

# LEADING COMMUNITIES THROUGH URBAN CHANGE



---

**BUILDING COMMUNITY SUPPORT  
FOR DENSITY DONE WELL**

---

---

## **ACKNOWLEDGEMENT OF COUNTRY**

The Municipal Association of Victoria and the Centre for Urban Research at RMIT University acknowledge the Traditional Owner of Country throughout Victoria, and recognises their continuing connection to lands, waters, and culture.

We pay our respect to Elders past and present who carry the memories, traditions, cultures, and aspirations of First Peoples, and who forge the path ahead for emerging leaders.

We support local government's commitment to strengthen relationships with Victoria's First Peoples communities and for it to encourage greater unity, knowledge, cultural awareness and respect for the first occupants of our land — through its strong community links and local representation.

---

## **Authors Acknowledgement**

This report was written by Kat Panjari and Libby Porter on the lands of Wurundjeri Woi-wurrung and Boon wurrung peoples of the Kulin Nation. We recognise their ongoing connection to the land, water, and sky and pay respects to Ancestors and Elders for their ongoing care for Country. We honour the work of emerging leaders standing strong for Country.

|                                                      |    |
|------------------------------------------------------|----|
| Executive summary                                    | 1  |
| 1. A housing system problem, decades in the making   | 3  |
| 2. City leadership                                   | 5  |
| 3. First Peoples knowledge in city leadership        | 9  |
| 4. Leading the conversation                          | 13 |
| 5. Local government as city shapers                  | 17 |
| 6. Design matters                                    | 21 |
| 7. Advocating for community benefit                  | 27 |
| 8. The cultural shift: From ownership to stewardship | 29 |
| 9. Conclusion                                        | 31 |
| References                                           | 33 |

This report explores how Australian local governments can build community support for well-designed higher-density housing at the neighbourhood scale, responding to the very real housing challenges facing all levels of government in Australia today.

# Executive summary

**Australia's housing system has failed to keep pace with demand for decades, leaving many households without meaningfully affordable housing or the housing choice they need.**

As household composition changes, with single-person households increasing, the “great Australian dream” of a house on a quarter-acre block increasingly fails to meet people's needs. State governments in NSW and Victoria are responding by overriding local planning controls and setting ambitious density targets, placing local governments at the forefront of a scale of housing change not seen in decades.

These challenges are experienced in cities all around the world, offering important opportunities to learn from their experiences. This report draws on interviews and field visits with city leaders in Stockholm, Vienna, Amsterdam, Copenhagen and Oslo, alongside Australian and international

research and case studies, to identify what enables local governments to lead their communities through this change and build support for well-designed density.

Five conditions emerge as central to success. First, **forward-thinking city leadership** sustained across political cycles, underpinned by councillor capability-building and integrated governance between planning, transport and infrastructure authorities.

Second, **genuine engagement with First Peoples' knowledge systems**, recognising that decisions about density are inseparable from a deeper obligation to Country.

Third, **leading the community conversation** proactively, rather than reactively responding to individual developments and reframing density as strengthening the identity and liveability of a place, not replacing it.

Fourth, councils acting as **city shapers** rather than statutory authorities alone, using long-term evidence-based visions and strategic use of council land to guide growth ahead of development pressure.

Fifth, ensuring **design quality** through clear guardrails and expectations so that density adds genuine value and legacy community benefit to neighbourhoods rather than simply increasing housing yield.

Underpinning all of this is the need for **sustained advocacy**. Australian local governments must hold developers, state agencies and the commonwealth government accountable for the infrastructure and amenity they promise, and push for funding models that keep pace with growth rather than leaving councils to fill the gap.

The report identifies that when density is done well, urban change can strengthen the places people already value, while creating room for those who most need new housing: future residents, younger households, migrants, essential workers, and renters.

Density done well can also enable more walkable, more inclusive, better-connected neighbourhoods that can support people at every stage of life.

Interviews with city leaders also showed that successfully guiding communities through urban change delivers practical benefits for city leaders including political cover for difficult decisions, stronger negotiating power with developers and other levels of government, greater public trust in councils as the trusted level of government, and a renewed opportunity for local government to reclaim strategic relevance as state jurisdictions reduce council planning powers.

Ultimately, the report argues that building community support for density is not just a planning task but a cultural one shifting the dominant story of housing from ownership and status to stewardship and shared community benefit. International exemplars show this is achievable. With the right leadership, governance and design settings, Australian local governments are well placed to guide their communities toward a new vision of higher-amenity living, without abandoning the qualities residents value in the suburbs, towns and cities they already call home.

# 1. A housing system problem, decades in the making

**For decades, Australia's housing system has failed to keep pace with demand. It has not delivered the homes Australians need, at prices many can afford, or provided enough housing choice to meet people's changing needs (NHSAC 2026).**

Australian households are changing rapidly, with single-person households now accounting for more than one in four households nationally (26%) ([AIFS 2023](#)). These shifts call for a broader mix of housing options beyond the familiar "great Australian dream" of buying a three-bedroom house on a quarter-acre block, which no longer meets many household needs and is increasingly unaffordable.

Australians also live in some of the lowest population density cities in the world, with most towns and suburbs characterised by single dwellings on large land lots ([CEDA 2025](#)). Australia's suburbs particularly in outer areas tend to be less well serviced with more affordable homes located furthest from urban centres. An equity issue has arisen, when on average, lower income households live further away from city centres, with less access to services and continue to be pushed further away due to rising house prices ([NSW Productivity Commission 2024](#)). This has serious equity impacts with

recent research demonstrating the geographical and social implications ([Giles-Corti et al 2024](#))

Many of Australia's spread-out cities have also created problems like long travel times, higher transport costs and more traffic congestion, loss of prime agricultural land previously used for food production, and loss of natural habitat and biodiversity ([AHURI 2024](#)). To develop new communities, often at the urban fringe of cities, requires costly new infrastructure like schools, roads and hospitals. Often this infrastructure is not delivered, leaving residents in poorly serviced locations with long commutes and the burden of health and social impacts ([Farmer et al 2025](#)).

This complex situation has seen all three levels of government in Australia focussed on increasing housing supply through the National Housing Accord. State governments, particularly in New South Wales (NSW) and Victoria are responding by overriding local planning controls and/or setting ambitious density targets for local governments to fill in existing neighbourhoods with a diverse range of housing types, including dual or triple occupancies, townhouses, low to mid-rise apartments and in some areas, high rise apartments.

City leaders, including elected representatives and local government officials, are managing a scale of housing growth and change not seen in decades. When change is perceived as rapid or imposed, it can challenge residents' sense of place, identity and belonging, leading to resistance and fear of change.

In a period of financial constraint, local government leaders across Australia are being called on to support their communities to navigate this growing set of housing pressures. At the same time, they are tasked with providing critical community infrastructure, responding to climate resilience, and creating the communities and neighbourhood amenity that people will want to live in.

Councils understand that housing growth and higher-density living are not simply matters of statutory planning. Successful urban change depends on delivering the infrastructure, services

and public spaces that help residents live in socially connected, healthy and sustainable communities, making density genuinely liveable rather than merely more compact.

Liveability means places that provide residents with access to services, public open space, cultural opportunities, active travel options and a safe environment (see [Lowe et al 2015](#); [Chandrabose et al 2025](#)).

