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29 August 2025

Subject: Progress of the Sydney Housing Supply Forecast 2025

Dear Ms Towers

Thank you for attending the Department of Planning and Infrastructure's (Department) briefing on 10 July 2025 regarding the 2025 Sydney Housing Supply Forecast and for considering the supplementary materials provided. I am writing to provide an update on the housing forecast's progress since our meeting.

Following the July briefing, the forecast was formally endorsed by the Common Planning Assumptions Group (CPAG) on 22 August 2025 and is now progressing toward publication. The 2025 housing forecast has been informed by planned infrastructure capacity, expected timeframes for dwelling completions and economic trends.

The 2025 Sydney Housing Supply Forecast outlines net dwelling completions across 33 LGAs in Greater Sydney. As per the housing forecast, 161,687 dwellings are expected to be completed in Greater Sydney by June 2029. This represents an increase of 23,156 net dwellings, compared to the 2023 housing forecast.

A new housing forecast is also being finalised for the 10 local government areas outside of the Greater Sydney region, which includes the Sydney Water catchment area in the Illawarra Shoalhaven.

The 2025 Sydney Housing Supply Forecast is based on historical information from the planning system, as well as residential development applications which are already lodged and under assessment within the system. As a retrospective forecast, it is not able to fully contemplate the increasing quantity of lodgements which are being received and expected to continue into the future as a result of planning control changes across Greater Sydney in recent years.

You would be aware that the NSW Government has implemented a number of reforms over the past two years to drive housing supply in order to reach the ambitious targets under the National Housing

Accord, which target the delivery of 263,000 new homes in Greater Sydney by June 2029. These reforms include the Transport Oriented Development Program, the Low and Mid-Rise Housing Policy, the Infill Affordable Housing Bonus, the Housing Delivery Authority, and a strong pipeline of state-led rezonings.

As a result of these reforms and other actions the NSW Government has taken, there was a 26 per cent increase in the development applications lodged within the 2024-25 financial year, to the previous financial year. The majority of these development applications are being lodged as State Significant Development to be assessed by the Department.

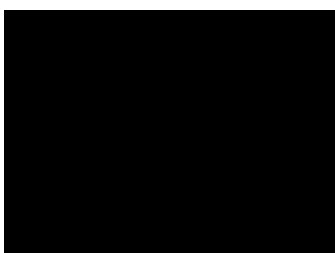
As the forecast represents the probable baseline level of residential development within Greater Sydney by June 2029 and given the NSW Government's commitment to reaching the targets under the National Housing Accord, the Department anticipates that the number of new homes delivered within Greater Sydney to June 2029 will be higher than the forecast.

I trust that the information provided in the 2025 Sydney Housing Supply Forecast, and this additional detail on the NSW Government's reforms to drive increased housing supply in Greater Sydney, support the work which IPART is undertaking.

I would appreciate your consideration of both the 2025 Sydney Housing Supply Forecast and the NSW Government's commitment to meeting the National Housing Accord targets when you prepare your response to Sydney Water's submission.

For any questions, please contact Hanna Shalbaf, Executive Director Governance and Insights, at [REDACTED]

Yours sincerely

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Kiersten Fishburn
Secretary