

## **CAN HIGHER DENSITY HOUSING REDUCE ADELAIDE'S HOUSING COSTS?**

### **A Royal Geographical Society of South Australia (RGSSA) Symposium**

**Friday 12 September 1.30 – 5 pm**

**Hetzel Theatre, State Library of SA**

The challenge to provide available and affordable housing in Australia has become a highly contentious topic both politically and within the community.

The South Australian Government has formulated its blueprint for housing through the SA Housing Roadmap and has been consulting on the "Greater Adelaide Regional Plan", both of which will shape how our city develops over the coming years.

The appropriate style of new housing for Australia and more specifically Adelaide, is a key driver that will impact the supply and affordability of housing. The balance between medium to high density housing versus infill development versus building on greenfield locations will continue to be key policy questions for our community. Housing density has financial and life-style implications and remains a controversial issue.

### **PROGRAM**

- Chair. Dr Donna Ferretti, Director, Donna Ferretti & Associates.
- Opening address. Stephen Hains AM, Presiding Member, SA Urban Renewal Authority.
- Setting the scene. Marc Voortman, Executive Director, Department for Housing and Urban Development.
- Private industry. Bruce Djite<sup>1</sup>, Executive Director, Property Council of Australia.
- Futures. Chris Rudd, Manager for Analysis and forecasting, DHUD.
- Research. Assoc Professor Damian Madigan, UniSA Creative.
- Research. Dr Amy Clair, Deputy Director, Australian Centre for Housing Research.
- Synthesis and prospect. Professor Michael Lennon, Chair in Regional Housing, UniSA Business.

### **SUMMARY OF PRESENTATIONS**

#### **Stephen Hains AM**

Mr Hains spoke of the work of the SA Urban Renewal Authority which aims to deliver housing affordability and accessibility throughout Adelaide and the regions. In doing so it creates communities that enhance liveability. Its portfolio includes over 22,000 houses, 300 businesses and 28% of SA's industrial land. The Government's Better Housing Future plan envisages over 61,000 new homes through land release and planning reforms and accompanied by infrastructure. Housing demand is influenced by migration rates, Government subsidies and incentives, low interest rates and low deposit schemes. South Australia has the nation's strongest construction growth: \$4.59b, up 7.7% vs 3.5% nationally. Residential building is up 22.9% driven by houses (+22.6%) and apartments (+27.9%). Recent projects of the Urban Renewal Authority include Southwark Grounds, Seaton, Noarlunga, Playford Alive eastern parcel and regional housing partnerships. It has delivered 284 affordable homes and identified 735 more opportunities.

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<sup>1</sup>. Please note that Bruce Djite spoke without a Powerpoint presentation and his address was not recorded.



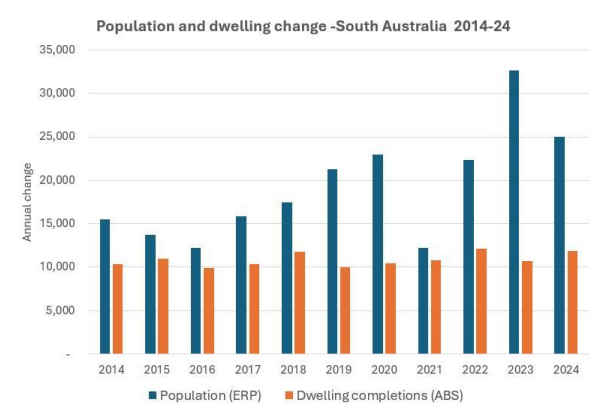
Southwark Grounds



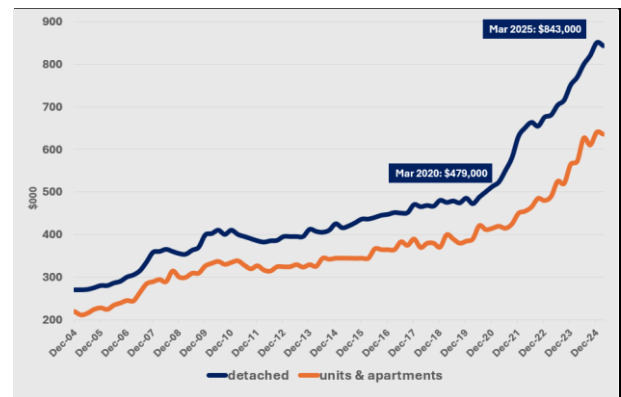
Onkaparinga Heights

### Marc Voortman

Mr Vortmann showed how housing growth was not keeping pace with population growth.



