

Title: Property legislation in all states and territories is based on the Torrens principle of registration of title. Each state and territory has a central register of all land in the state which shows the owner of the land. The land title is the official record. It can also include information about mortgages, covenants, caveats and easements.

Most vacant blocks of land purchased within Melbourne’s growth area sub divisions begin their life as a part of large single parcels of land or even multiple parcels joined together to form an estate. In most cases these original parcels of land were farmland.

Once a site is identified as a potential subdivision, many things have to occur in order for the final block to be delivered ready to build a new house on, this document looks to outline the typical process.

Site Acquisition & Approvals

1. A land developer needs to acquire the site - this can be by purchasing the site off the original land owner or sometimes by developing the original owners land for them in a joint venture.
2. Appropriate planning approvals need to be obtained; this is firstly to turn the original land use into residential (re-zoning from rural uses usually). This process starts with the State Government releasing a Precinct Structure Plan which ensures there are adequate amenities and infrastructure to support a new community such as public open spaces, schools, shopping centres, libraries, health care etc.
3. With these approvals in place the overall design of the master plan is undertaken to ensure it achieves the right balance of residential housing, opens spaces, commercial zones, density and commercial yield. This masterplan is then submitted for a Permit Approval with the Local Council.

Council will consider overall built form outcome ensuring streetscapes are positive, solar orientation is maximised for residents etc. They will also consider things such as the ongoing maintenance of parklands, accessibility for rubbish trucks as these will fall under their control post development.

4. Detailed designing of individual stages follows the Permit including road layouts, park locations, major infrastructure works such as sewer pipes, gas lines etc to ensure they “work” from engineering and surveying point of view.
5. All of these assets (water lines, sewer lines, gas lines, NBN, drainage etc) will be owned by the applicable authority once development is complete – as such they need to approve the design and be comfortable that they will be able to manage them post development.

Finance & Construction

Once all approvals are in place the developer achieves a Certified Plan and construction of the stage can commence. Often a developer will need to secure pre-sales of a stage (potentially 70%) before they can access the required funds from the bank or lender for construction.

The process of Civil Construction:

1. Top soil scraping of stage area occurs with survey pegs being installed to mark out road, footpath boundaries etc per the approved plans.
2. Bulk earthworks then take place where unnecessary soil is removed, new fill is imported, roads are cut in to match the levels and layouts of the approved engineering plans
3. Deep trenches are dug to run main sewer and drainage pipes then backfilled with crushed rock – these are often found in “easements” along lot boundaries and are noted on the Plan of Subdivision as well as the engineering plans.
4. Gas and water lines are then installed in the main roadways.
5. The road base is then laid with sandstone and compacted before the “Kerb and Channel” are installed. This is the cement kerbs that frames the edge of the asphalt once it is laid.
6. At this point individual lot crossovers are installed to allow vehicles to get from the roads into the final lot – this “Crossover” literally crosses over the council nature strip between the road and the final lot boundary.
7. At this point the services such as NBN, electricity and street lights are installed followed by the layering of Asphalt.
8. Services such as plumbing and gas are then connected from the street to the final lots – every lot needs its own sewer, drainage, water, gas, NBN, electrical connections.
9. Once all of this is complete final layering of top soil on the individual lots is completed to meet final finished levels on engineering plans ready for residential construction.
10. The stage is now at “Practical Completion”.

Achieving Statement of Compliance and Registration of Individual Titles

In order to achieve individual titles a developer must obtain certificates of compliance to show that all works on each individual lot have been completed correctly and that all authorities are ready to accept the new assets. This is then sent to council in preparation for Statement of Compliance.

An example of a western project may need the following Authority releases:

- City West Water (Water and Recycled Water)
- NBNSCo (Communications)
- Melbourne Water (Drainage)
- Powercor (Electricity)
- SP Ausnet (Gas)
- CFA (Water points for firefighting)
- And others depending on the project (VicRoads, VicTrack etc)

If an Authority picks up defects with their assets they inform the developer and rectification works need to occur and a follow up inspection needs to occur. To get the inspector back onsite could take 2-3 weeks.

At the completion of civil works a Council inspection will also be undertaken. Once Council is satisfied that all required works are complete a Statement of Compliance will be issued.

Once a Statement of Compliance is issued by Council it is then sent to the Titles Office where individual titles are issued following a review of the SoC and the plan of subdivision to be registered.

What can impact my forecast title date?

With such a long list of things that need to occur to turn a block from the original farmland to the final lot ready to build a house on, and so many people / authorities involved delays can and do occur.

- Generally developers will have sufficient contingencies built into their forecast title date to allow for delays. During times of high demand, such as a strong market, each step in the process can take longer than usual as resources across all activities become stretched – add all of these small delays up and they can become long delays. Larger developers can usually navigate better through this issue as they are the largest customer of the consultant/civil contractor etc.
- Weather plays a large part in the time to complete the sub-division. Long periods of wet weather can have an enormous impact on the time to complete works onsite – again, good developers will have sufficient contingencies built into their forecast.
- The point in time in which the purchase was made can impact the accuracy of the forecast. If it was made at point 1 or 2 above then delays are quite likely as there are significant and critical approvals still required most of which are outside of the developer’s control. If the purchase was made at 13 or 14, there are only a few steps to go most of which are inside the developers control. The further advanced the stage is the less delays typically occur.
- Were the timeframes realistic to begin with?

The process of developing a block of land so that is ready to have a home built on it is a long one with many moving parts however all of these must be completed prior to settlement occurring and any builder being able to commence construction of a new home.

Currently, (as at May 2018), the majority of growth area subdivisions in Melbourne are releasing land 12-18 months ahead of land title being ready, and they are rapidly selling out.

These timeframes will change in line with market supply and demand factors. The greater the demand for land, the faster it sells, the harder it is for the civil construction industry to keep up and the longer it will typically take to deliver a title.