Research also demonstrates that density alone does not address these equity and liveability concerns. For apartment residents on lower incomes, good access to services such as libraries, community centres and parks is particularly vital ([AHURI 2020](#)). Local areas undergoing densification also need support to improve community, social and physical infrastructure, with research demonstrating that developer contributions and voluntary agreements are too uncertain to ensure good results on their own ([AHURI 2020](#)).



Photo credit: Getty

## 2. City leadership

**This report draws on local and international research and insights to help Australian local governments make informed decisions to lead their communities through the urban change happening across their neighbourhoods, towns and cities.**

There is currently little guidance for councils on how to lead or support constructive discussion within communities, how to negotiate better public benefit from growth with developers or other levels of government, or what capabilities are needed within councils to 'do density well' at a neighbourhood scale.

Because planning for well built, affordable, sustainable housing is not just an Australian challenge, but a global challenge, this report also explores what Australian local governments can learn from international cities that are successfully navigating similar challenges.

The aim is to bring new insights to Australian local governments about the conditions needed to positively manage urban change for better housing and better neighbourhoods.

To inform this report, a series of interviews and field visits were conducted in 2025 with elected city leaders and municipal planning officials in Stockholm, Vienna, Amsterdam, Copenhagen and Oslo to hear how they have been dealing with their own housing challenges and what Australian local governments might learn from their experience.

Field visits were held across a range of diverse sites of urban change and densification including large scale urban renewal sites in Copenhagen, transit oriented civic redevelopment in Stockholm and newly built community led housing precincts in Vienna.

Several key insights emerged from the interviews in cities that stood out for having some of the most successful models of managing urban change while experiencing densification.

For example, Stockholm, Vienna, Amsterdam and Copenhagen all shared forward-thinking elected leadership with housing central to their political agenda. The urban change in those cities was shaped not by planning policy alone, but by the longevity and consistency of political commitment to a long-term vision for their communities. This was demonstrated through Copenhagen's 35-year urban transformation agenda, which includes transit oriented densified housing, and has survived multiple leadership changes in local government because the long-term vision became culturally embedded in the municipal council.



**Royal Seaport, Stockholm, Sweden** ([Link to image source](#))

Another example is Amsterdam's 40/40/20 housing system split – 40% public, 40% affordable below-market rent, 20% private market which has endured across successive municipal government administrations.

Those cities were also supported by joined up state and local government (integrated governance) and had embedded long-term strategic planning for their cities beyond the political election cycle. For example,

Stockholm's success in developing high-quality higher-density neighbourhoods such as Hammarby Sjöstad and the Royal Seaport has depended on a model of unified metropolitan governance that coordinates long term infrastructure plans across planning and transport authorities, utility companies and levels of government, creating a long-term plan and pipeline of funding to deliver the critical public infrastructure required to enable housing growth.

Another key theme emerged from interviews with city leaders in Amsterdam, Copenhagen and Vienna who described how they had sustained investment in community education and engagement to bring their communities into ongoing conversations about housing growth and change.

An Amsterdam City Council leader highlighted

***“There will be community resistance for growth or densification if you don’t engage existing residents”***

and also shared an example of how Amsterdam City Council had recently established a panel of people who don’t own homes - renters, students, and young professionals to ask them to inform council’s policy on urban planning and housing.

Oslo city planning officials described how it was not only important to engage and educate residents on

urban planning and housing models, but also newly elected council representatives. At the start of each new council term, as part of the councillor induction process, new elected representatives are taken on urban study tours to other European cities to experience both good and bad examples of housing models. This program builds city leaders’ expertise in housing models and supports them to lead informed discussions within communities on housing policy, design quality, and development economics.

European cities including Vienna, Stockholm and Amsterdam have also developed institutional frameworks that have enabled them to guide land development to create value for public interest outcomes including affordable, diverse, accessible and inclusive housing. These land development related arrangements include strategic public land acquisition, long-term public land leasing, regulated development rights, and planning frameworks that embed affordability obligations within land allocation processes ([Lawson & Anisimov 2026](#)).



**Royal Seaport, Stockholm, Sweden** ([Link to image source](#))

During a field visit to an infill development site with a long-term lease on council land, a Stockholm city councillor described how

***“...you need strong city leadership to lead housing development, you cannot leave it to the private market or rely on housing developers who are ‘short term actors’ looking for a short-term return. City governments can and should have a longer term perspective”.***

The interviews with European city leaders in these cities highlighted that the local governance mechanisms underpinning these conditions have been developed, refined and institutionalised over a long history of European urban change and densification.

In translating these international learnings into an Australian local government context, it becomes apparent that understanding First People's knowledge systems about Country, shaped over millennia in this cultural context are directly relevant to decision making about leading communities through urban change in Australian communities today. Considering how local leadership practices can appropriately work with First Peoples communities and knowledge systems is explored in the next chapter.

#### **What local governments can do to support city leadership**

- Establish a Housing and Neighbourhood Planning Committee with councillors, independent design and planning experts, and resident and home seeker representatives.
- Embed a councillor capability program – as trialled by the Municipal Association of Victoria (MAV) – to build elected city leader's housing literacy to lead constructive debate within communities on housing policy, design quality, and development economics.
- Encourage councillors and city planners to participate in study tours of exemplary Australian and international density done well projects
- Advocate to state governments to coordinate and formalise cross-portfolio governance at the metropolitan level (integrated governance), involving land use planning, water authorities, transport planners, housing agencies and energy providers to co-design long term housing settlement and infrastructure plans.

# 3. First Peoples knowledge in city leadership

As stewards of place, the planning decisions that Council leaders make – about where housing grows, how streets are shaped, which green spaces are preserved, and whose needs are prioritised, have long-lasting consequences that reach well beyond any single term of council or government.

**But this stewardship role did not begin with councils, with planning reform or housing targets, or with the cities that European settlement created ([Porter et al 2020](#)). It has been held and advanced by First Peoples, who have been custodians of this land, water, and sky for millennia.**

Every local government area in Australia sits on traditional lands. All places where we are now planning for density, in established suburbs, activity centres or precinct renewal sites are Country ([Porter 2018](#)). Each carries the songlines, seasons, and the knowledge systems that understood how to live in relationship with land rather than simply upon it. In Victoria the responsibility brought by the Statewide Treaty, also establishes a relationship of obligation and accountability for local government with First Peoples.

Understanding First People's knowledge systems about Country are directly relevant to decisions about density. Where should housing grow?

Where should it not? How should green corridors be preserved? How should water be managed in a densifying neighbourhood? These are not only technical planning questions with technical answers – they are questions that benefit from the deep local knowledge that Traditional Owner groups hold. Recognition, protection and promotion of the rights, interests and values of Traditional Owners is now a stated objective of the planning system in Victoria, requiring a fundamental rethinking of relationships of obligation and accountability in all levels of decision-making.

It is fundamental that local government leaders understand the traditional lands and waters on which the communities they serve now stand and the diverse communities of First Peoples living in their jurisdiction. Council leaders who engage genuinely with Traditional Owner groups – walking Country including waterways together, listening to the deep knowledge held about specific places, may find that this relationship reshapes how they think about their own leadership role ([Davidson et al 2024](#)). Engagement with the diversity of First Peoples communities will also enrich understandings and bring deeper appreciation to decision making that results with benefits for everyone.