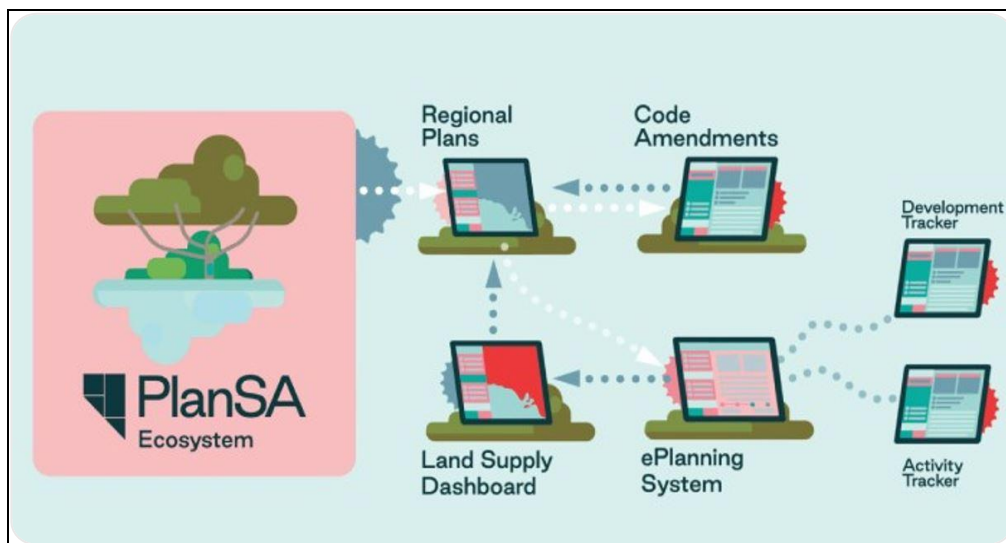
Population and dwelling change



Property prices rising historically fast

Average mortgage payments have risen from \$1,738 in 2020 to \$3,352 in 2024, with house prices in Adelaide growing by 62%, the highest of all States. The South Australian Government released the Housing Roadmap in 2024 which included a Future Living Code Amendment and an Accommodation Diversity Code Amendment.

South Australia's planning system has been digitised and is illustrated below.



Digital Ecosystem

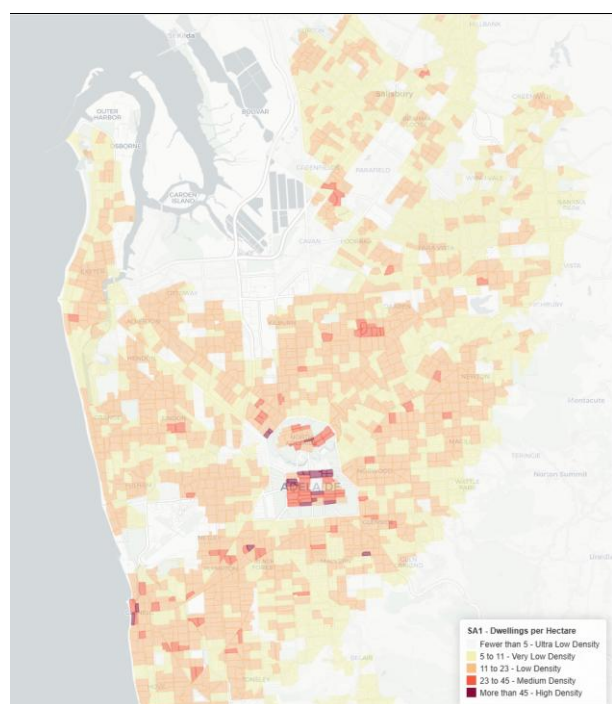
The Land Supply Dashboard reports on land supply and development activity within greenfield and strategic infill areas across Greater Adelaide and covers development/house ready, land division approved, and land division under assessment. It also shows the availability of infrastructure, water, sewer and electricity.

The Greater Adelaide Regional Plan (GARP) was released in March 2025. It identifies where the 315,000 homes and land to create 254,000 jobs will be located over the next 30 years and set four foundational targets and 56 implementation actions, to be completed within the next five years. It also sets 10-year housing targets for all 27 councils in Greater Adelaide.

