



Prompt Legal Services Pty. Ltd.

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Subdivision

If you are subdividing land into multiple lots, we can assist in obtaining separate Certificates of Title to each lot.

Also, we can obtain the necessary Bank consent if there is an existing mortgage.

What do I need to consider before subdividing;

- **Zoning**
Does the zoning of the property allow subdivision? Usually a permit is required but there may be additional overlays that need to be adhered to.
- **Title**
Does the physical land accord with the land as stipulated on title? Are there any covenants or section 173 agreements preventing a subdivision? Are there any registered or unregistered easements?
- **Physical Features**
Is the land contaminated or filled? Does the Land have hard rock near the surface? Are there flooding or drainage issues?
- **Financials**
Will the Property be marketable at the appropriate price? Will the project be profitable after all costs and tax are taken into consideration? ; Or, the project may not be for financial profit where an analysis of this goal is to be considered.
- **Tax**
Tax implications in the following areas need to be taken into consideration;
 - Income Tax
 - Capital Gains Tax
 - Stamp Duty
 - Land Tax
 - GST
 - GAIC

The Process;

1. Approach a lawyer to determine if there are obvious barriers preventing a subdivision taking place. E.g. Flood zone, covenants, etc.
2. Approach a licenced Land surveyor in order to have the land surveyed, plans

drawn up and an application made to the council for a planning permit.

3. Once a Statement of Compliance is obtained, the matter is then handed to a lawyer in order to organise the subdivision to be registered at the Land Titles Office. Note and separate titles issued.

Note: This is usually done via an electronic system (SPEAR) where the land surveyor invites the lawyer to join.

When can I sell the subdivided lots?

Once the land surveyor has drawn up the subdivision plans, the property can be marketed and sold. This is known as an "off the plan sale". Ask us about preparing these contracts where special clauses need to be included and sunset dates are to be determined.

When Can I build?

In addition to subdividing, if you are also building, as a separate process to obtaining the planning permit, a building permit must be obtained. The building must comply with all the conditions outlined in the planning permit. Building can only commence after a building permit is obtained which itself relies on the planning permit.

Stamp duty and Land Tax implications

This can be a complex topic. Please make an appointment with us to discuss various stamp duty implications. The timing of the registration of the Plan of subdivision with Land Victoria is also to be planned here.

I have a mortgage over the property, do I need to involve them?

In Short, most definitely, their consent is required. We will write to your bank and seek consent on your behalf

Quote

eMail us in order to obtain a written quote.