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DEVELOPMENT BASICS, or TEN THINGS YOU MAY WISH YOU HAD KNOWN BEFORE YOU BECAME A DEVELOPER



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DEVELOPMENT BASICS



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My Background

- Local Government
- State Government
- Private Consultancy

My Experiences

- The “Monday morning” developer
- Professionals and amateurs
- You need to spend money to earn money
- It’s not all that difficult

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No.1 – Recognise that you are a developer

- Small-scale subdivision – 2, 3 or 4 lots
- Small-scale multiple unit development – 5 or 10 units
- Small-scale commercial development – 500m² floor area

- Same issues arise despite the smaller scale
- Relative costs are just as significant

- Avoid ever saying “How can I be expected to have known that ?”

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No.2 – Know your market

- The demand side of the equation
- What will sell? / How quickly will it sell ?
- What price will it sell for ?

- If you don't know the answers to these questions you cannot assess feasibility

- Council cannot help you with this question

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No.3 – Acknowledge that you are going to need some level of professional advice and/or assistance

- Professional advice is expensive – need to focus it
- Where assistance is needed varies – it depends on:
 - The characteristics of the property
 - The type of the development
 - Your own experience
- The key is knowing before you need it – not after

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No.4 – Have a productive due-diligence and pre-lodgement meetings with Council

- Council doesn't provide investment advice
- Have a clear understanding of what you want to do
- Know what critical information you need
- Don't leave it too late
- Provide adequate drawings a few days before the pre-lodgement
- “Tell my everything I need to know” / “It settles this afternoon”

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No.5 – Make sure you know about infrastructure charges and when they are payable

- Serviced residential lot - \$25,000
- 3 Bedroom Unit - \$25,000
- 2 Bedroom Unit – \$20,000
- Retail - \$190/m²
- Office - \$150/m²

- Subdivision = payable before plan sealing
- Material Change of Use = payable before commencement of use

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No.6 – Know where underground services are and what this means

- Where are the water and sewer mains ?
- Can these be accessed ?
- Is there capacity in the network ?
- Queensland Urban Utilities – Separate Utility Model

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No.7 – Develop an understanding of stormwater management

- Impacts of increasing the impervious area
- How does the land fall and where does it drain to ?
- Is there capacity in the stormwater network ?
- Will it be necessary to provide on-site detention ?

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No.8 – Be aware of the implications of needing to comply with current building regulations

- Reclassification - conversion of residence to commercial use
- Compliance with disability requirements
- Compliance with fire safety standards
- Cost implications of the above

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No.9 – Understand the design implications of on-site vehicle parking and manoeuvring

- Australian Standards – dimensions
- Swept path diagrams for turning and manoeuvring
- Requirement for vehicles to exit in a forward direction

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No.10 – Remember that development approvals lapse

- Material Change of Use = 4 years
- Reconfiguring a Lot with works = 4 years
- Reconfiguring a Lot without works = 2 years
- Operational Works = 2 years

- Can be extended – before they lapse
- Can incur higher charges when extended
- May not always be extended – changes in policy