



## Pre-purchase unit inspections are an absolute must

FIRST-HOME buyers looking for a unit should still consider pre-purchase inspections not just to check the building but also to check out the building's finances.

While house buyers traditionally undertake pest and building reports to check the buildings' soundness, unit buyers should also look carefully at the property they are about to spend big money on.

Institute of Strata Title Management president David Ferguson said more than 14,000 people in NSW have taken advantage of the first-home buyers grant yet few carried out a strata inspection

before buying.

"Many potential home buyers swap stories about how a building inspection turned up dodgy wiring, rising damp or a termite infestation in a property they were interested in buying," Mr Ferguson said.

"But few people realise when buying a strata apartment that they should also get a strata inspection report done before the exchange of contracts."

A report checks the books and records of the owner's corporation to get a full picture of the state of the building, expenditure, any court orders, minutes of com-

mittee meetings, insurance policies and whether a levy is about to be imposed on unit owners.





## Get this straight!

THE Federal Government's increased first-home buyers grant has created an onslaught on the property market – particularly for strata dwellings.

But the Institute of Strata Title Management says people shouldn't buy an apartment until they've done the proper inspections.

Solicitors or conveyancers will often arrange for an inspection, but it pays to shop around, because prices can vary.

A strata inspection will check a variety of things to do with the property, including the books and records of the Owners Corporation – the governing entity that looks after the strata scheme – to get a full picture of the state of the building and of any notices served, including any court or tribunal orders.

The inspection will also encompass the minutes of general and executive committee meetings, accounting records (including those of income and expenditure), and the approved budget and levy instalments.

A strata inspection will ensure that insurance policies are up to date and that any other supplier agreements are taken into account.

The president of the Institute of Strata Title Management, David Ferguson, says that first-home buyers often don't know that they should have a strata inspection carried out before they buy.

"Many potential home buyers swap stories about how a building inspection turned up dodgy wiring, rising damp or a termite infestation in a property they were interested in buying," Mr Ferguson said. "But few people realise that when buying a strata apartment they should also get a strata inspection report done before contracts are exchanged. Doing so after the event is too late, as purchasers may not be able to cancel the contract, irrespective of problems which may show up."

Mr Ferguson says it's important for people to realise that they get more than just an apartment when they are buying into a strata scheme.

"Apartment owners are also responsible for the upkeep of common areas such as the lobby and garages, gardens, fences and extras such as a pool or gym," Mr Ferguson said.