Many Traditional Owner groups around Australia have established Country Plans, for example the Wurundjeri Woi-wurrung Whole of Country Plan 2025-2035 provides a framework that was developed by Wurundjeri People for Wurundjeri People. It outlines a vision for healthy Country, with specific actions that “will be needed to sustain the full expanse of lands and waterways now and into the future”. In addition to the natural environment, the Caring for Country framework in the Wurundjeri Woi-wurrung Country Plan includes people, culture, economic sustainability, and participation and self determination.

First Peoples continue to experience housing injustice and are often one of the most disadvantaged groups when it comes to accessing safe, appropriate and genuinely affordable housing. *Mana-na woorn-tyeen maar-takoort*, the Victorian Aboriginal Housing and Homelessness Framework, provides a 20-year roadmap to address Indigenous housing disadvantage and can become part of local leadership for addressing housing need (Aboriginal Housing Victoria 2020).

## What ‘Caring for Country’ means for density and housing

Caring for Country is not a cultural protocol to be satisfied before the ‘real work’ of planning begins. It is a way of seeing and doing that reframes the entire planning process.

Applied to housing and density, it means genuine commitment and action to build trusted relationships with First Peoples and Traditional Owners on decisions that might fall outside prescribed modes of engagement or requirements to consult.

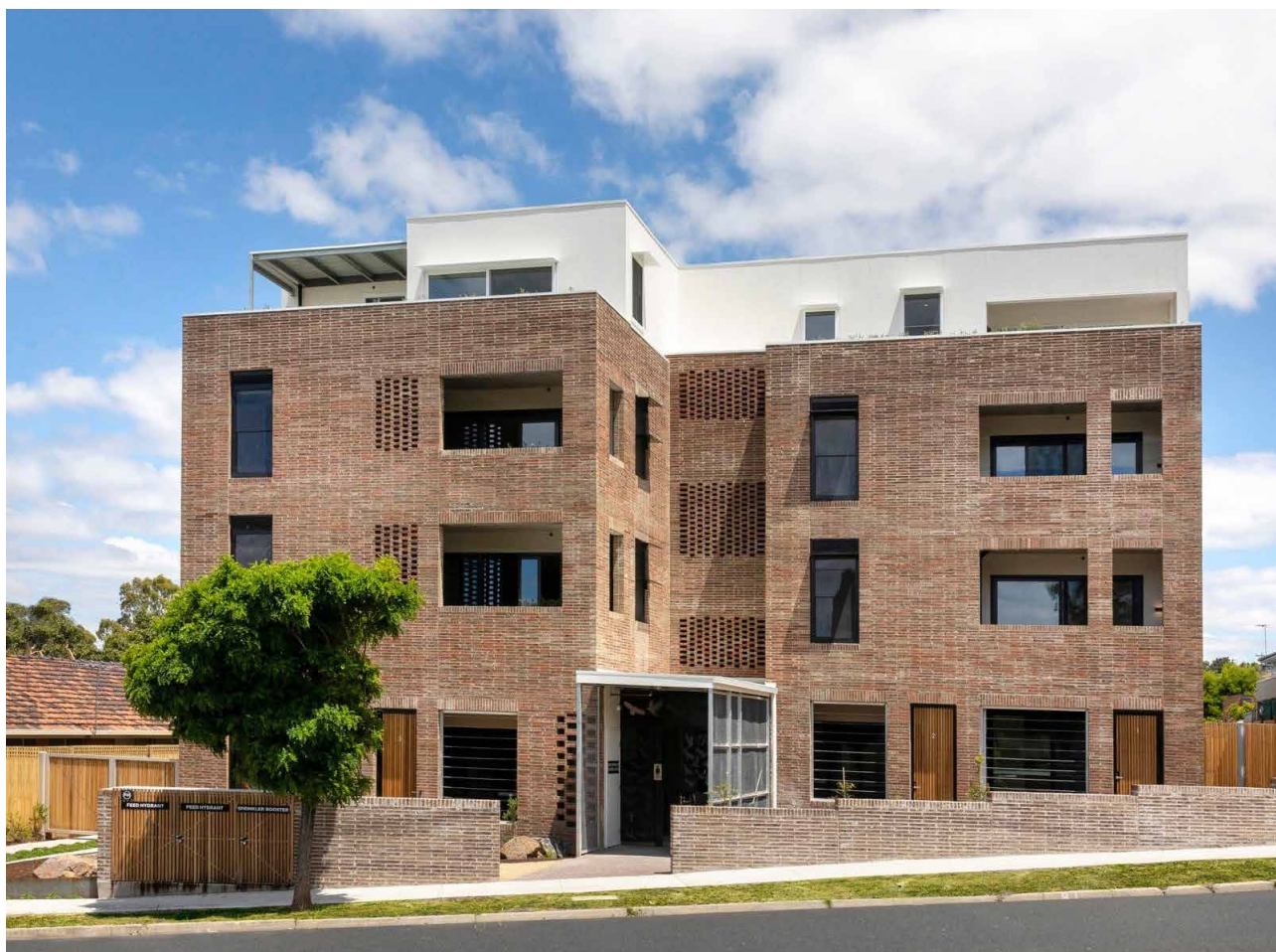
It also means meaningfully considering the impact of housing development on Country, for example ensuring alignment with flood plains and ecological systems, not in spite of, or damaging them; ensuring land and water security as a foundation for housing justice; recognising the rights of nature – land, water, sky – alongside the rights of human residents; being held to account for the long term impact of decisions made today; and demonstrating leadership that respects Country in every planning decision, not only in acknowledgements of Country.

Aboriginal Housing providers are directly dealing with questions of housing density to meet the challenges of an undersupply of appropriate, affordable housing and to broaden the variety of housing stock for First Nations people in an urban context.

Umarkoo Wayi – Ganbu Guljin is Aboriginal Housing Victoria's (AHV) first multi-residential social and affordable housing development providing 14 one-and-two-bedroom apartments located on a site that connects its residents to good amenity through proximity to public transport, job opportunities and Aboriginal community services in a middle ring suburb of Melbourne.

A report by SGS Economics and Planning ([SGS 2023](#)) identifies that integrating First Nations knowledge into the planning system will take time and require moving away from development practices shaped since colonisation. This is challenging for the current planning system because First Peoples' decision-making approaches are based in relationships of kinship and place-based lore, while planning systems are more bureaucratic and based on standardised rules for decision making power.

Genuine transformation and power sharing has been identified as one of the key areas of action for local leadership and councils in their relationships with First Peoples and Country ([Davidson et al 2024](#)).



**Aboriginal Housing Victoria Umarkoo Wayi – Ganbu Guljin, Reservoir, Victoria**

Photography by Andrew Wuttke. Design by Breathe Architecture

State governments have the ability to embed First Nations governance into statewide planning systems as evidenced by Victoria's 2025 Plan for Victoria. *Self Determination and Caring for Country* is one of the five pillars of the Plan which recognises the rights and obligations Traditional Owners have to speak and make decisions for their Country. It also recognises First Peoples' right to self-determination: to make decisions about matters that affect them and their communities.

The Plan for Victoria establishes a pathway for embedding governance principles, policies and processes to ensure the collective support and decision-making of Traditional Owners in the long term plan, with specific actions to make the planning system fairer for Traditional Owners and First Peoples; Embed Traditional Owners Knowledge in the built environment and introduce more Traditional Owner place names; reflect Country in planning schemes; and protect the Birrarung (Yarra River).

