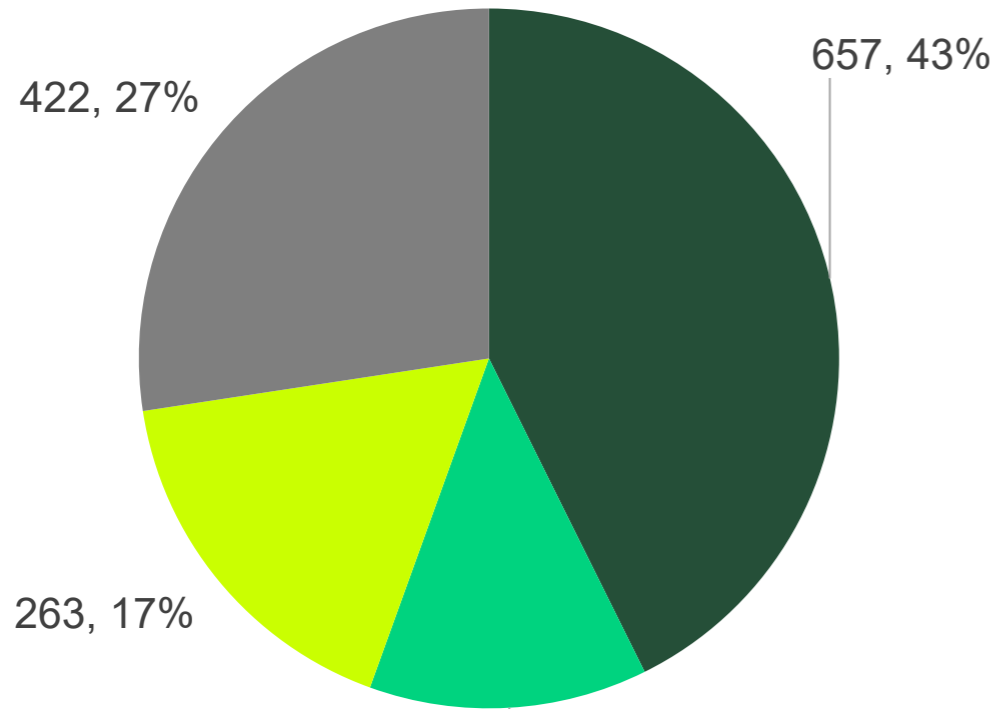


LEGEND

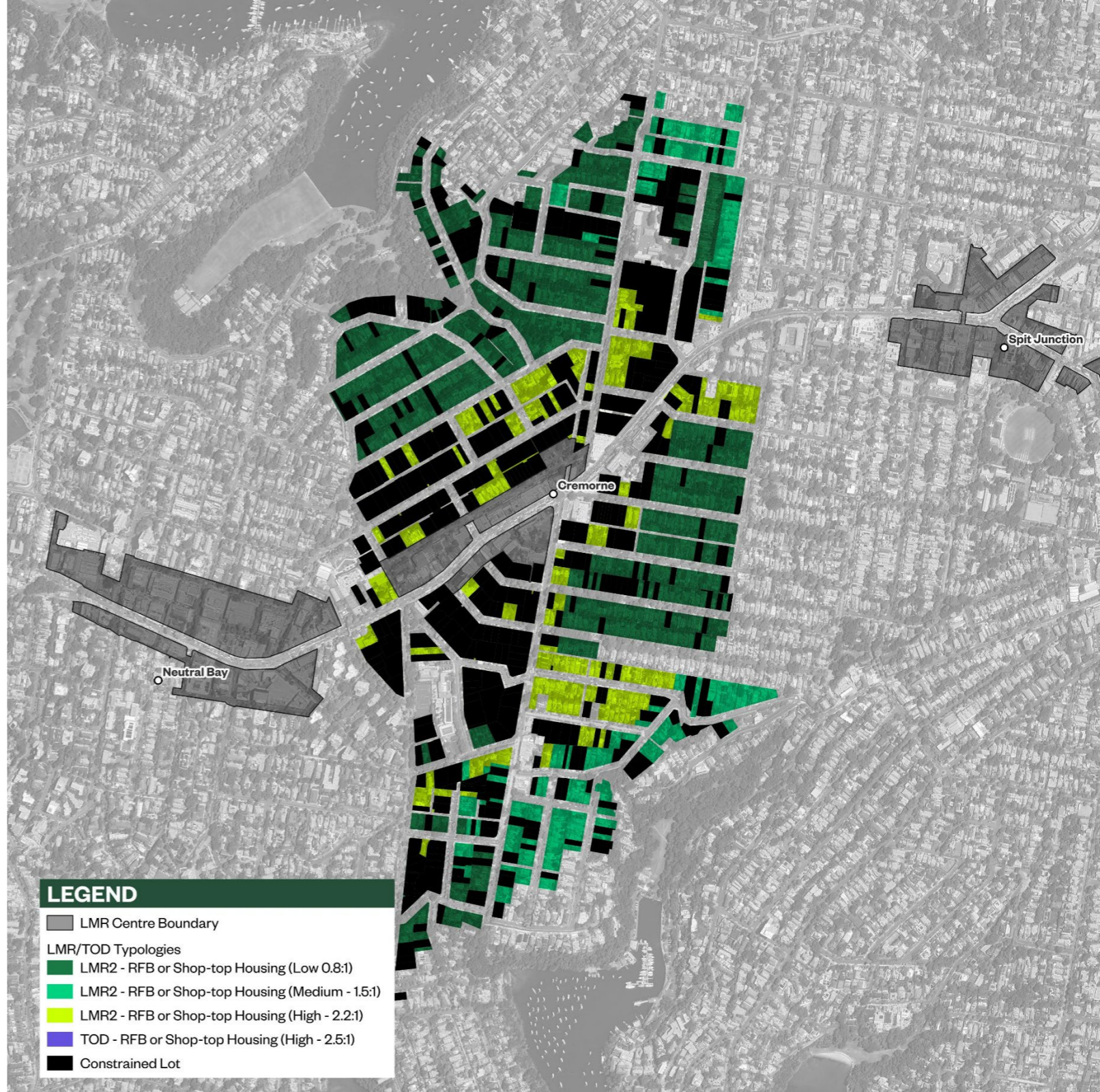
- LMR Centre Boundary
- LMR/TOD Typologies
 - LMR2 - RFB or Shop-top Housing (Low 0.8:1)
 - LMR2 - RFB or Shop-top Housing (Medium - 1.5:1)
 - LMR2 - RFB or Shop-top Housing (High - 2.2:1)
 - TOD - RFB or Shop-top Housing (High - 2.5:1)
 - Constrained Lot

Cremorne

Most medium (1.5:1) LMR capacity



- LMR2 Low (0.8:1)
- LMR2 High (2.2:1)
- LMR2 Medium (1.5:1)
- TOD High (2.5:1)
- Constrained

