

NT Shelter

Submission to the have your say on  
*Opportunities for Infill development  
and subdivision in Low Density  
Residential (Zone LR) areas*

December 2025



## NT Shelter

NT Shelter is the Northern Territory's peak body for affordable housing and homelessness. We advocate for affordable and appropriate housing for all Territorians, especially those on low incomes who are particularly vulnerable and disadvantaged in the housing market.

NT Shelter's work involves research and policy development, advocacy and communications, sector consultation and coordination, and capacity building.

NT Shelter is proud to work with and represent a range of organisations that make a significant contribution each day to the lives of people for whom housing is unaffordable and inaccessible. Our member organisations are specialist providers of services relating to housing and homelessness. Their focus is on low to moderate income Territorians who have a wide range of social and affordable accommodation needs, including crisis, transitional, short-term, low-cost, and supported housing. Many NT Shelter member organisations also provide professional services to support people who are experiencing homelessness or at risk of homelessness.

NT Shelter membership is as follows:



## Preamble

NT Shelter welcomes the opportunity to respond to the Northern Territory Planning Commission's (NTPC) discussion paper on Infill development and subdivision in Zone LR (Low Density Residential).

NT Shelter is broadly supportive of the Planning Commission's efforts to allow more flexibility in how regulations are applied to enable more diverse housing through infill developments and subdivision reforms for low density residential development. These changes have the potential to create better use of existing land and infrastructure and grow much needed housing stock across the Northern Territory's (NT) urban areas.

However, the proposal in its current form does not address how infill reform will directly support the growth of social, affordable and other non-market housing – a lifeline for many families in the NT who are currently waiting up to a decade for social housing.

Research from the UNSW City Future Centre revealed that the NT has the highest rate of housing need in Australia at 11% of our population.<sup>1</sup> Moreover, Anglicare's report on Rental Affordability in the NT released in 2024 highlighted a significant shortfall of 10,800 social and affordable homes that are needed today, with projections of this number ballooning to over 14,000 by 2036 if urgent action isn't taken to accelerate social and affordable housing growth.<sup>2</sup>

Without deliberate action that is inclusive of social and affordable housing, there is a risk that the reforms intended to broaden housing choice in the NT will instead entrench market-rate outcomes and leave low-and moderate-income families behind.

In addition, it is essential that planning includes early and meaningful engagement with local community in order to ensure that any greater density is "density done well".

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<sup>1</sup> UNSW City Future Centre, *Unmet Housing Need: Presentation, 2023*

<sup>2</sup> Anglicare NT, *Rental Affordability in the NT: Snapshot Report 2024*

## Discussion

As it is currently drafted, the reforms may increase total dwelling numbers but will not necessarily increase the number of homes that Territorians in the bottom two income quintiles can afford to live in. Simply enabling an increase in development potential does not guarantee housing that is affordable to the average Territorian, particularly in the context of infills where redevelopment costs are high and where older, naturally affordable homes are quite often demolished to make way for stock that can be priced up. This impacts essential workers like teachers, nurses, cleaners, construction workers and so on – workers that the NT relies on to function as a cohesive community.

Consistent with the important concept of “well located housing”, key workers on lower and moderate incomes need to be close to their place of employment, be able to have good access to transport and community infrastructure and live in communities with good amenity.

The existing planning framework locks public housing into outdated dwelling typologies that no longer reflect the cultural, demographic or household realities of the Northern Territory, at a time when demand, overcrowding and waiting times are at historic highs.

The Discussion Paper recognises that infill development can support housing diversity, multigenerational living and diverse family structures, while also acknowledging that current restrictions in Zone LR are contributing to a lack of infill opportunities in existing suburbs – a constraint that disproportionately affects social, affordable and non-market housing delivery pathways in the Northern Territory.

This is particularly evident in low-density residential zones, where inflexible infill and subdivision controls restrict the ability to adapt or redevelop existing public housing stock to better meet contemporary needs. Similar constraints are commonly experienced in established Darwin and Palmerston suburbs, where large public housing lots are unable to be modestly intensified despite existing servicing and strong demand. As a result, opportunities to provide culturally appropriate housing, support multigenerational households, reduce overcrowding and improve housing diversity are routinely missed.

There are no regulations for urban infill development in terms of providing a proportion of social and affordable housing. With lengthy public housing wait lists and only a small affordable housing supply, more ambitious objectives will need to be put in place by Government to address housing affordability.

In practice, this means that infill development is assessed primarily through the lens of constraint and impact, rather than opportunity and public benefit. The current planning framework treats public housing infill as a risk to be managed, rather than a solution to be enabled. This limits the ability of government and community housing providers to use well-located public land to respond to housing need, diversify dwelling types and increase supply in a timely and cost-effective way.

The Discussion Paper itself acknowledges that other jurisdictions have taken a more enabling approach to low-rise infill. In particular, it notes that in New South Wales, dual occupancy is now permitted across all lower density residential areas in both metropolitan and regional contexts.