Moving beyond providing policy settings, State governments must also be an active funding partner to financially support and resource Traditional Owners and First Nations community organisations to genuinely partner in embedding Caring for Country practices in leading communities through urban change.

### What local governments can do to embed First Peoples Knowledge

- Go beyond acknowledgement: seek genuine, ongoing relationships between councillors, council decision makers, and Traditional Owner groups to develop relationships built on honest conversations and a shared commitment. Uphold principles of respect and reciprocity in fulfilling this commitment.
- Engage deeply with Country plans and other mechanisms developed by Traditional Owners to embed Caring for Country principles into council planning frameworks, not as a preamble but as a decision-making lens.
- Recognise that housing is inseparable from land justice. Advocate for the inclusion of First Peoples diverse housing needs within council led housing strategies based on deep engagement with diverse communities of First Peoples
- Advocate to state governments to appropriately recognise, respect and be accountable to First Nations governance in statewide planning systems.
- Develop partnerships with Aboriginal community-controlled housing organisations to understand and deliver a variety of affordable housing typologies to meet the needs of First Peoples in local communities.

# 4. Leading the conversation

**Councillors and city planners grapple with the complex issues and the contested land uses of planning every day. The planning system that city leaders are required to navigate and implement on behalf of their residents and communities is increasingly complex with high levels of public involvement and scrutiny. Often it is only through 'abrasive' planning processes which might challenge the status quo, that residents engage with their local council.**

More crowding in public spaces, increased noise, loss of greenery, reduced parking and worse congestion on roads are common grounds for opposition to higher density building developments in neighbourhoods. All of which are reasonable concerns for existing residents.

Learning from the international city leaders interviewed for this report and insights from international research

uncovers that building community support for density done well is not about convincing residents to accept loss.

Rather, it is about showing that urban change can strengthen the places people already value, while creating room for the people who are currently locked out of them. Those who most need new housing: future residents, younger households, migrants, essential workers, renters, are largely absent from debates about density, while existing homeowners are highly vocal and influential. This imbalance can skew consultation processes toward preserving the status quo.

The challenge for council leaders is to shift the conversation from housing targets and building heights to the kind of neighbourhoods communities want to become - greener, more walkable, more inclusive, better connected, and able to support people at every stage of life.



**Northcote Townhouses, Northcote, Victoria**

Photography by Tom Ross. Design by Birthisel Wittingslow Architects, Studio Esteta, Carr

In supporting constructive debate within communities, city leaders must also acknowledge and work with place attachment, not against it, framing future change and development as strengthening the identity and liveability of a place, not replacing it.

A 2024 study which examined densified housing projects in Munich, another compact European city, interviewed the neighbours living next to newly densified developments and found that neighbours do not reject densification per se, but evaluate the individual projects and their contexts.

The neighbour's acceptance for the densification next door to their homes depended mostly on how the projects impacted on urban green space, social mix and available parking spaces ([Bauer & Duschinger 2024](#)). Interestingly, the neighbours interviewed in the 2024 research resented high-priced and inaccessible development, and accepted development more when it created affordable housing for those in need. Overall, the study found that there were few negative comments about the new residents who now lived in denser housing models in their neighbourhoods, showing that while densification can threaten aspects of urban liveability, it is not necessarily perceived as negative and depends on the location, design and implementation.

**The Bauer & Duschinger 2024 study** shows that densification projects vary significantly in their effects on local conditions and their acceptance. Most residents were not generally against densification and those who support housing construction in general also tend to support it 'in their backyard'.

A longitudinal Brisbane study found that as densities increased, neighbourhoods generally became more walkable, socially connected, and pleasing to live in ([Heart Foundation 2025](#)). But this finding is poorly known, and it runs counter to the dominant community narrative in which density is synonymous with loss.

A community engagement program undertaken by [Infrastructure Victoria 2020](#) found that residents from three diverse Melbourne suburbs agreed on nine key enablers to support density done well: quality urban design, good public transport access, housing choice and affordability, green open space, pedestrian-friendly streets, accessible places, community safety, inclusion, and a mix of uses. These enablers reframe the goal for councils, not 'more density' as a target, but a practical agenda aimed at creating richer, more vibrant neighbourhoods.

Density that creates quality public spaces also meets obligations to First Peoples. Good quality open space can enhance accessibility to appropriate spaces for community gathering and ceremony, activating the commitment to the recognition, protection and promotion of First Peoples values, knowledges and rights within the planning system.

Building social license for density requires building a new cultural story. A story about the re-imagined evolution of our suburbs, towns and cities, that will provide more of the multi-functional, socially connected and flexible homes to accommodate the way we will live in the future. Embracing a variety of new, denser housing models recognises a cultural shift from the traditional housing of previous generations that evidently isn't meeting the diverse needs of the changing population in our growing communities today.

Moving beyond one-off community consultation, leading the conversation requires a locally led, sustained, proactive community engagement and communications strategy that shapes how current and future residents understand urban change before any specific development proposal arrives.

It is about shaping a positive local narrative that makes densification part of a suburb's future identity, not a threat to it.

An example of this was illustrated by an Amsterdam City Council planning official who described Amsterdam City Councillors on the Urban Planning Committee seeing themselves as stewards of positive urban change – not just planning regulators.

The city planning official described that over time, the Councillors had developed a deep expertise in local housing needs and design quality, and brought that expertise to bear in negotiations with developers, and used long-term data and community engagement evidence to hold a course that has outlasted any individual election cycle.

While the Australian local government context may be different, the principle applies.

Councils need elected representatives who are genuinely informed about and committed to the quality of urban change, with access to high quality data and information on the wider community benefits to be gained in their municipality, to lead the community conversation, and to build social licence for change.

A Stockholm city councillor interviewed described the need to

***“absorb public backlash during early phases of major projects (in this case a transit-oriented multi-residential housing development with metro upgrade), trusting that opposition will soften once the benefits are visible”.***

Building social licence for change also requires trust. As a trusted level of government, (OECD 2024) Australian local governments are well placed to lead the urban change management process in local communities – even when it has been imposed by state authorities.

To maintain community trust in the urban change management process, councils need to be upfront about which issues they can and can't control.



**St Andrews Bendigo, Victoria**

Design by MGS

The St Andrews development in Bendigo is a positive exemplar of densification in regional communities.

Council elected representatives and city leaders must also hold developers and government agencies accountable for delivering on their promises to residents and the wider community alike. This includes meeting community expectations around good housing design, urban amenity, community benefits, and improved local transport infrastructure.

Misinformation and disinformation are fuelling mistrust and polarisation in many communities. To counter this, local

governments need to be transparent about two things: the evidence base behind their decisions, and how community feedback is factored in.

They should also push state authorities to meet the same standard of transparency, especially when state development facilitation programs override council planning approval processes.