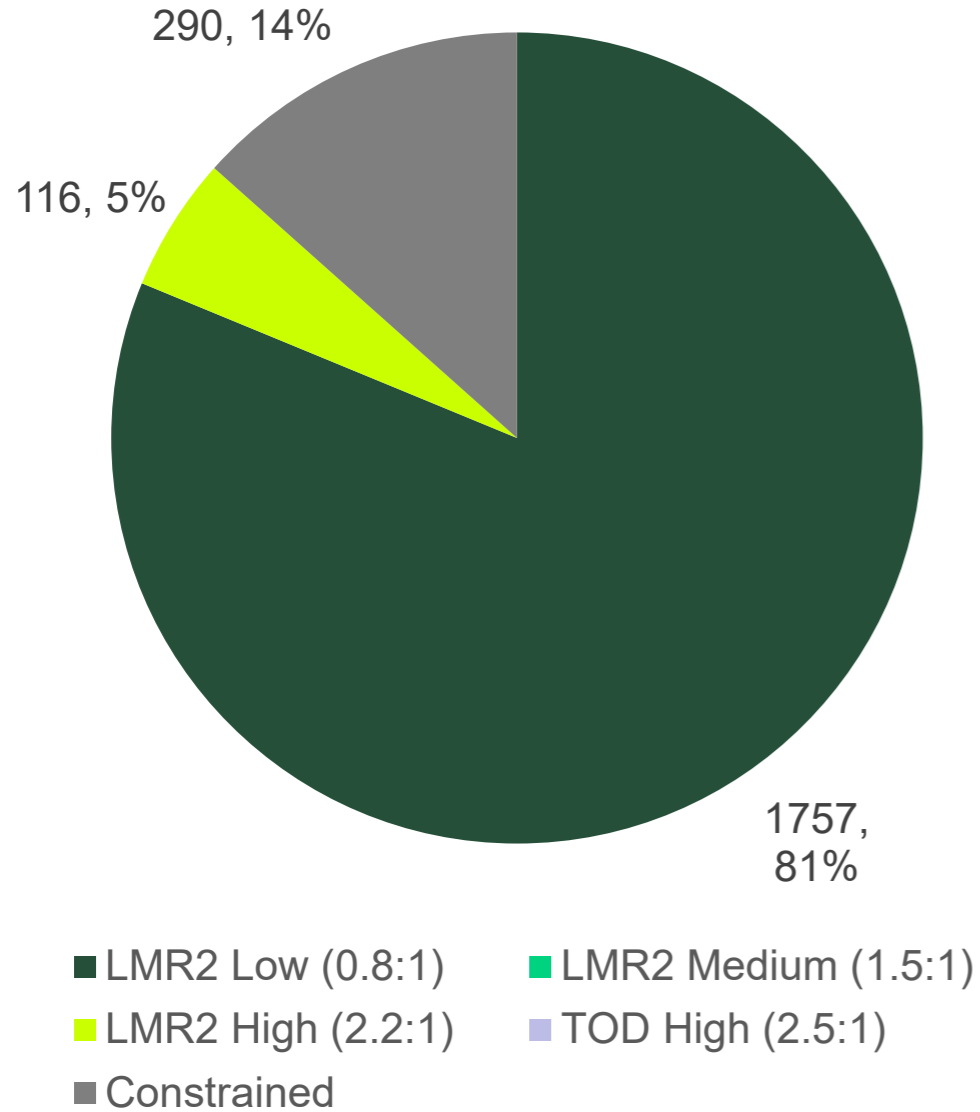


LEGEND

- LMR Centre Boundary
- LMR/TOD Typologies
 - LMR2 - RFB or Shop-top Housing (Low 0.8:1)
 - LMR2 - RFB or Shop-top Housing (Medium - 1.5:1)
 - LMR2 - RFB or Shop-top Housing (High - 2.2:1)
 - TOD - RFB or Shop-top Housing (High - 2.5:1)
 - Constrained Lot

