

# Thinking of Subdividing?

Things you need to know  
before you start

GUIDEBOOK

For Tasmanian  
landowners

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# Thinking of Subdividing?

If you own a large block of land, you may be sitting on an incredible financial opportunity. New planning changes in Tasmania mean many property owners are considering subdividing their land. Many homeowners are now discovering that subdividing their land can provide a significant boost to their financial security, help family members, or fund new life experiences.

But where do you start? And how do you ensure you're making the best decision for your future? In this guide, we'll walk you through the top reasons people choose to subdivide, what the process involves, and how you can avoid common mistakes people make.

## Why People Subdivide

### **Boost the retirement fund**

Have you worked hard for your home? Do you want to enjoy financial freedom, peace of mind, and the ability to live retirement the way you have always imagined? Travelling, spending time with grandchildren, or your hobbies? Subdividing and selling off land can really change the way you live day to day.

### **Clear the mortgage**

Imagine the relief of being debt-free? This is understandably a big reason. This choice provides financial security and less stress without the weight of repayments.

### **Downsize land size and stay in the community**

We have had many older community members who want to free themselves from the burden of maintenance while keeping the home in their community. More time, less stress, and a lifestyle that suits where they are in life right now.

### **Help their children and grandchildren by gifting them land**

We have had some landowners who just want to help their children. They can see how hard it is to enter the housing market and by subdividing land, and gifting land allows younger family members to enter the housing market sooner. It can also keep family close by as they grow with young children and provide housing security for future generations.

### **Regain financial independence after separation**

Separation and big life changes can be tough, but taking control of your own financial future brings security and independence. Selling off land can increase settlement outcomes and can give you a fresh start and the stability to move forward.

### **Fund travel dreams**

Life passes quickly and by unlocking the value in your land and putting money in the bank people can explore the world and they don't have to put off adventures anymore. Maybe you want to go to Europe? Bali? Caravan around Australia? This might just be the way for you to fulfill your dreams.

### **Make the most of what they have**

Land is an asset, we have had some people who want to make the most of what they have now and put the money away to make future decisions with the money they have released by subdividing.

## **Reasons People Tell Us Why They Struggle with Subdivision**

- I don't know where to start or how to do it
- I felt intimidated by the process
- I did not know who to talk to about it
- I asked Council before, and they said no – but now the planning laws have changed

# How to Start Investigating Your Subdivision

1

## Check Your Land's Zoning & Requirements

Every local Tasmanian Council has different zoning laws and restrictions as to what you can do with the land. Here you need to ring your local Council and ask to speak to their Planning Officer. They will check your land to see if your land qualifies for subdivision.

**Hint:** *Have a pen and paper handy, make sure you write everything down including the date, the name of the person on the phone so you can refer to your notes later.*

2

## Engage Professionals OR Hire a Subdivision Project Manager

You will need expert advice from a range of professionals including a town planner, a surveyor, civil engineer, civil works operators, and a solicitor to ensure a smooth process. It is important that you have a trusted team to process the subdivision and carry out the work. If you are unsure or do not know what to do you can hire a Subdivision Project Manager (we can offer you this service with all the bells and whistles). This person will do all the work for you and update you at key milestones throughout the process so you can get back to your day-to-day life.

3

## Obtain Necessary Approvals

Subdividing land requires Council approval, which involves meeting specific requirements such as lot size, access, and environmental considerations. All of these need to be obtained before your process begins.

4

## Plan Infrastructure & Services

New lots will need access to essential services such as water, electricity, and sewerage. Ensure your quote for services factoring in these costs and talk to your consultants and contractors – this is crucial for a successful subdivision.

**Hint:** *Start a spread sheet and make sure you factor in everything, so your numbers are close to as possibly correct before you start. Nobody likes hidden surprises*

5

### **Market & Sell (If Selling a Block)**

If you are planning to sell the block, a real estate agent can help you get the best possible price. We strongly recommend you talk to them before you start the subdivision process to find out what price blocks are selling for in your area. Call them first.