### **What local governments can do to lead the conversation**

- Establish a 'Home Seekers Panel' – a standing group of renters, young people, First Peoples, and aspiring homeowners to advise on housing and planning policy. By actively engaging younger residents, renters, and aspiring homeowners in the narrative, their voices can rebalance community conversations often dominated by established homeowners
- Engage with existing residents about what they value and want to retain. Frame community engagement around the question: 'What do we value about our neighbourhood that we want to retain and amplify? What do we need to make it work for all life stages?', not 'How many storeys should new buildings be?'
- Develop a sustained, proactive communications strategy on housing and neighbourhood change – not reactive to individual development applications. Use the language of place enhancement, not crisis. Frame density as making a neighbourhood more liveable, not sacrificing it for an abstract national or state government policy goal, for example avoid "we need to accept density in our neighbourhood to solve the housing crisis".
- Access up to date data and research to help inform local communities and local leaders on the changes happening in their communities [RMIT Centre for urban research](#) and [Australian Urban Observatory city scorecards](#)
- Showcase good design and commission and promote local examples of well-designed completed projects within or near the municipality that residents can visit and experience to help shift their attitudes towards urban change.
- Run community engagement at times and in formats that reach working renters and young families, not only those who can attend weekday meetings. In engagement processes, distinguish between 'place protective' opposition (which often signals genuine attachment and identity) and misinformation or bad-faith resistance.

# 5. Local government as city shapers

**As state governments in Victoria and NSW increasingly override local planning controls through activity centre programs, transport-oriented development zones and blanket upzoning, and development facilitation programs, a legitimate question arises: what role remains for local leadership in housing policy?**

The answer is that local governments have a vital role to play – but it requires a fundamental shift in how councils understand that role. By leveraging the upside benefits, density reform is a genuine opportunity for councils to strategically expand their relevance – or risk losing it.

One of the key findings from the international interviews conducted for this report is the extent to which successful housing density outcomes are shaped not by regulation and planning policy alone, but by the longevity and consistency of political commitment to a vision. Therefore, density success is a leadership and governance proposition.

In the Australian context, where council terms are short and housing debates intensely local, this kind of consistency is difficult, but not impossible.

The key mechanism, observed in Vienna, Stockholm and Amsterdam, is the use of data-driven, community-informed long-term strategies that

provide political ‘air cover’ for individual councillors, which have enabled successive councils to steward housing growth and change over a long term.

This mechanism of political cover provides a durable trajectory for elected representatives and the tough decisions they are often required to make and provides certainty for potential housing developers and future communities.



**Seestadt Aspern, Vienna, Austria**

Photography by Kat Panjari

Local governments that have a well-articulated long-term vision and a compelling evidence base have a stronger negotiating position with the state government and developers, to attract the right kinds of developer investment, and make the case to their communities for the changes that are coming.

This approach to city shaping does require local governments to embed an internal perspective shift from being a statutory authority to a strategic authority on what is fundamental for successful growth and change in their specific communities. Leading with a city shaping focus provides a genuine chance for councils to reclaim strategic relevance at a moment when state governments are otherwise stripping councils of planning power.

Councils can work towards this paradigm shift by building an internal capability in strategic foresight and scenario planning. This approach considers the wider forces of change impacting on the future of local communities or regions, to better understand the needs of the community and the housing typologies and public infrastructure requirements that will be required to meet their needs.

It takes a horizon view to the demographic shifts shaping the future household population profile that may require more single home dwellings or multigenerational homes; or the technological and industrial forces shaping the economic development opportunities and future jobs that may require key worker housing to be located nearby.



**9 Wilson Ave Brunswick Development, Brunswick, Victoria.** (Photography by Michael Pham)

This multi-storey development in Brunswick, Victoria demonstrates how the council and developer reimagined a site that was formerly a collection of warehouses, dirt car parks and car-dominated infrastructure, near a train station and busy main street with tram line. The new build introduces housing, workplaces and hospitality, utilising a wide street, which meant it could evolve into a generous, tree-lined street that prioritises people over cars. [Design by MA+Co and Neometro]

As one elected representative from Stockholm City Council interviewed stated,

***“Systems thinking and investments into research to build an evidence base is now driving sustainable development. Understanding geopolitical forces and world economic forces will continue to shape how we live”.***

Local governments that develop long-term city-shaping plans position them to take an active role in defining what kind of places they want and need their neighbourhoods to become and then use every tool at their disposal to make it happen before development pressure arrives, not in a ‘catch up’ response to it.

Councils can also future proof the liveability of growing communities by leveraging council owned land and underutilised council assets for future housing.

While there are very real financial constraints currently compelling Australian local governments to consider selling or divesting council owned land or assets – this short-term lens runs counter to the lessons learnt from the European cities who have successfully shaped the diverse housing models, and the quality of urban change in their communities.

Vienna City Council provides an exemplar of a municipal government with a long term lens of retaining and continuing to invest in strategic development sites with a view to enable long-term public land leasing through build to rent models, with regulated development rights, and planning frameworks that embed affordability obligations within land allocation processes.



**Seestadt Aspern, Vienna, Austria**

Photography by Kat Panjari

While the Australian housing development and construction sector is also facing financial constraints and build to rent models are still relatively new in the Australian housing system, councils who retain their land or strategically acquire land now will be well placed in the future to leverage those sites for housing when feasible, or when the build to rent housing market matures.

Such approaches would also build capacity to respond to caring for Country and Treaty obligations.

Yet again it is incumbent on city leaders, particularly elected representatives facing short term political pressure to hold the city shaping perspective and to see themselves as long term stewards of place.

***“You need forward-thinking politicians and especially Mayors. They set the agenda.”***

***Elected official, Stockholm***

### **What local governments can do to be city shapers**

- Position the council as a city-shaper by developing a 20–30-year municipal housing vision through deep community engagement. Seek commitment to it at each successive council election, not to prevent change, but to establish a durable trajectory providing certainty for the development sector and the community about the urban changes coming.
- Use evidence, data, and structured community engagement to develop the long-term municipal housing vision that specifies housing typologies, priority development areas for density and design quality expectations.
- Build the vision around positive community aspirations (walkability, green space, local services, age-in-place) rather than framing it primarily in terms of building heights, housing numbers or targets.
- Adopt measurable liveability standards in local planning overlays that align with Caring for Country aspirations.
- Invest in building internal strategic foresight and scenario planning capability for elected representatives and council officers to better enable a horizon view of growth and change.
- Where councils do own well located land or underutilised assets, explore community land trusts, build-to-rent models, and partnerships with community housing organisations including Indigenous community organisations as alternatives to the standard private development model.

# 6. Design matters

The Australian Institute of Architects (AIA) report, *Density Done Well*, Design Led Housing Solutions Policy Paper (AIA 2024) [AIA Density Done Well Design Led Housing Solutions](#) highlights that “...ad-hoc and inappropriate development, built in inappropriate settings is contributing to dissatisfaction with urban living. A design-led approach would instead focus on developing communities, not simply housing units”, calling for a focus on improvements to public space and the precinct benefits brought about by well-designed increased density.

Many cities around the world are increasing housing supply in established suburbs by developing a “missing middle” strategy. The appeal of this

approach to densification is often described in “done well” terms, missing middle homes offer the perception of gentle density by strategically siting smaller-footprint buildings that correspond with the scale of many single-family homes, allowing residential density to increase without appearing aggressively dense ([Tomasso 2025](#)).

The narrative of the ‘missing middle’ is particularly powerful in the Australian context because it shifts the conversation away from density, a concept many Australians still associate with high-rise towers, toward building form (townhouses, low-rise apartments, midrise) that many Australians will find appealing, well located, lower maintenance, high-quality homes.



**Project Shand Road, Reservoir, Victoria**

Design and image by Ys Housing ([Link to image source](#))

In an Australian setting, the Australian Capital Territory (ACT) Government adopted missing middle housing reforms in July 2026 to enable 30,000 new homes to be mostly delivered through human scale infill development in established suburbs rather than greenfield expansion.