Gladesville

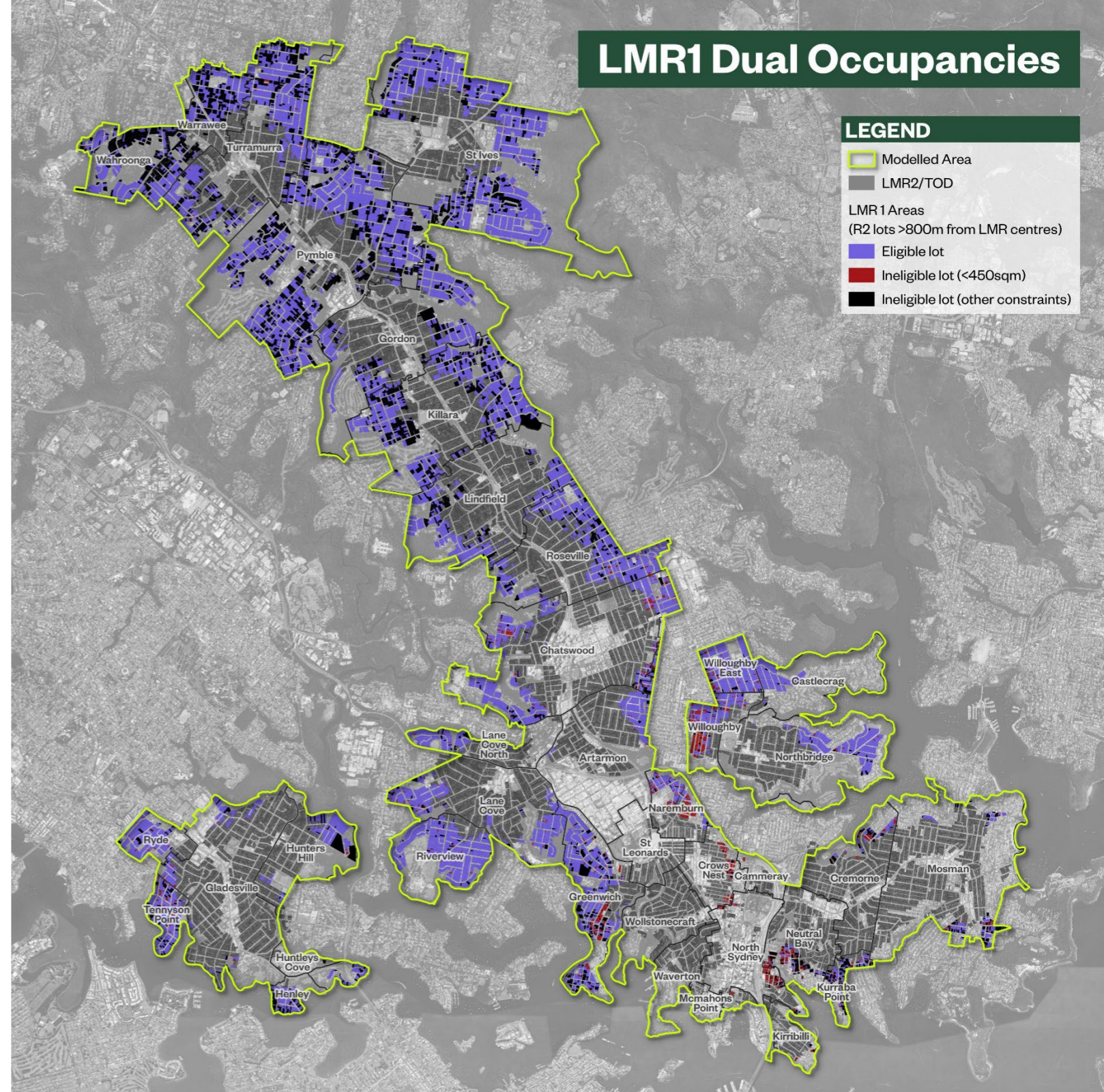