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### **Project Complete**

Whether you sell, develop, or gift the land to family, the process ultimately provides you with significant financial gains or lifestyle improvements.

## **It is an Expensive Process!**

Do not underestimate the cost involved. Subdivision is expensive but the rewards can be excellent. Ensure you budget for legal fees, surveying, infrastructure, civil works, sewage, water, power, NBN, planning, project management (if using), real estate and council application fees.

You will need to take all the costs off your sale price if you are selling the block. We suggest you work backwards if you are selling.

**Your block sale price is LESS**

**All costs of subdivision**

**Costs of selling (real-estate agent fees)**

**Any capital gains costs\***

**= This then EQUALS the profit you will receive**

*\*Remember to seek professional advice + talk to your accountant, there are some exceptions for farmers owning property for more than 15 years, and if you have a mortgage on the land you may need approval from your bank.*

We cannot give you an exact price for your subdivision. Subdivisions and blocks of land and what people want to do are all different. It will cost more if there are more lots and if the process is more complex. Prices change with the slope and location and any identified hazards, zoning and restrictions will account for differing costs each block of land to be subdivided.

# Important Facts to Remember

## **You must follow the rules in all circumstances**

The reality is if the Council do not allow it, you cannot do it. If you want to manage the process independently make sure you are working with people that are trustworthy, and you like the people you are working with or that other reputable people or businesses are recommending them to you.

## **Expecting a quick process will lead to disappointment**

The subdivision process takes a long time, 12–18 months, in some cases a lot longer. This is not a quick process, and you cannot expect that to be the case. This is because there are a lot of processes to follow, including legal ones. The process cannot be rushed or changed. If you are planning to sell the blocks you can start marketing them before the subdivision is complete and even sell them as long as ‘subject to Title being issued’ is written in the sales contract. Talk to your real estate agent about this. The good news is sometimes the time it takes to subdivide can increase the value of the land!

# Frequently Asked Questions

## **What is a Subdivision?**

Where an applicant can divide land into two or more new parcels of land that can be sold off separately. Each will then have their own title.

## **What can I do with a new block of land?**

Creating a new block with its own title allows a property owner to keep, sell or gift the land.

## **Who approves whether I can do a subdivision?**

To create a subdivision, you will need to apply for planning approval. For this you will need to meet the minimum requirements of the relevant local planning scheme. You call and ask the planning department at your local Council what your minimum lots size is and work out if you can get smaller lots on the land. Sometimes the person answering the phone is trained in this area and can help you. If you are not getting the right help, ask if you can make an appointment with a Planning Officer. You need to be aware that things like setbacks from the main road, allowances for easements etc. may mean you have less land than you thought to make new block sizes suitable for construction. After this you will then need to gather all the

relevant documents to submit an application for subdivision to the council if you decide to go ahead.

### **What is an easement?**

Often easements on property refer to areas of land that utilities and councils can use to provide things like water, communications and power, this can also include sewer, stormwater and water etc. If you do not know what easement you have you can check your schedule of easements on your property title.

### **What are the services I need to have on the new blocks I am creating?**

Once planning approval has been obtained, the new lots you are creating will require all new services. These may include new water, sewer and stormwater, power, NBN connections and gas (if required). The Council, when approving your subdivision will also provide you with a list of conditions you must meet and can cover a wide range of aspects such as design, landscaping, environmental protection.

### **How long will a subdivision take?**

Simple (not complex) subdivisions ie: 1 into 2 blocks can take 6 to 12 months depending on the bloc, but realistically more like, 12 – 18 months from starting the process to finishing all the onsite works and the submission of the new titles to you. Larger subdivisions will take longer; very large subdivisions are completed in stages over many years. We can support you through this process.

### **Why do some subdivisions cost more than others?**

Even if it is the same sized lot to subdivide one project can vary from another due to the location of the services you need to connect, council requirements, zoning overlays. Overlays make it more complex, as does zoning, sloping blocks, urban versus rural environments etc. Bigger subdivisions with roads, footpaths, street lights and so forth have considerably more infrastructure, which means the costs of completion will increase significantly. In some cases, owners will create a few blocks and sell them to pay for the next stage of their subdivision before realising a profit.