The Canberra missing middle strategy permits townhouses, terraces, multi-occupancy dwellings and low-rise

apartments up to three storeys to be developed in established residential areas in the territory, with the explicit intent to help a variety of Canberrans at different stages of life to find appropriate housing, including first home buyers to get their first step into the housing market, and older residents looking to age in place by downsizing to smaller home in their existing community.



**Preston Crossing Townhouses, Preston, Victoria**

Photography by Henry Lam. Design by Hayball ([Link to image source](#))

The changes are supported by a new ACT Missing Middle Housing Design Guide and importantly, specific requirements to consider the local character and amenity of Canberra's established suburbs, to ensure place-specific approaches to development and densification, aligning with the existing and desired future character of each district.

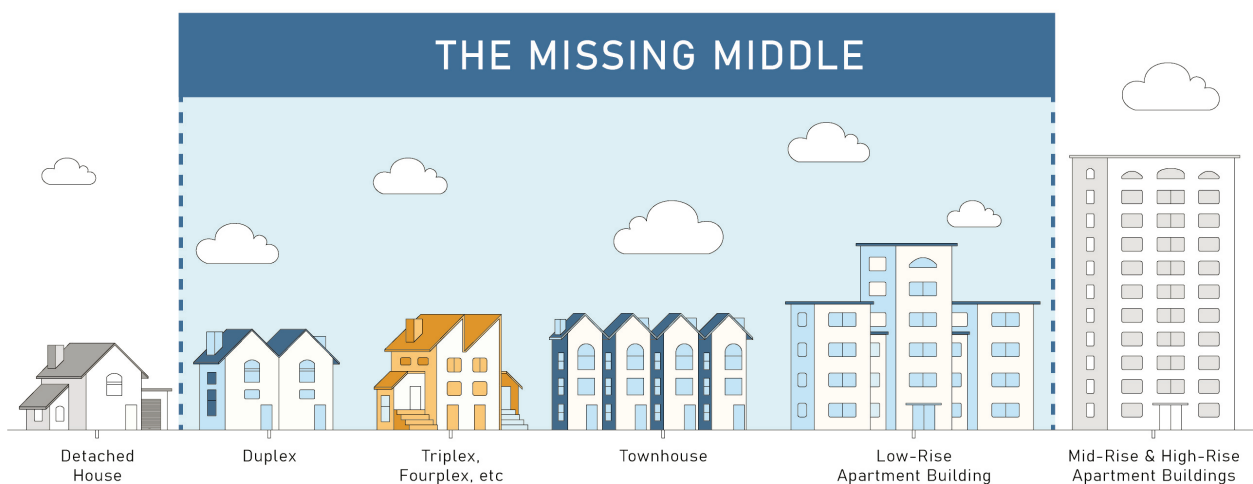
Densification done well should be integral to the evolution of our suburbs, based on good design to deliver well designed homes for residents as well as a positive contribution of the wider community. Densification can make existing well-located places better and can revitalise and reimagine poorly designed existing suburbs with upgraded amenity.

## The Missing Middle Design Housing Design Guide

The Missing Middle Design Housing Design Guide is an important local example of a city shaping tool for building community trust and confidence in the urban change reform process.

Guides such as this provide important design guard rails and can give stakeholders the confidence to fully participate in the planning and development process by providing greater clarity, flexibility and consistency for the community, approval authorities and industry and to help residents and developers interpret statutory policy.

It also guides proponents and statutory officers (including development assessment staff, courts and tribunals) within an outcomes-based planning system paradigm.



**Vancouver City Council** (Vancouver Missing Middle Initiative)



### **Ettaro Development East Brunswick, Victoria**

The redevelopment of an existing factory site into a midrise development met the council's objective to create a connection between two previously disconnected active transport cycleways, demonstrating that councils can leverage public benefit such as improved local infrastructure through densification if they have the strategic precinct level planning in place and the right council officers to negotiate the urban realm outcomes

It is important to note that designing for density done well also recognizes that not all density is equal. A development that seeks only site yield, will increase overall floor area, and population, but does not necessarily provide additional benefits for residents and the city collectively such as improving street safety through activated streets, increasing tree canopy and green spaces, improving pedestrian pathways or connecting cycleways ([Newton et al 2017](#)).

Councils can build community support for well-designed density by setting clear design guardrails and quality expectations for denser housing developments. These standards should ensure new developments connect to their place and community, add value to the existing neighbourhood, and offer residents a high level of shared amenity and convenience. This design facilitation approach helps stitch together the fabric of evolving communities and leads positive change at a neighbourhood scale.

Embedding holistic planning and design that results from a deeper understanding of Country, place and belonging benefits everyone. First Peoples are the first planners (Matunga 2013).

The invitation is to shift towards Country centred design [A Country centred approach to civic biodiversity](#) that enables better outcomes for everyone. Several new initiatives are underway that can offer guidance and inspiration to local leaders such as the Yulendj Weelam Lab at RMIT Yulendj Weelam Lab and the Indigenous Institute for Designing with Country at University Technology Sydney [Indigenous Institute for designing with country](#).

## What Local Governments can do to guide good design

- Build multidisciplinary in-house design capability in precinct planning and development negotiation and invest in the council officers who can sit at the table with commercial developers to negotiate better housing design and better neighbourhood amenity outcomes.
- Work with design professionals to establish council led design guard rails with design expectations that denser housing models will enhance local neighbourhood character and amenity or seek to improve areas with existing poor amenity.
- Prioritise Country-centred design and planning approaches by working with First Nations practitioners.
- Establish council design development awards to showcase the local 'density done well' projects that meet council and community expectations and to build confidence and trust in good local outcomes.
- Prioritise a Country-centred approach to green infrastructure planning that appropriately engages and respects First Peoples' knowledge, values and rights: flood plain management, biodiversity corridors including flight paths for birds and native bee highways, tree canopy targets, and water-sensitive urban design all benefit from this knowledge.
- Identify specific sites where private public realm investment can improve the amenity of developments and make local places work better. Plan council works to align investment in streetscape upgrades, or utilise adjoining council owned parcels of land or local road closures for corridors of green open space or improved pedestrian and cycleways.



**Northcote Townhouses, Northcote, Victoria**

Photography by Tom Ross. Design: Birthisel Wittingslow Architects, Studio Esteta, Carr



**Nightingale Ballarat, Victoria**

Design: Breathe Architecture ([Link to image source](#))

# 7. Advocating for community benefit

**Infrastructure to support housing growth and change is essential to creating the communities where people will want to live. A common feature identified in the European cities that are successfully navigating urban change, is the timely provision of public infrastructure, funded through the city, state or national government or through private development corporations, that has supported and enabled densification that attends to the wider conditions and impacts in their communities.**

The field visits to existing precincts in Vienna undergoing infill densification demonstrated that staged implementation ensured services including community meeting spaces, schools and public transport were in place before residents arrived.

A Vienna city council leader highlighted that this well-established approach required a long period of “intensive conversations with the neighbours (existing residents)” to understand what community services and infrastructure they needed to accommodate the change about to occur in their communities. It also required the city council to engage in evidence-based negotiation with the development corporation to jointly plan the schools and the upgrades to the public transport system that were funded in a public-private partnership (PPP) funding arrangement between the developer, the city council and regional government.

