

## **Pre-Inspection Agreement** **&** **Limitations Of A Strata Inspection**

This is a pre-inspection agreement between you (**the Commissioning party – buyer or vendor**) and The Property Inspectors Pty Ltd for a strata inspection and report (**Services**) for the property.

This agreement is designed to ensure you understand the scope, extent of reporting and limitations of the Service.

Please be aware that by its nature this service has limitations and exclusions you should be aware of.

Please review this agreement and contact our office should you have any queries or objections, as objections received post inspection will be difficult for our office to mitigate.

**You need to respond to the email that contains this agreement, stating the following:**

**I have read, understood, and accept the Terms & Conditions contained within this pre-inspection agreement and within the Terms & Conditions within the TPI invoice/work order and within the TPI website.**

Should you have commissioned a report over the phone and paid for the report prior to receiving this document / agreement, you have until we arrive on site and prior to our commencement on site to dispute the conditions outlined within this agreement. You can cancel the order and a full refund will be issued for the service commissioned. Should you not respond or agree with this agreement it is deemed that you have read, understood and agreed with this agreement even though you have not formally replied and approved the agreement conditions prior to our commencement on site.

Should you have commissioned a report by making payment for the service, and you have been issued this agreement prior to making the payment, and you have not formally replied with the approval to proceed with the order and associated conditions, you have until we arrive on site and prior to our commencement on site to dispute the conditions outlined within this agreement. You can cancel the order and a full refund will be issued for the service commissioned. Should you not respond to this agreement it is deemed that you have read, understood and agreed with this agreement even though you have not formally replied and approved the terms within this agreement prior to our commencement on site.

## **YOU HAVE COMMISSIONED A PRE-PURCHASE STRATA INSPECTION**

**Vendor Report:** Are not able to be legally relied upon by any purchaser, until such time as the potential purchaser purchases their own copy of this report prior to exchange of the property.

**Buyers Report:** A purchaser commissioning a report or purchasing a copy of an existing report will be entitled to engage our inspectors via email with any questions that you may have in regard to the contents of the report or property in general.

No third-party reliance on our reports is available unless that party has purchased their own copy or has commissioned the initial report and payment has been made in full to our office THE PROPERTY INSPECTORS PTY LTD prior to the exchange of contracts.

**Special Note:** Our Inspectors are available to take a phone call from the buyer once the report is released to the commissioning party. Should a buyer call the inspector prior to their report being completed and released and reviewed / read by the buyer, the advice supplied by the inspector over the phone to the buyer cannot be legally relied upon, as the inspector cannot recall all aspects of the property condition while out in the field nor prior to reviewing all data collected while on site or when they are driving or when they are doing another inspection for another client.

## **PURPOSE OF THE REPORT**

The objective of the service rendered is to provide advice about the strata scheme at the time of the inspection.

We solely report on significant items as listed below:

- Who is the current owner?
- What are the quarterly levies for the property?
- What are your voting rights?
- What is your unit entitlement?
- When are the levies paid to?
- Have there been or are there any current or proposed Special Levies (additional contributions outside your quarterly levies that may be raised for building defects or major works)?
- Does the Strata Scheme comply with Fire Requirements, Work Health & Safety Obligations and Asbestos Management?
- Is there any information in the records approving animals? Are animals permitted?
- How much is in the sinking fund and Administrative Fund?
- Are any of the funds in deficit?
- Are there any current legal matters? Have there been any legal matters in the past 3 years?
- Building Defects or Home Owner Warranty Claims for Defects.
- Breaches of By-Laws (Rules and Regulations for this building).

- Is there any disharmony?
  - Major Income and Expenditure over the past 3 years.
  - Proposed Major Expenditure.
  - What is the current value of the building?
  - Is the building insured and if so adequately insured? (details of the insurance and cover);
  - Are there any compliance related matters within the records such as window and balcony compliance?
  - Is there a Sinking Fund Forecast? (a report prepared detailing what the levy contributions should be over the next 10-15 years including detailed maintenance).
  - Are there any known disputes within the Strata Scheme?
  - Copies of Annual General Meeting Minutes, Extraordinary General Meeting Minutes and Executive Committee Meeting Minutes.
  - Copies of building reports, extracts from compliance reports.
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## **SCOPE**

1. Pre-purchase strata reports will be prepared covering a maximum of 50 apartments within the strata complex.
2. We only request and inspect strata documents going back no more than three years from the date of inspection.
3. All Strata Reports are prepared subject to the documents that were prepared & supplied by the strata manager and that were made available to our inspector at the strata office on the day of our attendance at the strata office.
4. All Strata Report facts and attachments are solely subject to the documents supplied by the strata company on the day of the inspection, and we do not offer ongoing support on our reports beyond the validity period of 28 days from the date of our inspectors attending the strata office.

