

Wednesday 26 November 2025

Attn: Department of Planning, Housing and Infrastructure  
Locked Bag 5022  
Parramatta NSW 2124

Dear Department of Planning, Housing and Infrastructure,

**Subject: Shelter NSW Submission to Woollahra Council's Net Dwelling Loss Planning Proposal**

Shelter NSW appreciates the opportunity to make a submission on Woollahra Council's net dwelling loss planning proposal and would like to state our in-principle support for the changes currently on exhibition.

**Who are we?**

Shelter NSW has been operating since 1975 as the State's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system. We are a member-based organisation; representing organisations and individuals committed to housing justice, from community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

**1. Context**

In the context of increasing house prices – both purchase and rental – and low rental vacancy rates contributing to increased housing stress in jurisdictions across Australia, all levels of government have assumed greater responsibilities regarding housing, especially in terms of increasing supply. This is evidenced by the 2024 National Housing Accord, where through agreements with the states and territories, the federal government has committed to the delivery of an additional 1.2 million homes

over five years. Locally, this is a commitment of 377,000 additional dwellings across New South Wales and 1,900 in the Woollahra LGA.<sup>1</sup>

Consequently, local councils and the state government are focused on increasing housing supply. However, in higher-value property markets, like those that exist within the Woollahra LGA, the supply objective can come into conflict with luxury development, which has sought to replace smaller and generally more affordable dwellings with larger dwellings suited to a luxury market.

This has recently become a public point of contention in the neighbouring City of Sydney LGA, with the proposed demolition of Potts Point's Chimes Building, consisting of 80 studio and 1-bedroom dwellings, to make way for 34 luxury apartments.<sup>2</sup> Development applications like these have prompted the City of Sydney to take a more proactive approach, implementing a net dwelling loss policy – upon which Woollahra's is based – to preserve older, more affordable dwellings and ensure that the number of dwellings in the LGA is not in decline.

The Woollahra LGA has confronted similar pressures. Council's analysis of development applications over the past five years has found that 35 development approvals have resulted in the net dwelling loss of 83 dwellings. Another seven development applications are currently awaiting determination and could see an additional ten dwellings lost.

Woollahra is particularly concerned about the redevelopment of existing stock in R3 residential zones close to town centres. New FSR and height controls – available through the mid-rise housing reforms – can encourage developers to replace older and more affordable residential flat buildings with larger, luxury apartments, a factor of the high profitability of larger dwellings in the LGA.

As such, the impact of a net dwelling loss policy within the Woollahra LGA is two-fold: dwelling numbers will not significantly decrease in redevelopment and work against local housing targets, and older, more affordable residential flat-buildings will be better protected from luxury development.

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<sup>1</sup> NSW Government Planning, "Woollahra Council's snapshot," Planning NSW, accessed November 26, 2025, <https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-targets/woollahra-councils-housing-snapshot>

<sup>2</sup> Megan Gorrey, "The divisive plan to bulldoze 80 units to 'make way for millionaires'," *The Sydney Morning Herald*, August 24, 2024, <https://www.smh.com.au/national/nsw/the-divisive-plan-to-bulldoze-80-units-to-make-way-for-millionaires-20250815-p5mn9x.html>.

This consideration of both supply and affordability is important in finding solutions to the current housing crisis, and it is for this reason that Shelter NSW supports the introduction of a net dwelling loss policy in Woollahra.

## 2. Proposed changes to LEP

This proposal will see *Woollahra LEP 2014* amended to include a net dwelling loss clause similar to that of the City of Sydney; *'development consent or consent to an application to modify a development consent must not be granted for development (including demolition), unless the consent authority is satisfied that the number of dwellings on the entire development site is not being reduced by the greater of 1 dwelling or 15% (rounded to the nearest whole number) compared to the constructed number of dwellings [that previously occupied the site]'*

This clause will also exempt development involving boarding houses, co-living houses, group homes, secondary dwellings and residential care facilities, and will apply to sites occupied by three or more dwellings.

This clause is appropriate for the conditions of the Woollahra housing market. The flexibility regarding housing typologies will allow landholders to continue to develop diverse housing solutions that can accommodate the needs of locals. Furthermore, the limitation of the policy to sites containing three or more dwellings should not infringe upon families looking to consolidate two lots to accommodate growth of the household.

Similarly, with the clause allowing for up to 15% of the dwellings on a site to be lost in redevelopment, landholders will still have the freedom to increase the number of bedrooms on site to suit need, particularly in residential flat buildings that predominately consist of studio and 1-bedroom apartments. Shelter NSW welcomes this level of flexibility that can accommodate larger households that are favouring apartment living due to lower relative costs.

Finally, according to calculations made by Woollahra Council, this policy would have been effective in reducing net dwelling loss by 55% over the past five years. At a time when councils are being asked to do more for the delivery of housing, it is logical that they are able to implement measures to best protect existing housing stock, while allowing landholders the flexibility to adapt dwellings to suit their needs while still using the land efficiently.

This policy is important in safeguarding existing residential density and allowing Woollahra Council to meaningfully contribute to the state's housing targets without risking significant dwelling loss due to

redevelopment. For this, and its positive interactions with housing affordability, Shelter NSW supports the proposed policy.

**Thank you for your consideration**

Shelter NSW thanks the Department of Planning, Housing and Infrastructure for its consideration. Should the Department wish to discuss this submission further, please contact Drew Beacom ([drew@sheltersnsw.org.au](mailto:drew@sheltersnsw.org.au) or 0405 093 123).

Sincerely

Drew Beacom  
Housing Officer  
Shelter NSW