Interviews with city leaders in Copenhagen explored the distinctive Danish role of philanthropic foundations

and public-private entities in providing social infrastructure to support liveability. While high-profile cultural assets appear philanthropically funded by Danish company or family trusts, the city council often co-funds projects, covers long-term operating costs and essentially pays for core infrastructure. While foundations are not substitutes for government, they were seen to catalyse infrastructure development and provided the “extra layer” that enhanced quality and ambition, rather than enabling public infrastructure projects outright.

Stockholm’s model of unified metropolitan governance had coordinated long term infrastructure plans in place involving land use planning, water, transport and energy authorities was successful in reducing duplication and fragmentation in infrastructure delivery between the city council, utility authorities and other levels of government.

In a period of significant financial constraint across all levels of government, these models offer insights into how Australian local governments can advocate for joined up infrastructure planning, and alternative funding and delivery models rather than the ‘one off’ project funding or competitive grant programs, currently being provided by state and federal governments.

The current model of developer contributions, value capture as a one-off payment at project approval, has proven inadequate to ensure that densification creates good places, not simply more dwellings.

Unfortunately, there are many examples where developers have ‘mined the amenity’ of well-located neighbourhoods, capturing the value of proximity to transport, parks, and services, while contributing minimally to the public realm that makes those neighbourhoods desirable in the first place. Current developer contribution models largely set by state governments require significant reform to ensure the current gap in infrastructure funding is not left to Australian local governments to fill.

Local governments have long advocated for the services and infrastructure their communities need. That role remains essential today, as all levels of government in Australia grapple with a growing gap in housing and community infrastructure. It is imperative that state governments actively partner with councils to plan for, fund and deliver the wider community legacy benefits that density done well can bring to communities.



**St Andrews Bendigo, Victoria**

Design by MGS ([Link to image source](#))

### **What Local Governments can do to advocate for change**

- Advocate to the Commonwealth and State governments for joined up, planned, and ongoing infrastructure investment to support housing growth, not one-off project funding rounds or competitive grant programs.
- Advocate to state governments for stronger and more flexible developer contribution mechanisms that can fund green space, community infrastructure, and social housing.
- Advocate to State governments, particularly those taking over planning approvals through development facilitation pathways – to mandate density done well criteria to ensure green space requirements, parking / traffic requirements, urban realm and amenity and housing typology and affordability mix is baked into planning approvals.

# 8. The cultural shift: From ownership to stewardship

**Ultimately, building community support for density requires a cultural shift in how we understand the relationship between housing, neighbourhood, and community.**

The dominant cultural frame, the quarter-acre block as the Australian dream, property as the primary vehicle for wealth accumulation, the suburb as a definer of social identity or status is not simply a planning problem. It is a deeply embedded set of values about the notion of what a home is, that shapes how people respond to urban change in their neighbourhoods. Learning from First Peoples' knowledge systems shows that when land is understood only as a resource this limits the way we think about home and belonging ([Cooke & Porter 2025](#)). A Country-centred approach shifts away from land as a resource for extraction toward a collective responsibility to place. Healthy Country means health for all.

The case studies of some of the European cities that have successfully navigated this cultural shift share two common features: a social consensus that housing is a right, not primarily a commodity, and that cities exist for all their residents, present and future,

not just for those who currently own property within them.

The impending densification of our suburbs, towns and cities will change the urban fabric of our communities and challenge the “quarter acre dream.” But it also offers answers that the quarter acre dream no longer can. When density is done well, it can help address the challenges of affordable housing access, housing security, and a changing climate.

Stockholm, Vienna, and Amsterdam all have long histories of public and social housing investment that reflect this consensus. While this is not the current Australian situation, the immediate housing challenge does provide a context for a values shift to drive fairer and more sustainable urban change.

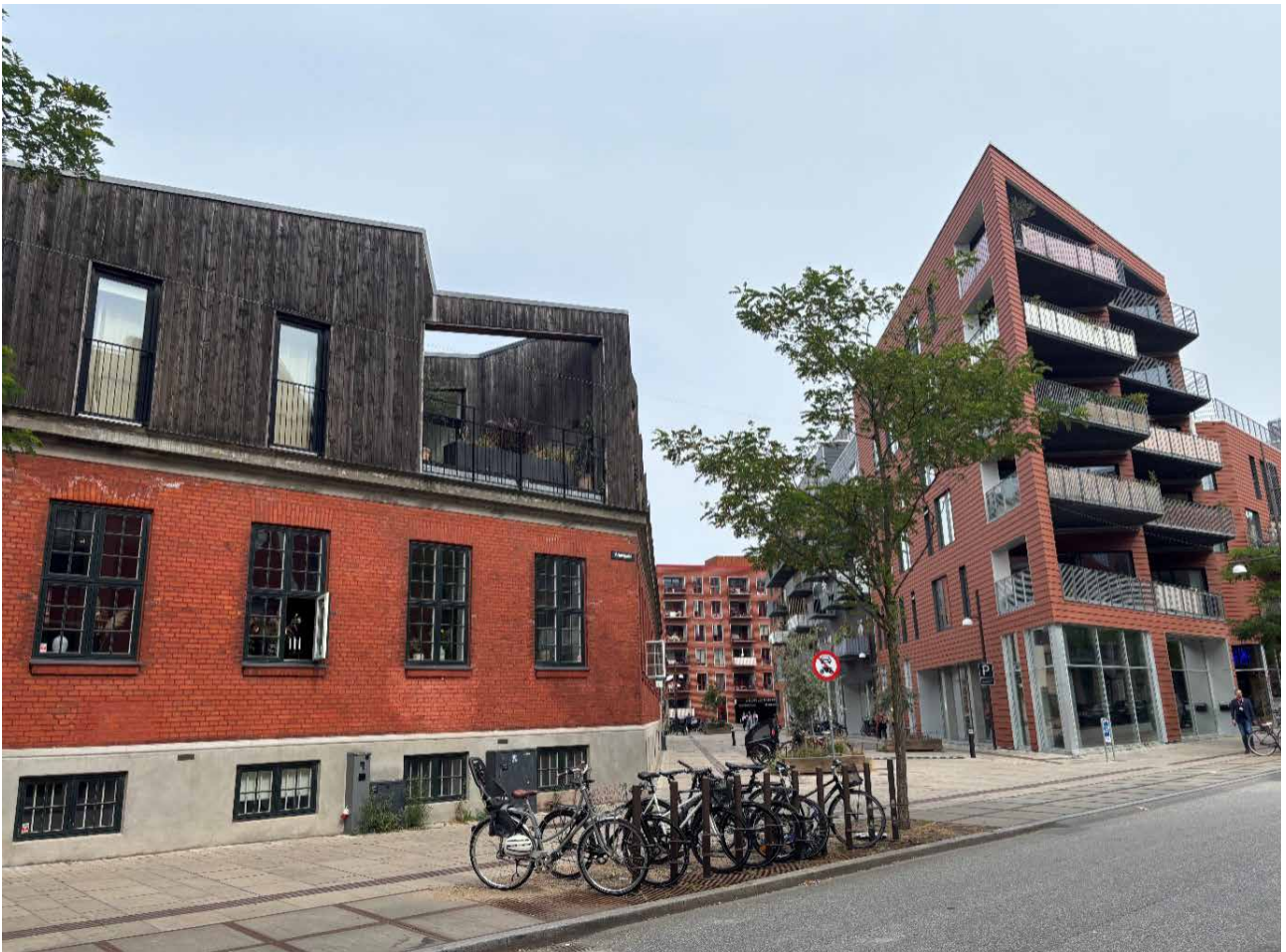
A key finding of the international field visits that have informed this report, is that the Australian local governments that position themselves ahead of this

shift, rather than defending the status quo, are better placed to shape the outcome of their neighbourhoods.

