

# 10 THINGS YOU NEED TO KNOW ABOUT LAND SUBDIVISION

## 1. HOW DO I KNOW IF I CAN SUBDIVIDE?

Generally speaking your site must meet the minimum land size requirements. For example, a property that is 800m<sup>2</sup> will meet the minimum lot size of 400m<sup>2</sup>, which means you can subdivide into two lots of 400m<sup>2</sup>. The minimum lot size will vary between different Council areas and can also vary depending on the zone of the land.

## 2. WHY YOU MUST BE CAREFUL WITH LAND THAT SLOPES TO THE REAR

It's important to know that where a site slopes to the rear it can be difficult to subdivide. These sites require careful examination at the preliminary investigation stage before you buy. If you already own your site, it's a matter of checking if there is a solution before you begin. Sites that slope to the rear also have to direct stormwater to the rear, which means piping this through your neighbour's land to the street. To do this you will need your neighbour's written consent.

## 3. THEY DID IT DOWN THE STREET

Be careful making the assumption that because somebody else subdivided a similar or even the same sized property in your street, that this means you will also be able to subdivide. Each property can be different and where one property can be subdivided another may not be suitable for subdivision. Knowing what to look for is one of the skills of subdivision development.

## 4. HIDDEN ISSUES THAT COULD COST YOU

Even if your land meets the minimum size requirements and slopes to the street, this does not mean that you can automatically subdivide. In some cases there are hidden issues. These include pipes running through your land, overland flow paths, trees, power poles and many others. Knowing how to identify and understand these is essential to subdividing land.

## 5. THERE ARE 2 TYPES OF COUNCIL APPROVALS

For subdivisions, there are two types of applications, these being fast tracked applications and conventional applications. Some South-East Queensland Councils offer a fast track service called RiskSMART. If your subdivision meets specific criteria you can fast track it using RiskSMART. This means an approval can be achieved within around 2 weeks of lodging with Council. By comparison, a conventional development application can take anywhere from 2 to 4 months to process through Council. If you are developing for profit the faster you can achieve an approval the better your bottom line.

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## 6. COST

Almost everybody who undertakes a subdivision for the first time is surprised at the true costs involved. It's vital to understand all the costs that apply to your subdivision project before you begin. This can make a difference between a profitable project or a failure. Costs include council application fees, consultants, civil engineers and construction costs. One of the largest costs are Council infrastructure charges. These are charged on a per lot basis and are payable before your new titles are created. Knowing what costs apply to your subdivision project can be tricky and you should talk with someone who knows what they're doing to help you understand these costs. As a guide, a reasonable estimate for a 2-lot subdivision in Brisbane, Queensland is \$85,000 to \$100,000.

## 7. THE 3 STAGES OF SUBDIVISION

All in subdivisions must go through 3 main stages. These are the preparation and approval stage, the construction stage and the plan sealing and titling stage. Within these stages you can break the process down further into sub-stages. Knowing the stages and understanding how they work will help you manage your subdivision.

## 8. TIME IS MONEY, BUT DO YOU KNOW WHY?

Subdivision projects almost always takes longer than expected. When you are dealing with local government, multiple consultants and civil contractors, there will always be slippage in your project plan. Make sure you understand the time involved and plan accordingly.

One of the hidden costs for developers is the cost of interest repayments. For each month that your project takes to complete you are paying interest. With a little bit of know-how, you can speed up the process and save time.

## 9. RESPONSIBILITY

Many people often overlook how important it is to take responsibility for their project. In fact, I think it's the No. 1 mistake new developers make. It's your project and you need to take responsibility for managing it. If you leave the job of managing your project to your consultants, things often get overlooked and take longer than needed. The key is knowing when to leave it to your consultant and when to take charge.

## 10. FOLLOW-UP

Whilst this may seem obvious, it's also very important. Following up each step of the process and following up the people in your team is important. Subdivisions require constant attention to keep the process moving. Your mantra should be to "follow-up, follow-up, follow-up."