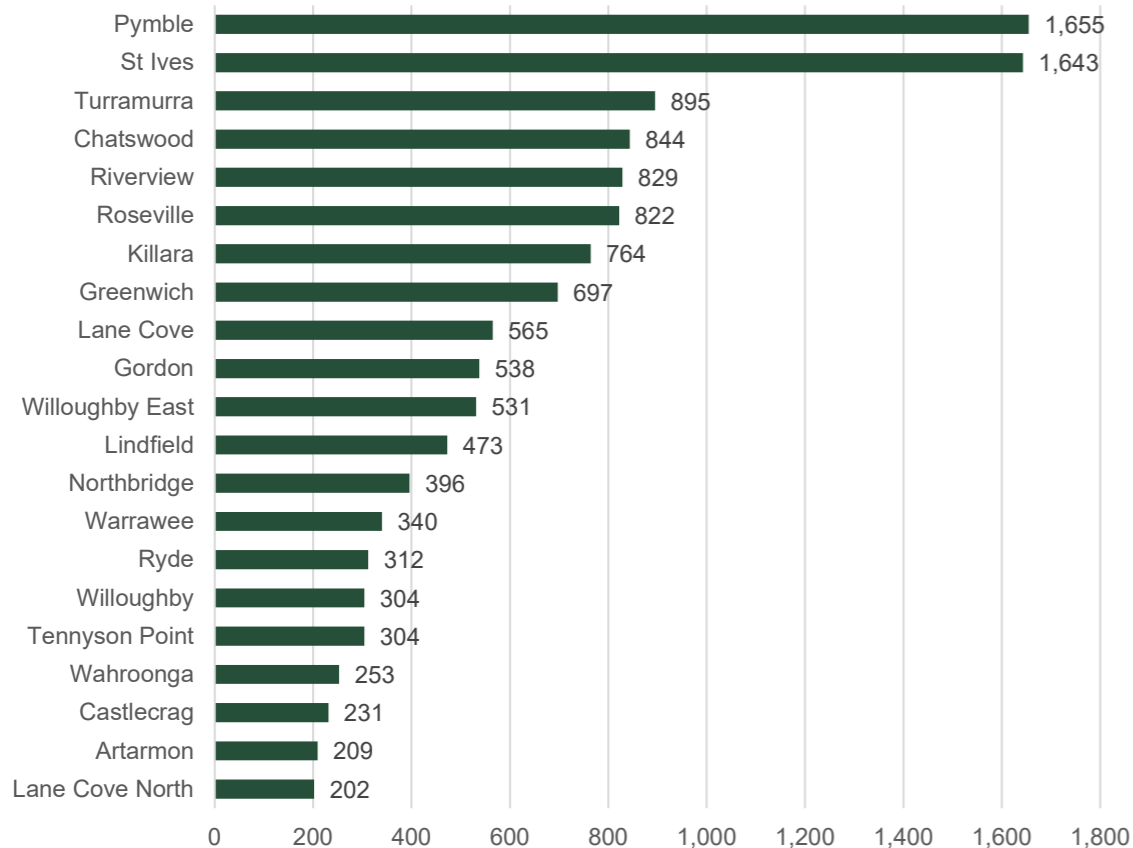
Most low (0.8:1) LMR capacity



