PROPERTY DEVELOPMENT SYSTEM

Obtaining Titles

- CAUTION
  - At Completion: 100% of the construction loan is drawn down.
  - Time is of the essence
    - Interest is maximum
    - Interest Capitalisation Period is about to end.
    - Everyday will cost you money.
    - $1m @ 6% = $60k / Annumm or $165/Day
    - $5m @ 7% = $350K/Annum or $958.90 /Day
  - Settlements cannot take place without titles.
    - Plan of sub-division > Titles > Occupancy Permit (Building Surveyor/certifier) > Settlement
- Plan of Sub Division
  - **Plan of Sub-Division**
    - A plan of subdivision allows an applicant to divide land into two or more new parcels of land that can be disposed of separately. The only new parcels that can be created by a plan of subdivision are lots, roads, reserves or common property.
    - All new plans of subdivision lodged with Land Victoria are lodged under Section 22 of the Subdivision Act 1988.
    - As part of the subdivision process a plan may create restrictions, owners corporations and any easements (including implied easements under section 12(2) of the Subdivision Act 1988) necessary to make a development functional.
    - A plan of subdivision may also remove or vary restrictions and easements (created in an earlier plan of subdivision), with a planning permit under Section 23 of the Subdivision Act 1988.
  - 1. Preliminary Plan of Sub-Division
    - Land Surveyor
      - Council has 60 days to assess the application for Planning Permit approval. This time will not include the advertising of your proposal to the adjoining property owners (if required). Once Council has received consent to the issuing of a permit from the Servicing Authorities (water, sewer, gas, telephone, drainage) a report is written and a decision made on whether the permit will be granted.
      - The Planning Permit outlines specific conditions that must be met. These can include Servicing Authorities requirements (Yarra Valley Water, South East Water), such as construction of vehicle crossings, drainage works and contribution towards open space where applicable. The Planning Permit may also request the submission of amended plans.
    - Used in Disclosure Statment or Sec 32 (VIC)
  - 2. Lodge it with Council for certification
    - Yes- We are OK with it as long as Water and Sewer Authority is OK with it.
    - South East Water
      - Notice of Agreement
      - Yes we are happy with your proposed plan, show us the infrastructure in the ground.
      - Pay the fees
      - PIC Number
        - Plumbing Industry Commission Number
        - Plumbing Industry Commission Victoria administer the licensing and registration system for plumbers, and promote and enforce plumbing standards across Victoria.
  - 3. Certification: Surveyor - Lodges and Registers the plan. (Base Stage)
    - Final Survey - This is the final step in the subdivision process and is issued once all planning permit and referral authority requirements have been met. The Titles Office will give you a new Certificate of Title once you have a Statement of Compliance.
      - Confirms that the building was setout and constructed in accordance with the proposed plan of sub division approved earlier by the planning authority as part of the planning permit application.
      - Final Survey then becomes the sealed plan/certified plan, which is then incorporated in the registered plan for titles.
      - Building Format Plan (Apartments)
        - 1. the proposed number of the lot;
        - 2. the total area of the lot;
        - 3. identification of any parts of the lot proposed to be outside the building in which the lot is proposed to be located, including any proposed balcony, courtyard or carport;
        - 4. the floor level in the building in which the lot is proposed to be located;
        - 5. identification of other lots and common property proposed to be on the same floor level in the building in which the lot is proposed to be located;
        - 6. identification of the proposed orientation of the lot by reference to north.
      - QLD - Seal Smart (Brisbane City Council)
        - SealSMART is a process aimed at improving Plan Sealing times through enabling self-certification of applications by accredited consultants.
        - Under SealSMART, accredited consultants liaise with Council engineers to determine suitable applications and agree certification requirements for each condition. The accredited consultant then engages relevant professionals to certify that conditions have been complied with, providing evidence as required.
        - http://www.brisbane.qld.gov.au/planning-building/applying-post-approval/after-approval/plan-sealing
      - VIC - Spear
        - http://www.spear.land.vic.gov.au/spear/pages/about/what-is-spear/subdivisions-and-planning.shtml
        - SPEAR Application Lifecycle 3.4.pdf
      - Plan Sealing
        - Performed by local authority
        - Final Survey
        - Payment receipts for Sewer or water contributions if required.
