



Legislative Assembly for the
Australian Capital Territory

Standing Committee on Environment
and Planning

Submission Cover Sheet

Inquiry into DPA-04 – Missing Middle Housing Reforms

Submission number: 003

Submitter: Real Estate Institute of the ACT

Date authorised for publication: 15 January 2026

REI ACT Submission

Revised Draft Major Plan Amendment 04 – Missing Middle Reform (DPA-04)

Submitted to: ACT Planning Authority

Submitted by: Real Estate Institute of the ACT (REI ACT)

Introduction and Context

The Real Estate Institute of the ACT (REI ACT) is the peak representative body for real estate sales agents, property managers, residential and commercial agencies, strata managers and broader industry stakeholders across the Territory. Our members collectively support tens of thousands of property owners, buyers, sellers, landlords and tenants each year, placing REI ACT in a unique position to provide insight into market behaviour, housing need and the practical implications of regulatory change.

REI ACT welcomes the opportunity to comment on DPA-04, the Missing Middle Housing Reform. We recognise that planning reform is critical to addressing long-term housing supply, diversifying the types of homes available, and ensuring a more compact, sustainable urban form consistent with the ACT Government's strategic planning objectives.

This submission provides industry perspectives on the draft amendment, with a focus on implementation practicality, market impacts, regulatory clarity, valuation and tax implications, and the importance of infrastructure, design quality and consumer understanding.

Support for Housing Diversity and Supply

REIACT supports the principle of increasing medium-density housing opportunities in established suburbs. The introduction of duplexes, townhouses and terraces within RZ1 and RZ2 represents a meaningful evolution of the Territory Plan and responds to demographic trends, including:

- an ageing population seeking manageable, ground-oriented dwellings;
- smaller households requiring moderate-sized homes close to services;
- families seeking diverse options within established communities;
- and increased demand for flexible spaces suitable for working from home.

Medium-density housing is a necessary component of a balanced residential landscape and provides forms of housing that fill the current gap between detached homes and higher-density apartment buildings.

Housing Choice, Dwelling Size and Bedroom Mix

Housing choice extends beyond dwelling type to include dwelling size, functionality, and number of bedrooms. Census data demonstrates that the ACT has a concentration of very large dwellings and a significant supply of very small one-bedroom units, but a relative shortage of moderate-sized homes with two or three bedrooms.

This structural imbalance limits options for:

- downsizers who require fewer bedrooms but do not wish to move into apartments;
- couples or singles who require an additional room for guests or home-based work;
- small families who cannot be accommodated in one-bedroom stock;
- renters seeking more spacious, liveable homes.

Industry observations also suggest a tendency for some apartment developments to favour one-bedroom units due to yield maximisation and design efficiencies.

REIACT therefore recommends that the Design Guide incorporate guidance or expectations on balanced bedroom mix in medium-density developments. This will ensure housing delivered under the reform aligns with social and demographic needs rather than prioritising only the most economically expedient configurations.

Key Industry Issues and Considerations

Planning Certainty and Approval Processes

Certainty, clarity and consistency are essential for successful implementation. The real estate industry relies heavily on predictable regulatory frameworks to advise clients, assess development potential and support market confidence.

Members consistently report challenges arising from ambiguous or uneven interpretation of planning rules. To mitigate this, REIACT recommends:

- detailed, practical explanatory materials;
- consistent application of the Design Guide across agencies and assessment teams;
- publishing assessment benchmarks, timelines and performance reporting;
- and active support for practitioners during the early implementation period.

A clear and predictable assessment pathway will support successful reform uptake and help industry advisers provide accurate guidance to buyers, sellers and investors.

Commercial/Residential Interface

Introducing medium-density forms into established suburbs requires careful attention to amenity, urban character and the interface between new and existing built form.

Concerns raised by members include:

- overshadowing, privacy and overlooking;
- traffic and on-street parking pressures;
- loss of established landscaping or visual character;
- noise and construction impacts during transitional redevelopment periods.