LMR1 Dual Occupancies

- Stage 1 of the LMR reforms allow for dual occupancies on R2-zoned lots with a lot size of ≥ 450 sqm and ≥ 12 m lot width.
- The table/map on this slide shows the suburbs with the greatest capacity for dual occupancies within the modelled area.

Unconstrained R2 lots eligible for dual occupancies



Interaction of LMR with DCPs and LEPs



- The LMR policy does not entirely remove the application of councils' LEP and DCP provisions.
- The LMR introduces **non-discretionary standards (or non-refusal standards)** where, if satisfied, means the application cannot be refused on the grounds of that standard. In other words, these **non-discretionary standards overrule LEP and DCP standards**. These non-discretionary standards primarily relate to:
 - Lot width
 - Lot size
 - FSR
 - Building height
 - Car parking
 - Subdivision
- **All other planning controls under LEPs and DCPs continue to apply to the development.**
- If the non-discretionary standard in the LMR policy is more generous than the corresponding LEP or DCP standard, the LMR standard applies.
- However, if for example an LEP permits a taller building than the LMR provisions, the LEP height would apply.
- Inevitably, the challenge will be where, for example, an available LMR site (lot size/width) cannot achieve a DCP's building setback, landscaping, site coverage, etc. controls to deliver what would otherwise be available under the LMR policy.

Feasibility considerations - Will your project stack up?