    - The application for certification is a separate application which is usually submitted at the same time as the planning permit application. Your surveyor will prepare a set of plans which will be 'certified' and are the plans which get submitted to the titles office. All referral authorities need to consent to the plan being certified.
      - The Plan of Subdivision for Certification is referred to the Servicing Authorities who check whether easements are required for their services.
      - If Planning Permit conditions require works to be undertaken (eg. construction of roads, drainage and services), engineering plans may be required. In such cases, the Plan of Subdivision is not Certified until the Engineering plans have been approved.
      - Once the Servicing Authorities have consented to the Plan of Subdivision and Engineering plans have been approved (where and if required) the plan may be Certified. A Certified Plan is valid for five years, if the plan is not registered at the Titles Office within that time, the plan expires.
    - Statement of Compliance
      - A Statement of Compliance is the document required to conclude the subdivision process, allow registration of the subdivision at the Titles Office and the release of the new titles by the Titles Office.
      - A Statement of Compliance is not issued until all conditions of the Planning Permit have been met. Conditions of Planning Permit may include construction of drainage and vehicle crossings, and payment to all Servicing Authorities for water/sewerage/drainage/electricity supply.
      - Council will only issue a Statement of Compliance once it has received a letter from each Servicing Authority and a final inspection of the site has been carried out by a Council Officer.
      - When subdividing in an approved unit site development site, a final inspection of the completed units and landscaping is carried out by Council before a Statement of Compliance is issued.
  - 4. Solicitor
    - Contacts The Title Office
  - 5. So by the time you reach lockup stage, you already have the titles.
  - **How do I obtain titles without developing the land?**
    - In situations where a Planning Permit has been issued for a development on the land (ie. unit development) an application can be made to subdivide the land without commencing the development. When making such an application, a written statement must be submitted with the Planning Permit application to Council, outlining that the land is to be developed after the subdivision takes place.
    - Council may issue a Planning Permit for subdivision in such circumstances subject to a Permit Condition requiring the owner to enter into a Section 173 Agreement with the Council which requires that only the approved development will be built on the land once the separate titles have issued. This agreement is made under the Planning and Environment Act 1987 and will be registered on the title to the land to bind any future owners of the land to the agreement.
    - Consent to the issue of a Statement of Compliance from all Servicing Authorities is still required, even though there is no actual construction on the site. Drainage and driveway works may need to be bonded with the Council Engineer.
  - http://www.dtpli.vic.gov.au/property-and-land-titles/land-titles/plans-of-subdivision-and-consolidation#plans_subdivision_examples
  - Land Sub-Division
    - http://www.yourinvestmentpropertymag.com.au/property-development/land-subdivision-101-119091.aspx
- Occupancy Permit aka certificate of completion
  - Completion = Works completed as per the construction contract.
    - All Wet Areas are functional.
  - Building Surveyor is contacted for inspection.
    - Inspection must be booked in advance and coordinated with the building contractor.
    - Any discrepancies are corrected by the contractor.
    - Issues certificate of occupancy.
  - Compliance Inspections
    - Town Planning Conditions
    - Landscaping
    - Storm Water
    - Asset protection
  - Plan of sub-division > Titles > Occupancy Permit (Building Surveyor/certifier) > Settlement
- Settlement
  - Usually happens within 14-28 days of issuing titles.
  - Once titles are issued, your solicitor contacts buyers solicitor to book in a settlement.
  - Off the Plan Sales - Contact buyers upon plan sealing with an approximate settlement date.
- Handover Package
  - Owner Manuals & Warranties
    - PC Items
      - White Goods
    - Garage Doors
    - Solar and Hot Water System
    - Raneghood and Gas Appliances
  - Colour References
    - Tiles
      - Name of Supplier
      - Colour & Name Reference
    - Painter
      - Usually specified in Material and Finishes Schedule
      - Get Colour Names
    - Floor Boards
      - Name of Supplier
      - Colour & Name Reference
  - Keys
    - Windows
    - Doors
  - Remotes
    - Garage Doors
    - Air Conditioning Units
  - List of Sub-Contractors
    - Electrician
    - Plumber
  - Who to contact for corrections?
  - Certificate of Termite Management or Pest Control
  - Building Certifier - Stage Inspection Approvals
  - Waterproof Membrane
    - certificate for wet areas
  - Plumbing and drainage certificate
  - Glazing certificate
- Handover Inspection
  - http://handovers.com/