

Subdivisions

Subdivisions refer to changing the boundaries of your land, whether you are splitting your property into smaller lots, realigning your existing boundaries or consolidating more than one parcel of land.

Our office is experienced in dealing with a wide range of subdivision matters.

What do I need to consider before subdividing my land?

The planning instruments relevant to your land may restrict if and how you can subdivide.

The planning zone and any overlays application to your property may dictate matters such as:

- Whether your land can be subdivided;
- How many lots you can divide your land into;
- The minimum size of each lot in your subdivision; and
- How the subdivided blocks can be used.

Who is involved in the process of subdividing my land?

You will need to consider seeking assistance from and involving the following parties to assist you in the subdivision process:

1. **Municipal council** - Before starting any subdivision work you will need to obtain a Planning Permit from your council.
2. **Licensed land surveyor** - A surveyor will assist you with preparing the required survey documents as well as assist you in obtaining necessary permits from council.
3. **Legal practitioner** - Once your surveyor has prepared all necessary documents, we can assist you in preparing the legal documents required to lodge at the Land Titles Office.

4. **Mortgagee** - If your property is subject to a mortgage, you will need to obtain your bank's consent regarding the subdivision before lodging an application at the Land Titles Office. We can assist you in this process.
5. **Civil engineers and other trades** - You will need to engage professional tradesmen to assist you in completing the works that council require to be completed.
6. **Service providers** - Depending on the requirements of your planning permit, you may need to liaise with certain authorities such as water/sewerage, electricity, gas and telecommunications and meet their requirements to provide these services to your subdivision.
7. **Owners corporation manager** - If your subdivision has common property, you may be required to set up an Owners Corporation and appoint a manager.

What is the subdivision process?

There are many steps in the subdividing process which can vary based on each particular circumstance. Broadly speaking this will include the following steps:

- Your surveyor will draw up plans of the proposed subdivision to be submitted to council for approval.
- If council is satisfied with your proposal and the applicable planning permit process is completed, council will issue you with a planning permit which outlines the works you are required to complete.
- You will need to engage necessary trades to complete all matters and works detailed in your planning permit.

- Once the conditions of your planning permit are satisfactorily completed, council will issue a Statement of Compliance.
- Your surveyor will send all relevant documents to your lawyer for lodgement at the Titles Office.
- We will prepare the necessary Land Titles Office documentation for lodgement.
- We will liaise with your mortgagee to obtain their consent to the subdivision and have them prepare the required Land Titles Office forms.
- Application for subdivision is then lodged and applicable fees paid.
- Land Titles Office will then assess your application. This step can take up to 4 weeks.
- If all is in order, new Titles will be issued by the Land Titles Office to your mortgagee.

How long does the subdivision process take?

The entire length of the process can vary greatly depending on each individual subdivision.

Each step of the process will depend on your circumstances and the requirements of your particular subdivision.

Once we are involved, the lodgement process can take anywhere between 2-10 weeks depending on your mortgagee and the processing times of the Land Titles Office at that point in time.

Taxation Considerations

Before deciding to proceed with a subdivision, you should consider the taxation implications to your situation.

Capital Gains Tax

Subdivisions will usually result in an increase of value to your property. Depending on your circumstances, this may trigger capital gains tax that will be payable by you.

GST

When you come to sell your subdivided land, you may be required to pay an amount for GST at settlement, regardless of whether you are GST registered. GST is payable by a vendor on the sale of a property which is classed as new residential property. This will include newly subdivided land.

We strongly suggest that you discuss your proposed subdivision with your accountant so that you are aware of all taxation implications.



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