

APPENDIX B
STRATA AND COMPANY TITLE PROPERTY INSPECTION
(Informative)

B1 GENERAL

Pre-purchase inspections on strata and company title buildings and similar forms of community title are subject to particular issues that can result in problems between the client and inspector.

Probably the most common problem is the failure of the client to appreciate the significance of the difference between individual and common property.

Sometimes, pre-purchase inspections are not requested because of an assumption that an examination of the strata records alone will adequately inform the purchaser of potential defects. Body corporate records will only disclose those defects that have been brought formally to the attention of the body corporate. The records will not necessarily reveal all the defects.

B2 SCOPE OF INSPECTION

With strata and company title properties, the inspection is limited to the interior and the immediate exterior of the particular residence to be inspected, as that is the extent of the individual property, and does not include review of body corporate or similar records.

An inspection of all strata and company title common property, including the interior of every unit, would need to be carried out to determine the extent of any defects in the whole of the common property. Where clear evidence of major defect is apparent during the inspection in accordance of this Standard, the inspector should advise the client to obtain an inspection of common areas.

B3 LIABILITY FOR MAINTENANCE COST

A prospective purchaser should be aware that their liability for the cost of repairing building defects is not restricted to the particular unit which they are proposing to purchase, but may include contribution to the whole of the common property. Thus, an inspection of the particular unit and its immediate surrounds may be of limited assistance to the prospective purchaser as an indicator of the total extent of their overall liability to contribute to the cost of repairs.

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