***“Our role as leaders is to take the community to where they don’t know they need to go”***

***Cr Damian Gallagher, Mayor,  
Murrindindi Shire***

This observation about playing a leadership role in guiding community change is not about waiting for permission. It is about guiding the discussions that some communities might not be ready to have, but if those discussions are framed honestly, grounded in evidence and data and genuine community engagement, and backed by demonstrated commitment to good housing design and quality neighbourhoods, council leaders may be able to take the community to where they need to go.



**Nordhavn, Copenhagen**

Photography by Kat Panjari

# Conclusion

International exemplars show that local governments can lead their communities through urban change, building support over time for well-designed density in already well-located, well-serviced neighbourhoods.

This report has shown that reframing density as a pathway to the neighbourhoods people want, rather than a threat to the ones they love, is within reach of Australian local government.

Achieving this depends on forward-thinking elected leadership, integrated governance between state and local government, strong enduring relationships with communities including First Peoples, and long-term strategic planning that outlasts any single election cycle.

It also depends on councils leading the conversation by engaging communities early and continuously, investing in the social and public infrastructure that makes higher-density neighbourhoods genuinely liveable, and holding developers and state agencies accountable for the outcomes they promise.

Good design is also central to this task. Density done well adds value to existing neighbourhoods rather than simply increasing yield.

Technical planning tools alone are not enough. The legitimacy of local government to act as a city shaper, not just a statutory authority, is fundamental to leading positive urban change. And in the Australian context, this leadership must be grounded in an obligation to Country, recognising that the places now being planned for density carry knowledge systems and custodianship that predate, and outlast, any planning framework.

**By demonstrating how councils can proactively guide density done well, this report offers a pathway beyond the limitations of the quarter-acre dream, toward a new vision of higher-amenity living in our streets, suburbs, towns and cities.**



**Preston Crossing Townhouses, Preston, Victoria**  
Photography by Alex Reinders. Architect: Archier

# References

- Aboriginal Housing Victoria 2020. *Mana-na woorn-tyeen maar-takoort: Every Aboriginal Person Has a Home - The Victorian Aboriginal Housing and Homelessness Framework* (VAHHF 2020)
- ACT Government 2026 *Missing Middle Housing Design Guide* [ACT Missing Middle Housing Design Guide](#)
- Australian Institute of Architects (AIA), *Density Done Well, Design Led Housing Solutions Policy Paper 2024*. [AIA Density Done Well Design Led Housing Solutions](#)
- Australian Institute of Family Studies (AIFS 2023) *Households Shrink as more people live alone* [AIFS 2023](#)
- Bauer, A., & Duschinger, S. (2024). *Exploring 'good practice' densification projects: the impact of green space and density on local acceptance*. *European Planning Studies*, 32(10), 2103–2123. [Bauer & Duschinger 2024](#)
- CEDA, 2025. *A Middle Path: How Gentle Density Can Help Solve Australia's Housing Crisis*. [CEDA 2025](#)
- Chandrabose et al 2025. *A novel method for tracking urban liveability over time: Case study from Melbourne, Australia (2016–2021)* [Chandrabose et al 2025](#)
- Cooke, B. & Porter, L. 2025. *What is Land?* [Cooke & Porter 2025](#)
- Crowe, A. and Rowley, S. (2024) *Measuring housing affordability: Scoping the real cost of housing*, AHURI Final Report No. 427, Australian Housing and Urban Research Institute Limited [AHURI 2024](#)
- Davidson, E. et al, 2024. *Voicing First Nations Country, culture and community in urban policy* [Davidson et al 2024](#)
- Easthope, H. et al 2020 *Improving outcomes for apartment residents and neighbourhoods*, AHURI Final Report No. 329, Australian Housing and Urban Research Institute Limited, Melbourne, [AHURI 2020](#)
- Farmer, J. et al, 2025. *Local Place-Based Social Connection in Urban Fringe Areas: Learning from Resident Experiences* [Farmer et al 2025](#)
- Giles Corti, B. et al 2024. *Spatial and socioeconomic inequities in liveability in Australia's 21 largest cities: Does city size matter?* [Giles-Corti et al 2024](#)
- Heart Foundation, *Designing for Density*, 2025. [Heart Foundation 2025](#)
- Infrastructure Victoria, *Community Engagement Findings to Support Victoria's Infrastructure Strategy 2021–2051*, 2020. [Infrastructure Victoria 2020](#)
- International interviews: elected officials and city planners from Stockholm, Amsterdam, Copenhagen, Oslo and Vienna (primary research, this project).
- Lawson, J. with Anisimov, O. (2026). *Making a difference: Land policies and housing in the field*, Equal House fieldwork report [Lawson & Anisimov 2026](#)
- Lowe, M. et al, 2015. *Planning Healthy, Liveable and Sustainable Cities: How Can Indicators Inform Policy?* [Lowe et al 2015](#)

- Matunga, H. (2013) 'Theorising Indigenous Planning' in Walker, R., Jojola, T. And Natcher, D. (Eds) *Reclaiming Indigenous Planning*, Quebec: McGill-Queens University Press
- National Housing Supply and Affordability Council, State of the Housing System, 2026 [NHSAC 2026](#)
- Newton, P. et al., 2017. Greening the Greyfields: New Models for Regenerating the Middle Suburbs of Low-Density Cities. [Newton et al 2017](#)
- NSW Productivity Commission (2024). What We Gain by Building More Homes in the Right Places. Sydney: NSW Government. [NSW Productivity Commission 2024](#)
- OECD Survey on Drivers of Trust in Public Institutions – 2024 Results: Building Trust in a Complex Policy Environment, OECD Publishing, Paris, [OECD 2024](#).
- Victorian Government 2025 [Plan for Victoria](#)
- Porter, L. 2018. From an urban country to urban Country: confronting the cult of denial in Australian cities [Porter 2018](#)
- Porter, L. et al 2020. The politics of greening uncaded lands in the settler city [Porter et al 2020](#)
- SGS Economics and Planning Shaping regional and rural Victoria: A discussion paper for the Municipal Association of Victoria 2023 [SGS 2023](#)
- Tomasso, A. 2025. Surveying Missing Middle Housing—Trends in the United States and Massachusetts [Tomasso 2025](#)
- Victorian Government 2025 [Plan for Victoria](#)
- Victoria's Treaty Framework (First Peoples' Assembly of Victoria) [www.firstpeoplesrelations.vic.gov.au/treaty](http://www.firstpeoplesrelations.vic.gov.au/treaty)
- Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation 2025 [Wurundjeri Woi-wurrung Whole of Country Plan 2025-2035](#)
- Yoorrook Justice Commission, Interim Report, 2023. [Yoorrook reports and recommendations](#)

**mav.asn.au**

Municipal Association of Victoria  
Level 5, 1 Nicholson Street, East Melbourne VIC 3002  
PO Box 24131, 15 Southern Cross Lane, Melbourne VIC 3000  
Telephone: 03 9667 5555 Email: [inquiries@mav.asn.au](mailto:inquiries@mav.asn.au)  
[www.mav.asn.au](http://www.mav.asn.au)