This means that for 28 days from the strata office attendance, if you require our office to contact the strata company to request documents that were not on hand at the time of our attendance, we will do so for you at no extra charge, as long as the strata company are happy to supply the additional/missing documents to our office via email and no second inspection is required, nor additional search fees are applicable by the Strata company to our office.

5. If documents are not sighted at the time of our inspection our inspector will email the strata company requesting the missing documents and the strata company will have until 5:00pm the day of inspection to provide the missing documents, should the strata company not

provide the strata documents before 5:00pm that day, the report will be completed with the documents at hand.

6. Any updates made to a report that require a second attendance at the strata office will be billed out at \$300.00 + GST.
7. The fee that we charge for a strata report allows for a strata search fee of \$34.10 to be paid by our office to the strata company, and travel of no more than 30km within from the Sydney CBD. Any search at a strata office outside the 30km radius will be charged out at \$80 per hour over and above our initial fee and any strata search fee charged to our office over and above \$34.10 will also have the balance passed on to the commissioning party.

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### **LIABILITY AND ACKNOWLEDGEMENT**

The client acknowledges the following:

1. The report does not constitute a warranty or an insurance policy against problems developing with the building in the future. Accordingly, a preventative maintenance program should be implemented for the property which includes systematic inspections, detection, and prevention of incipient failure.
2. We accept liability for any implied contractual terms that cannot be excluded or limited under applicable law, including the Australian Consumer Law and any loss that is reasonably foreseeable from our material breach of these Terms. However, provided you obtain the benefit of any warranty or other obligation conferred upon you pursuant to the Australian Consumer Law, we limit our liability to the replacement of the Services the provision of equivalent Services or the cost of providing those Services.
3. Other than as specifically accepted by us above, we are not liable for any other losses or damages you may suffer, including any loss caused by you or to the extent it results from your failure to take reasonable steps to avoid or minimise that loss, loss caused by an event falling outside our reasonable control and any indirect or consequential losses.
4. You indemnify, and keep indemnified, us and our franchisors, employees, and agents from and against any loss (including reasonable legal costs and expenses) or liability incurred or suffered by us arising from any claim arising out of your failure to advise on safety issues at the property, your negligence or breach of these terms and conditions.
5. TPI are not liable for any omitted information due to documents not being supplied by the strata manager on the day and time of our inspection.
6. The Report and its appendices and attachments, as issued by TPI, takes precedence over any oral advice or draft reports, to the extent of any inconsistencies, and only the Report and its appendices and attachments, which form a vital part of the inspector's recommendations, shall be relied upon by you.

7. The Property Inspectors do not offer the service of any verbal advice. Should the client or commissioning party request any verbal advice from our consultant whilst out in the field, face to face, on site or via a phone call or phone conference or text messages, this advice cannot be relied upon, and it does not form part of any of the services rendered within the contract.
8. Should you choose to have communication with our consultant prior to their report being released and received by the commissioning party, any advice received cannot be relied upon and we recommend that you do not proceed to purchase the property until you have read the report and understood the content within the written report, as we are only responsible for the written advice within our report.
9. Should you not receive the report within the timeline outlined within this agreement, you are to check your spam / clutter / junk box, as reports often end up there due to anti-virus software's that you may have installed on your computer system.
10. All reports will be produced within 28 business days from the day our consultant is on site or from the date documents have been received via email or registered post.

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### **CANCELLATION POLICY**

Should you choose to cancel an order, it must be received between normal business hours Monday to Friday between 9:00am and 4:00pm giving our office a minimum of 3 business days' notice to obtain a 100% refund of the services that you have engaged.

For all cancellations within 3 business days and not within the final 24 hours before the inspection, an 80% refund will be applicable.

All cancellations received after 5:00pm the day prior to the inspection, Monday to Friday, will have no refund applicable, as we have assigned the inspection to our inspector, and we will be unable to re-assign the inspector to another project.

Any cancellations received after 5:00pm and during the weekend will be recorded as received on the following business day at 9:00am, that being the time our office opens.