### **What is zoning?**

Zoning is like sorting land into buckets: “this area is for homes,” “this one’s for businesses,” “this one’s for farming,” and so on. Each zone comes with rules about:

- What you can build (house, units, shop, warehouse, etc.)
- How big the blocks can be
- How close to the boundary you can build
- Whether you can subdivide
- Whether you need a permit to do something

### **What is an overlay?**

Think of zoning as the basic rules for what you can do with a block — like “this is residential, so you can build houses here.” An overlay is like an extra rule that says, “Yes, you can build here... but...”

For example, in a Tasmanian subdivision:

- You might be zoned General Residential, meaning housing is fine.
- But if your block has a Bushfire-Prone Area Overlay, then you must meet certain fire safety requirements when developing.
- Or if there is a Landslide Hazard Overlay, you may need geotechnical reports or special engineering before building or subdividing.
- If there is a Heritage Overlay, it might limit what can be changed or built.

### **Are there common property and strata fees with subdivisions?**

No there is no common property to manage or strata fees.

### **Do I have to fence the new blocks?**

Each council in Tasmania has its own planning schemes and regulations that may specify requirements for fences, including height restrictions, materials, and design. The planning laws in your Council determine what is required and they will tell you during the formal development application process.

### **What sized lots can I create on my land?**

This will vary from Council to Council. You will need to ring them and check and talk to a Planning Officer. Remember block size is only one part of the story. There may be a requirement for construction set back a significant distance from the road, this can decrease your overall usable block size. The addition of road access, placement of easements etc. all impact on what you can and cannot do. We can help here by providing you with a Development Suitability Assessment, this answers all your questions before you start.

## **How We Can Help**

Subdividing your own land can be a life-changing financial decision, but navigating the process can feel overwhelming.

### **Are you running your own project? We can provide a Surveyor**

We can provide surveying expertise to conduct your subdivision. When you include us in your project team, we help you keep everything moving ahead. We will keep you fully informed

about the surveying component so you can manage your own project timeline effectively. We will work with the other project team members you assemble.

### **Do you want someone else to run your project? We can provide a Subdivision Project Manager**

Is the thought of subdividing and getting your project team together overwhelming? Or do you simply lack the time to dedicate to the project? We can provide you with a Subdivision Project Manager. This is where we manage the entire project from start to finish. Here we use our handpicked project team to complete your subdivision, you will not have to seek any other independent contractors. We take all the phone calls, submit all the forms, and manage the onsite works. Taking away all the stress of learning this process by yourself.

#### **Subdivision Project Manager:**

- ▶ Manages the project from start to finish
- ▶ Ensures all the compliance requirements are met
- ▶ Manages all the onsite works with all the contractor
- ▶ Gives you key milestone updates – so you can get back to your day-to-day life.

#### **As the owner, you are required to:**

- ▶ Sign an agreement for project management services

Agree to pay all the invoices directly to the contractors and the project manager during the life of the project. Remember as soon as these are paid your project can continue to the next phase.

#### **Development Suitability Assessments (DSAs)**

We recommend you consider a development suitability assessment before you start. This takes around two – three weeks and this report will help you know what is possible before you commit your time and effort. It pays to understand what's realistically achievable on your land. This assessment is a comprehensive desktop assessment that outlines the development potential of your site.

# Who Are We?

AM Surveys pride ourselves on being a warm, approachable, and local Tasmanian based team. We are embedded in our local community, and our clients are more than just customers, they are our neighbours, friends and local people we know. We genuinely care about you and your project and are committed to supporting you every step of the way.

## Why work with us?

- All our offerings give you ample time to talk to you through the jargon
- We use our handpicked team to ensure your project is completed smoothly
- Keep you updated at regular intervals, so you know what is happening
- A culturally diverse, neurodiverse and LGBTQIA+ friendly service

**If you think we can help, give us a call!**

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