



SHELLHARBOUR'S COMMITMENT TO DELIVERING DIVERSE HOUSING OPTIONS

Shellharbour City Council's Tiny Homes Pilot Program is now legislated, creating a new pathway for eligible mobile tiny homes to be used as rental accommodation in the Shellharbour local government area.

This two-year trial was developed as a response to growing housing affordability and rental supply challenges, and focuses on mobile tiny homes are built on wheels that can be a registrable vehicle under the Road Transport Act 2013.

First proposed in 2025, the pilot progressed through the NSW planning process, including public exhibition and community feedback, before Council adopted the planning changes and Local Approvals Policy required to implement the trial in June 2026. The legal changes to the Shellharbour Local Environmental Plan 2013 have now been finalised by the NSW Department of Planning, Housing and Infrastructure

Traditionally, a mobile tiny home used as rental accommodation

would require a development application (DA). Under the pilot, certain mobile tiny homes can be installed and used as rental accommodation without requiring a DA, provided they meet specific eligibility criteria and receive the necessary approvals under Council's Local Approvals Policy.

Council has identified two primary objectives for the pilot:

1. Increase housing diversity and affordability by providing a more flexible, lower-cost housing option for renters.
2. Test the real-world impacts of mobile tiny homes before making any permanent planning changes.

The pilot is notable because it explores a new planning approach to increase housing supply more quickly and at lower cost than traditional housing developments. It is intended to provide an additional housing option for people experiencing affordability pressures while maintaining appropriate planning and safety safeguards.

RENTAL VACANCY

0.76% **1.17%**

overall rental vacancy
rate for Shellharbour

overall rental vacancy
rate for Regional NSW

0.56% = Houses (compared to 1.24% for Regional NSW)

1.15% = Units (compared to 1.05% for Regional NSW)

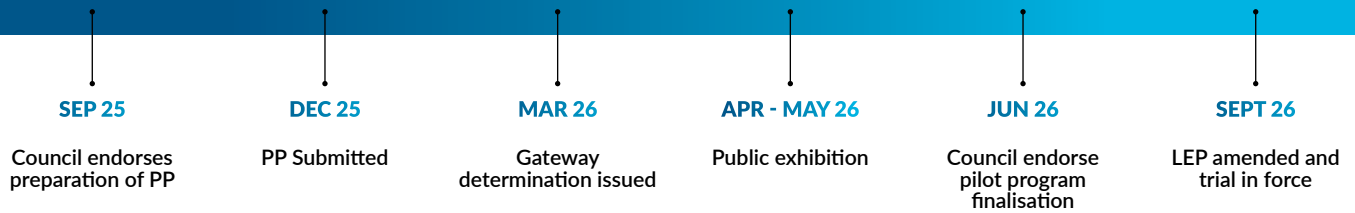
HOUSING AFFORDABILITY

32.7%

of rental listings were affordable to moderate income households (Jan-Dec 2025), compared to 36.6% in the previous year (Jan-Dec 2024)

Affordability threshold for Moderate income household is **\$613 per week**. Median rent is **\$720 per week** for a house (+\$107) or **\$600 per week** for a unit.

TINY HOME TIMELINE



FAQs

What does the Pilot Program do?

Prior to the Pilot Program using a mobile tiny home could require two approvals. The Pilot Program reduces complexity for using a mobile tiny home for a 2-year trial period through two policy changes:

- Introduces a Local Approvals Policy which will specify development criteria for installation of a mobile tiny home through a section 68 approval through the Local Government Act 1993.
- Inclusion of a Local Clause Schedule 2 in the Shellharbour LEP 2013 to allow mobile tiny homes to be exempt from requiring DA approval for use as a secondary dwelling.

How does the LEP Amendment deliver the Pilot Program?

The LEP amendment provides the statutory power for the Pilot Program to be delivered. It specifies that moveable dwellings (other than manufactured homes) which are a registrable vehicle on wheels are eligible to be used as a secondary dwelling as exempt development. This wording is intentional to avoid larger types of homes which are higher risk and warrant a DA assessment.

The LEP amendment specifies a set of development criteria relating to land constraints, setbacks, utility connections, tree protections, and installation requirements. The LEP amendment acts as a checklist to ensure that only low-impact tiny homes are eligible for the program. These same development criteria are replicated in the Local Approvals Policy for consistency.

What will happen if the trial does not continue?

Landowners may utilise their tiny home in accordance with certain scenarios specified in Section 77 of the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2021 which do not require approval from Council.

Should an applicant wish to continue leasing their mobile tiny home for rental accommodation to a member of the public, a development application will be required.

Applicants will have a 90-day grace period upon expiry of the trial for lodging for the required approvals for ongoing use of the mobile tiny home as rental accommodation, or ceasing use as a secondary dwelling.

Shellharbour City Council will monitor the outcomes of the pilot program, and consider whether to continue, change or cease the trial program within 18 months of commencement.

How does someone participate in the Pilot Program?

Applicants must lodge for a section 68 application for installation of a mobile tiny home on their land. The application will be required to comply with criteria specified in the Local Approvals Policy; this will be formulated into a self-assessed checklist which applicants must complete.

Successful section 68 applications will receive approval, and will be registered on Council's system, allowing for the trial to be monitored and evaluated.

What types of tiny home/moveable dwelling does the Pilot Program apply to?

A campervan or caravan that is capable of being registered as a motor vehicle or trailer. To be eligible, the 'mobile tiny home' must not exceed the following dimensions:

- If registered as a motor vehicle, must not exceed a length of 12.5m, a width of 2.5m, and a height of 4.3m.
- If registered as a trailer, must not exceed a length of 12.3m, a width of 2.5m, and a height of 4.3m.

The mobile tiny home must also meet certain design and safety standards, such as featuring a smoke alarm, being structurally adequate, and providing areas for sleeping, kitchen, living, bathroom and laundry.

This selection is considered to balance low-risk, small tiny home options which are less permanent, whilst still providing a feasible housing option.

Which land will be eligible for the pilot program?

Residential zoned land within a Torrens allotment, and contains one existing dwelling house.

The land must not be affected by flood, heritage, environmental or contamination constraints. Land that is not mapped as bushfire prone land may be eligible, provided the building footprint and access road is not bushfire prone.

The land must be capable of siting a mobile tiny home with minimal impact to the street and neighbourhood, through setback, separation, utility, and other design requirements.

Will local contributions be payable on the mobile tiny homes?

The Local Approvals Policy specifies that section 7.11 contributions will not be payable on mobile tiny homes during the 2-year trial period. This is because the trial would only permit mobile tiny homes for a 2-year period; there will not be a permanent pressure on infrastructure. Additionally, Section 7.11 contributions are unable to be levied without a DA or CDC.

What works and uses are not eligible for the pilot program?

- Installation of a Mobile Tiny Home for farm-stay accommodation or agri-tourism,
- Installation of manufactured homes or relocatable homes,
- Erection of a Mobile Tiny Home on the site (rather than installation), and
- Installation of a Mobile Tiny Home to be used for short-term rental accommodation.

Separate development approval pathways are available for these works, which are not considered appropriate for the scope and objectives of the pilot program.

Public Notice

Shellharbour Local Environmental Plan 2013