This recognition highlights that dual occupancy has been normalised elsewhere as a form of gentle density that increases housing diversity within established suburbs. However, comparable flexibility is not yet reflected in the Northern Territory planning framework, particularly in relation to public housing, community housing providers, Aboriginal community-controlled housing organisations, and other non-market delivery pathways that rely on planning flexibility to deliver affordable and culturally appropriate housing.

The Discussion Paper identifies a lack of opportunities for lower-rise housing forms such as duplexes in Zone LR, despite their suitability for gentle infill, housing diversity and public housing renewal in established suburbs.

Where public housing stock is assessed as beyond economic repair, redevelopment is often constrained to a like-for-like replacement model due to inflexible planning controls. While this approach may satisfy minimum asset standards, it does little to address long public housing waitlists, overcrowding or the lack of housing diversity in well-located urban areas. Replacing one outdated dwelling with one new dwelling on the same site may meet asset standards, but it fails to meet housing need.

In March 2025, only five NT rentals were considered affordable for a hospitality worker.<sup>3</sup> This is not only unjust, but also economically and socially unsustainable. When essentials workers are priced out of living near the communities they serve, recruitment and retention stifles, and workforce stability across schools, hospitals, aged care facilities, and emergency services are undermined.<sup>4</sup>

The consensus among various national and international researchers and economists is that to fix a housing crisis, social and affordable housing stock must be increased. Market-rate housing delivery alone cannot meet the current needs of the NT's population, including Territorians experiencing homelessness which sits at 12 times the national rate.<sup>5</sup>

Given the high cost of greenfield servicing and limited depth of the local development market, infill is one of the few viable levers in urban centres to substantially increase social and affordable housing stock. If the proposed infill reforms do not explicitly incorporate social and affordable housing pathways, the Territory risks missing a rare opportunity to shape a more inclusive housing system.

In our submission to the NTG's Strategic Planning Policy discussion paper, NT Shelter recommended close collaboration and consultation with local communities to ensure that any increase in density is "density done well". This should include complementary investment in childcare, education, sporting, cultural and community infrastructure to enhance liveability. Done well, gentle density can lead to more vibrant communities, as demonstrated in places such as Pymont and Ultimo in New South Wales.<sup>6</sup> Flexible, well-designed infill in public housing is one of the most effective ways to achieve density done well, yet current planning, approval and funding settings make this pathway complex, uncertain and difficult to pursue in practice.

When designed well and supported by community engagement, low-rise infill can enhance neighbourhood amenity, improve passive surveillance, and make better use of existing infrastructure. In the context of public and affordable housing, such approaches can also reduce maintenance costs, support housing diversity and strengthen community outcomes. Excessively rigid infill controls often result in inefficient land use, without delivering meaningful protection of neighbourhood character.

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<sup>3</sup> Anglicare Australia, *Rental Affordability Snapshot Essential Workers Report, 2025*

<sup>4</sup> Hope Housing, *Tracking the housing situation, commuting patterns and affordability challenges of essential workers, 2023*

<sup>5</sup> Department of Children and Families, *NT Homelessness Strategy 2025-2023, 2025*

<sup>6</sup> Elizabeth Elenius, Convenor of Pymont Action Inc. in Inner Sydney Voice, *The Pymont and Ultimo Experience*, 1 December 2013

## Conclusion & Recommendations

The National Housing Supply and Affordability Council's current projections have the NT reaching just 31% of its Housing Accord target by 2029, the lowest forecasted percentage in the country.<sup>7</sup> Without improved housing affordability through increased social and affordable stock, the NT will fall further behind in fulfilling its Housing Accord commitments.

Infill reform that focuses solely on increasing development potential, without addressing delivery pathways for social and affordable housing, risks reinforcing existing market dynamics. In the absence of social-housing-specific infill provisions, reforms are likely to primarily support market delivery, while public housing remains constrained by existing planning settings.

To ensure that infill and subdivision reforms in Zone LR support a more inclusive and resilient housing system, NT Shelter recommends that the Planning Commission explicitly incorporate mechanisms that enable the delivery of social and affordable housing outcomes, not only increased dwelling yield.

NT Shelter recommends that infill and subdivision reforms in Zone LR:

1. Embed social and affordable housing objectives within infill development and subdivision provisions, including planning controls that enable increased yield on publicly owned land where this delivers demonstrable public housing outcomes.
2. Enable low-rise infill housing in existing suburbs through planning controls that support duplexes, townhouses, dual occupancy and small-scale multi-dwelling outcomes as acceptable forms of "density done well" within low-density residential areas.
3. Safeguard against the net loss of lower-cost housing in Zone LR by incorporating mechanisms that require redevelopment to replace existing lower-cost dwellings with housing affordable to comparable income groups.
4. Enable higher-yield, low-rise replacement of beyond-economic-repair public housing stock, such as duplexes and townhouses, where this improves housing diversity, supports culturally appropriate living arrangements, and ensures redevelopment is deliverable within public and non-market housing funding constraints.

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<sup>7</sup> National Housing Supply and Affordability Council, *State of the Housing System, 2025*