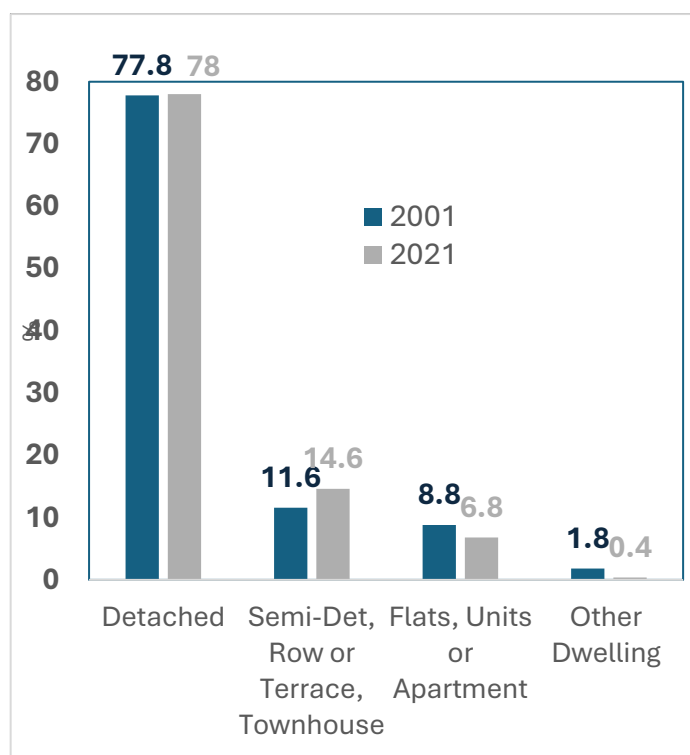
### **Chris Rudd**

Mr Rudd started by asking what is housing density?

<b>Residential Site Gross Density</b>	<b>Dwellings per hectare</b>
Very Low Density	Fewer than 11
Low Density	11 - 22
Medium Density	23 - 45
High Density	More than 45



Housing density across Metro Adelaide

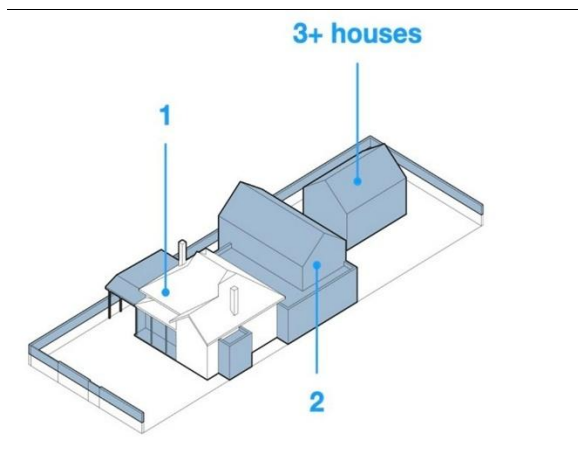


Housing Diversity - South Australia (2001 & 2021)

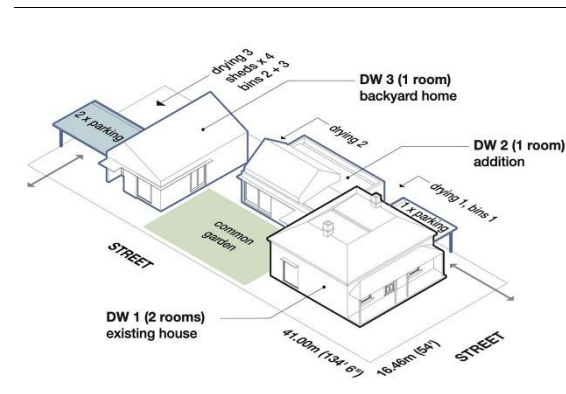
Increased density can occur through dividing a one-house block into two which is a big contributor to increased (higher) density in many suburbs. In the City of Adelaide, apartment building average 132 dwellings (2015 – 2024). Around 40 out of 51 residential buildings in the City exceed five storeys. In Brompton, redevelopment has increased the density from 8 dwellings per hectare to 23 (2001 – 2021) while in the City of Adelaide it has increased from 12 to 20. Corridor development along Anzac Highway has the existing 1,633 dwellings increased by 310 over the past decade with many more approved for construction. The Greater Adelaide Plan has identified a theoretical capacity for approximately 125,000 houses in state-led strategic infill locations. The City of Adelaide is aiming for a population of 50,000 by 2036, which oddly enough was its population in 1910! Since 2015 there has been 3,654 apartments built in the City plus 4,215 student apartments.