- **Reality check**– More floor space helps, but the reforms don't guarantee viability; every site still needs a quick, project-specific feasibility to confirm it stacks up.
- **R2 duplex / dual-occ (state-wide)** – Fast, low-risk infill; Pattern Book designs may shorten approvals, but confirm land + build costs before buying.
- **Outer LMR band (400-800 m)** – Townhouse / walk-up scale with moderate uplift; best where land is cheaper (e.g. Gladesville), though some lots still need consolidation to stack up.
- **Inner LMR band (0-400 m)** – Mid-rise potential near high-amenity centres; land premiums mean early site control and smart design are crucial for viability.
- **TOD cores (≤ 400 m, 8 hubs)** – Maximum mixed-use capacity, but higher site costs and levies suit larger, well-capitalised developers only.
- **Pattern Book fast-track (all bands – yet to be released)** – Pre-approved templates across duplex, terrace and small-apartment types can shave weeks off DA time, strengthening project feasibility.

Conclusion

Centres with the most TOD (2.5:1) potential:

- Roseville – 229 lots
- Gordon – 217 lots
- Crows Nest – 203 lots

Centres with high (2.2:1) LMR2 potential:

- Spit Junction – 389 lots
- Neutral Bay – 309 lots
- Cremorne – 263 lots
- Lindfield – 199 lots
- Killara – 150 lots
- No other centres have capacity in this category

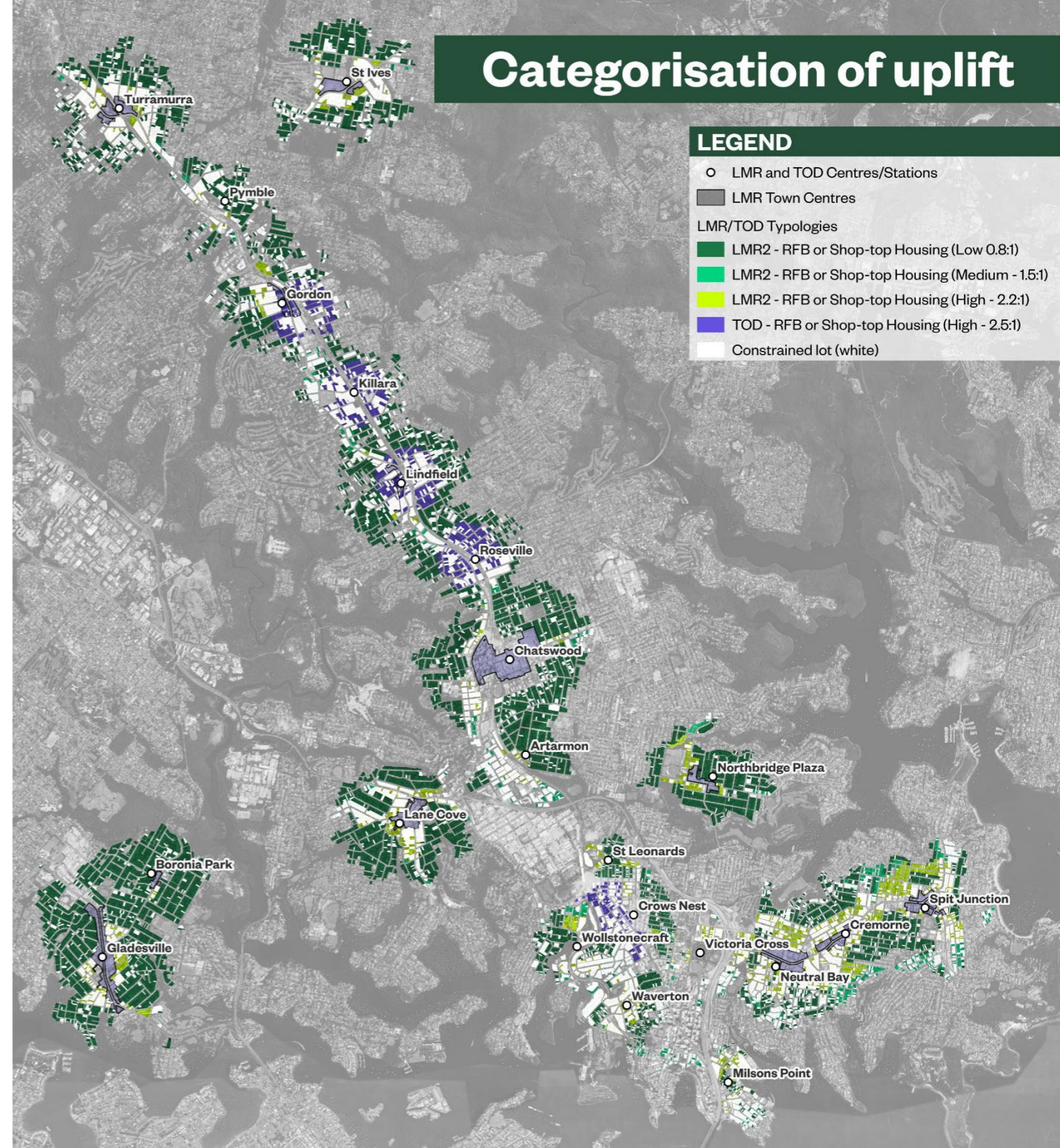
Centres with the most medium (1.5:1) LMR2 potential:

