

SUBDIVISION PROCESS

If you have land with some value associated with it, you may be considering subdividing.

Subdividing a parcel of land in to smaller legal titles requires planning, engineering design, construction of new infrastructure, surveying and legal establishment of new titles. The best way to ensure a positive outcome and maximise the return on your investment is through good management of the entire project. Involving the appropriate professional services at the right time is critical to avoiding extremely costly mistakes which could potentially be legally damaging.

Every project is different and whether the subdivision is simply adding one extra title or your subdivision plans involve multiple new lots, the process can be complex. This info-graphic is designed to give a broad overview of the process to help you identify the various stages involved and the ideal time to involve professional advice and guidance. EDC can provide many of the engineering disciplines outlined below under one roof and if you would like some help finding the right professionals for some of the other areas required, we can help you there too.

DUE DILIGENCE

Professional advice to establish a good reason to believe subdivision is legally allowable & financially viable



There are many factors that effect the feasibility and chance of success when embarking on a subdivision. Before you do anything else, get the right advice as to what you can and can't do, what the critical elements of risk are likely to be down the track and whether or not the project is even feasible.

NOTE: There are no guarantees at this exploratory phase.

Actions:

Get advice on issues like: legal zoning, access, size of section, land suitability, limits to available land, geotechnical and flooding hazards

Suggested people to talk to might include: Council, a planner or surveyor and an engineer

Talk to a real estate about land values for both the undeveloped site and smaller subdivided plots in the area

It may also be suitable to work with the above people to develop a Preliminary Scheme Plan at this phase

BUILDING YOUR TEAM

Systems and/or professional assistance to plan, track & manage both the project itself and also the finances



Ensure you establish a suitable project leader with experience in developing subdivisions. Managing the finances effectively is also critical to ensure cash flow is available at critical stages, to cope with unexpected costs and ultimately: to ensure you get the best possible return on your investment.

Actions:

A suitable project leader would likely be a planner, architect or in some cases a surveyor

Talk to your bank manager, accountant and lawyer about the best way to set up a legal entity and manage the finances

It may be worth working with a quantity surveyor - some lenders may in fact demand this

If you are not from a financial background and the subdivision is a large project, consider employing a financial controller

RESOURCE CONSENT

Prove feasibility with respect to environmental factors and legal requirements



It is important to understand what activities are permitted, controlled, restricted or discretionary before investing too heavily in detailed plans or construction works. Failing to comply accordingly could have legal implications and create considerable additional cost. Things to consider may include: Activity status, ability to prove minimum effects on the land and surrounding environment, neighbours' approval's), easements, effect on traffic (both during works and as a result of the subdivision) and mitigation of natural hazards

Actions:

Have a meeting with a civil engineer, geotechnical engineer plus an environmental engineer in certain cases) and either a planner or surveyor to discuss the specifics of the location and identify the key areas to be covered by future design

Have your team consult with council in order to maximise the chances of a successful consent proposal

Required reports may include: geotechnical report, traffic management report, infrastructure report

Have your project leader (planner, surveyor or architect) compile detailed documentation, develop a Finalised Scheme Plan and submit an application for Resource Consent with council

It may also be wise to estimate approximate costs at this stage

ENGINEERING PLAN APPROVAL

Details of the infrastructure design and documentation required for council approvals, quoting and implementation



Assuming Resource Consent is granted, certain works inherent with subdivisions will still require Council approval of an engineering plan. These plans specify the details of the infrastructure design and covers a multitude of critical elements to the project

Actions:

Some elements that could be required in the engineering plans include:

Earthworks, wastewater drainage, stormwater, sediment control, flooding and overland flow paths, roading, right of way design as well as layout of water supply and other utilities

An engineer can also help with tender documentation and contract documents

It is wise to price up the works at this point, especially for larger projects

CONSTRUCTION

Management of the implementation of site preparation and infrastructure



Construction of the subdivision's infrastructure requires accurate specification, management, supervision and certification of the works. Once the construction is complete, legal input will be required to establish the individual titles.

Actions:

Ensure you have a structured financial management process in place and that funds will be available when required

A project of reasonable size should have a contract specifications document prepared by your engineer in accordance with the provisions of NZS 3910

Have your project leader work with Council, the civil, geotechnical and environmental engineers and quantity surveyor (as well as the financial controller if you have one) to ensure construction is conducted in accordance with safety, legal, quality, time and budgetary parameters

Ensure civil engineering certifications are provided on completion

Have a surveyor set out the new boundaries and a lawyer help to establish legal titles with Land Information New Zealand (LINZ)

NEXT STEP:

INDIVIDUAL LOT DEVELOPMENT

Building consent and management of the implementation of buildings on the site



If the developer of the subdivision is also intending to build on the newly formed lots, additional planning and services will be required.

Actions:

If you intend to construct commercial or residential buildings on the site, you will need a Building Consent

If you completed a Land Use Consent as part of the initial Resource Consent, this will likely save time and money when you come to this phase

As with the development of the subdivision outlined in this guide, it is also recommended that you have a project leader and sound financial management process in place

A suitable project leader would be an architect or building company

They will most likely also be working with other professionals, such as structural, geotechnical and fire engineers