## Associate Professor Damian Madigan

Dr Madigan spoke on co-located infill in established suburbs which he has termed “Bluefield Housing” in contrast to Greenfields housing. It’s about building the same amount in a different way, while focusing on social connections and landscape retention or reinstatement.



The Bluefields housing co-location model



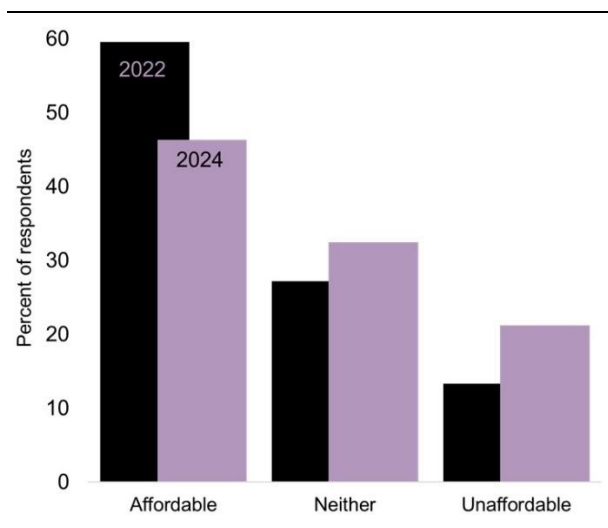
Bluefields on a large block (675 m<sup>2</sup>)

The owners get no minimum lot size, no cap on the number of dwellings or their size, individual ownership and common areas. The neighbourhood get existing planning controls, character, scale and trees, more housing choice, and a governance structure.

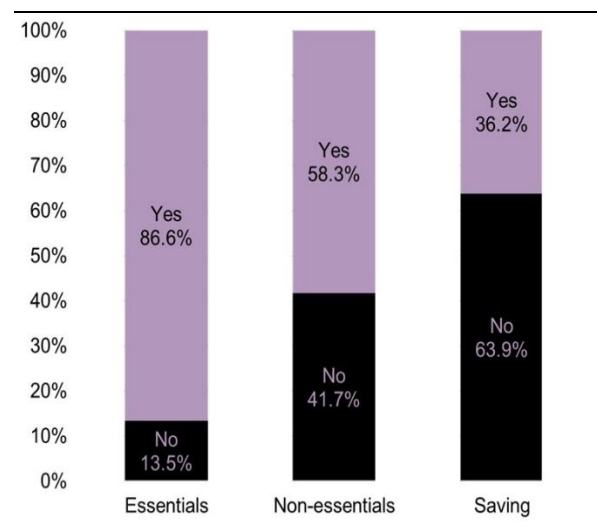
Mr Madigan has produced a book of his Bluefields proposal: *Bluefield Housing, as alternative infill for the suburbs*. Routledge, 2024. (ISBN 9781032276915). An Open Access version of this book is available at [www.taylorfrancis.com](http://www.taylorfrancis.com).

## Dr Amy Clair

Dr Clair spoke on the affordability of housing and showed that for around 20% of residents housing costs are unaffordable.



How affordable is your rent or mortgage?