- Cremorne – 198 lots
- Spit Junction – 196 lots
- Northbridge Plaza – 58 lots

Centres with the most low (0.8:1) LMR2 potential:

- Gladesville – 1,757 lots
- Chatswood – 1,540 lots
- Lane Cove – 1,236 lots

Note: Lot amalgamation may need to occur to realise development.



Conclusion

Centres with the least high (2.2:1) LMR2 potential:

- Only the five centres listed in the previous slide have potential for high LMR2 typologies. All other centres have no lots that meet the criteria in this category.

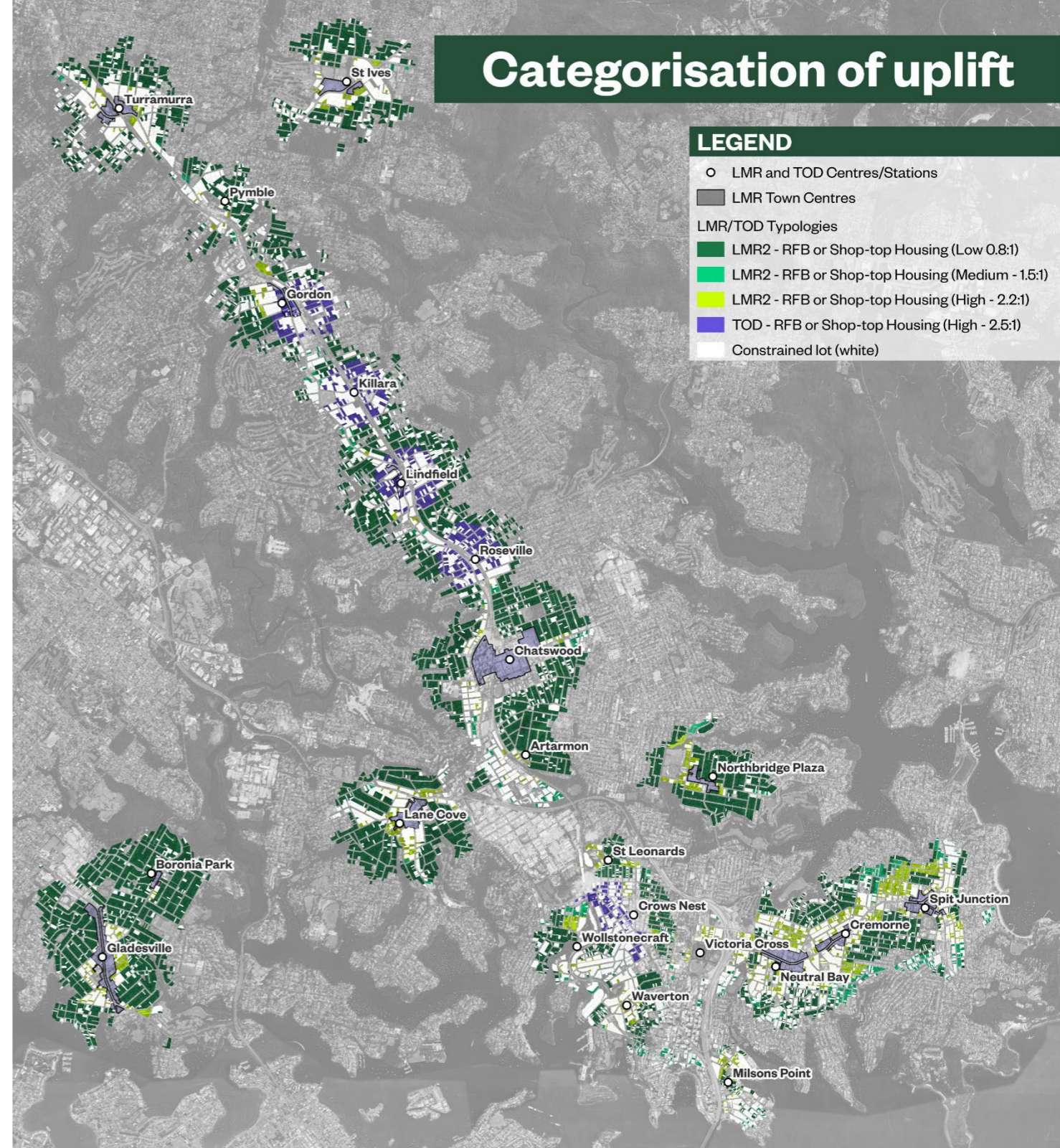
Centres with the least medium (1.5:1) LMR2 potential:

- Boronia Park, St Leonards and Gladesville – 0 lots
- Turramurra and St Ives – 2 lots
- Gordon and Lindfield – 8 lots

Centres with the least low (0.8:1) LMR2 potential:

- Victoria Cross – 19 lots
- Killara – 115 lots
- Milsons Point – 148 lots

Note: Centres' catchments overlap and there is no official defined boundary for each centre. Mecone has allocated properties to stations based on the nearest station/centre.



About Mecone



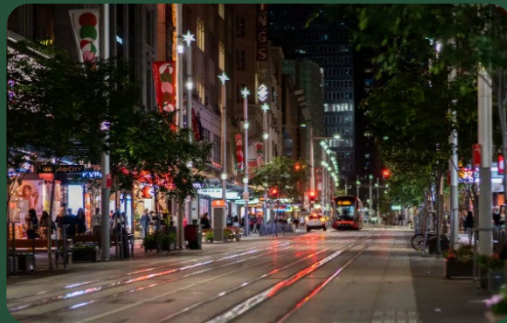
Urban Planning

Our adept team of planners offer statutory planning, strategic planning, precinct planning advice, development assessment, and community needs analysis services to help our clients realise their project vision and goals



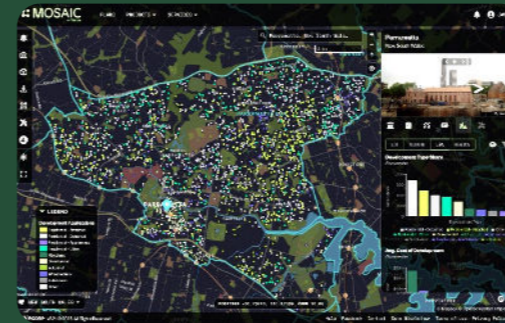
Environmental Planning

Mecone's environmental planners deliver strategies and effective solutions to facilitate project approvals and advance responsible developments.



Policy & Analytics

As trusted government advisors, Mecone's expert policy and analytics team provide a diversity of planning services to public sector clientele. We offer evidence-based strategic advice, backed by expert data analytics.



Plantech

Our Plantech stream offers highly effective data and technology tools and resources, to facilitate the development of urban and regional planning solutions.



Social Planning

Our in-house social planning team has extensive experience in delivering social impact assessment and community engagement programs. This includes supporting SSD approval for affordable and community housing projects.

Backed by leading technology, we assist our clients in making informed urban policy and planning decisions that give them a technical and analytical edge.

Thank you. Questions?