These matters directly influence buyer sentiment, market values and the desirability of established neighbourhoods. REIACT recommends priority be given to design controls that protect amenity and ensure high-quality transitions between detached dwellings and medium-density forms.

Potential for a Two-Speed Market and Market Distortion

Where redevelopment potential varies substantially between neighbouring blocks, a “two-speed” market may emerge. REIACT members have expressed concerns that:

- redevelopment-eligible blocks may experience value uplift;
- constrained blocks may stagnate or decline in value;
- older housing stock with no redevelopment potential may become less appealing;
- speculative purchases may concentrate in certain suburbs;
- valuation and appraisal processes may become more complex for agents.

This divergence may have consequences for neighbourhood equity, market stability and consumer understanding. REIACT therefore recommends the Government provide clear, user-friendly tools for identifying redevelopment potential at the block level and continue public education efforts throughout implementation.

Implementation of the Missing Middle Design Guide

The Draft Design Guide is central to the reform's success. Members emphasise the importance of:

- clear diagrams and examples;
- consistent interpretation by assessment officers;
- proportionate and practicable standards;
- guidance that balances design quality with feasibility.

REIACT recommends that the Design Guide be supported by training, webinars, factsheets and interactive tools to help practitioners and consumers understand new development possibilities.

Compliance and Risk

Agents and property managers will require updated tools and training to incorporate the new standards into everyday practice. Clear transitional provisions are essential so practitioners can correctly advise on:

- redevelopment pathways;
- the applicability of design and siting requirements;
- valuation and market implications for clients;
- risks associated with inadvertently misrepresenting redevelopment potential.

Clear communication during the transition will assist in reducing compliance risk and increasing industry confidence.

Infrastructure, Amenity and Community Impact

Increased density must be supported by adequate local infrastructure. Members have raised concerns regarding:

- traffic capacity and local road function;
- public transport access and frequency;
- open space, recreational facilities and community assets;
- car parking management;
- pedestrian and cycling connectivity.

Infrastructure capacity will shape community acceptance of the reforms and ensure new dwellings contribute positively to neighbourhoods. REIACT recommends coordinated planning across agencies and transparent infrastructure planning aligned with expected redevelopment locations.

Interaction with ACT Land Valuation and Tax Settings (LVR System)

Under the ACT's land-value rating system, increases in unimproved land value (UV) may lead to higher annual rates and land tax obligations regardless of whether owners realise financial benefit through redevelopment or sale.

Industry concerns include:

- valuation uplift for redevelopment-eligible blocks;
- valuation increases for constrained blocks located near redevelopable land;
- higher holding costs impacting affordability for owner-occupiers;
- rising land tax obligations discouraging investment in rental housing;
- potential rental supply tightening if investors redirect capital elsewhere.

REIACT notes the Supporting Report's indication that valuation uplift from these reforms may be marginal and moderated by the five-year averaging system. However, even moderate changes in UV can influence investor behaviour and rental supply in a highly taxed jurisdiction.

REIACT therefore recommends ongoing monitoring of valuation trends and consideration of transitional or moderating mechanisms should significant unintended impacts arise.

Recommendations

REIACT recommends that the ACT Government:

1. Provide transparent and regular reporting on DA volumes, assessment times and development outcomes.
2. Deliver clear, accessible tools to identify redevelopment potential and constraints.
3. Include guidance in the Design Guide relating to bedroom mix and dwelling size to strengthen housing choice.
4. Establish strong engagement frameworks to identify unintended consequences early.
5. Monitor valuation and taxation impacts throughout implementation and introduce transitional measures as required.
6. Provide ongoing education, training and resources to support agents, property managers and other practitioners.

REIACT supports reforms that broaden housing choice, increase supply and contribute to sustainable, liveable communities. With careful implementation, the Missing Middle reforms can provide significant benefits for the ACT's housing landscape. Ensuring planning certainty, design clarity, infrastructure alignment and market transparency will be essential for achieving these outcomes.

REIACT welcomes continued collaboration with the ACT Planning Authority and remains committed to supporting members and consumers through the transition to the revised planning framework.