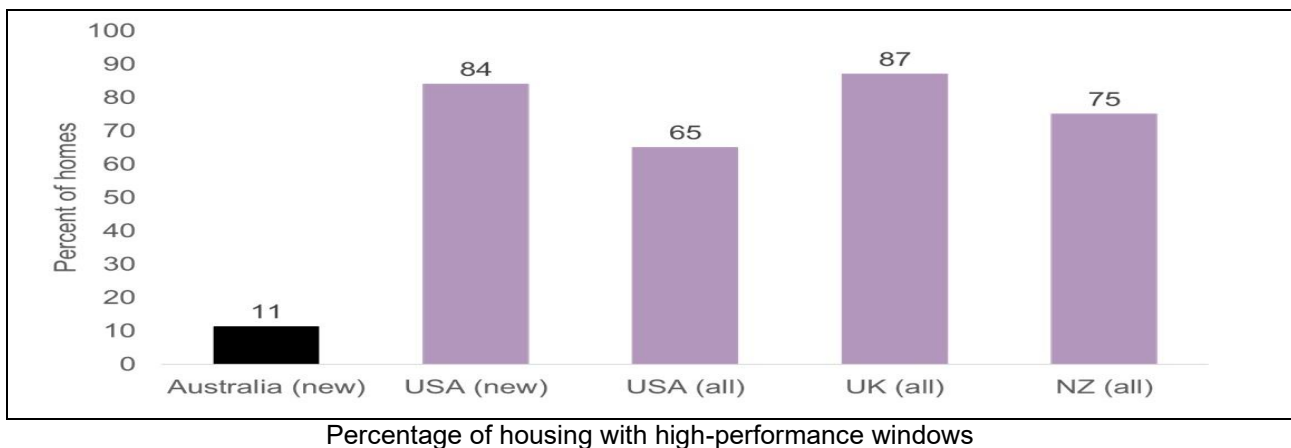


After housing costs, do you have enough for:

In many cities, a considerable proportion of housing is unoccupied, in London it is 20% where the owners are waiting for property prices to increase to achieve capital gain. In Ireland, property investment funds have bought 46% of the apartments built since 2017. Australia has 11 million dwellings, of which a million are probably unoccupied.



Building standards have not improved with indoor winter temperatures improving by only 1°C since 1940. 80% of Australian homes are below healthy temperatures in winter.



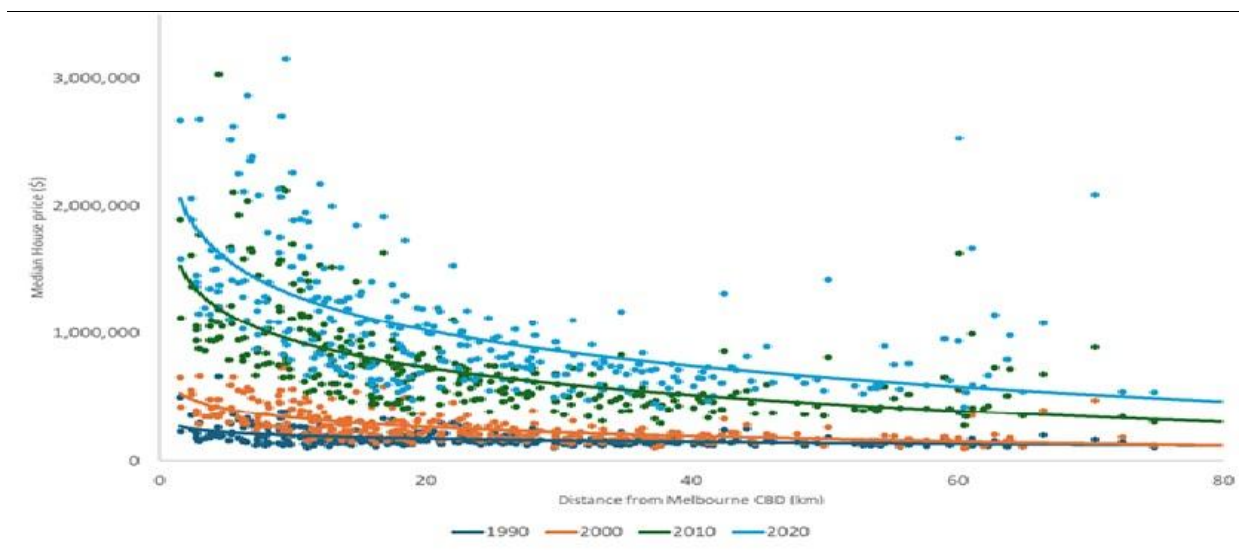
Dr Clair concluded by saying that while housing is an asset, prices don't respond to more supply in the same way as other goods. Supply shouldn't distract from tax reform, public housing, housing standards, or protection for renters. Poor quality housing is unaffordable housing.

### **Professor Michael Lennon**

Professor Lennon said that the trends include ageing population, declining fertility rates, greater household formation (divorce and family breakup), greater dependence on immigration and more houses with fewer people in them.

Hugh Stretton said: "The highest and best use of land is growing children".

Research in Melbourne had produced the following graph showing how house prices decline with distance from the CBD. A consequence of this is that the number of jobs available to residents in the outer suburbs within a 30 minute commute is declining. Improved transport and decentralisation would assist.



Median house price (at suburb level) versus distance from Melbourne CBD

The Powerpoint presentations of the speakers are available at

<https://rgssa.org.au/lectures/can-higher-density-housing-reduce-adelaides-housing-costs>