PRE-PURCHASE BUILDING INSPECTION

PURPOSE OF INSPECTION & REPORT

1 The purpose of the inspection and report is to provide advice to a prospective purchaser regarding the condition of the property at the time of inspection.

2 The inspection will be of the building elements as outlined in Appendix C of AS4349.1-2007 except for Strata title properties where the inspection will be according to Appendix B of AS4349.2-2007.

3 A copy of the appropriate Standard with appendices may be obtained from Standards Australia (www.saiglobal.com/shop) at your cost

4 Upon receipt of your acceptance of this agreement, Summerton Building & Inspection will carry out the inspection and report ordered by you in accordance with this agreement, and you agree to pay for the inspection and the report on or before delivery of the report.

5 In ordering the inspection, you agree that the inspection will be carried out in accordance with the following clauses, which define the scope and limitations of the inspection and report.

SCOPE OF THE INSPECTION & REPORT

1 The inspection shall comprise visual assessment of the property to identify major defects and to form an opinion regarding the general condition of the property at the time of inspection in accordance with AS4349.1-2007.

2 The inspection shall cover all *accessible areas* as defined by AS4349.1-2007 and Schedule 1 below, comprising of all relevant structures within 30 metres of the building and within the site boundaries (including fences)

3 Subject to safe and reasonable access, the inspection will normally report on the condition of the following areas:

- The interior
- The roof void
- The exterior
- The subfloor
- The roof exterior

4 The inspector will report individually on major defects and safety hazards evident and visible on the date and time of the inspection. The report will also provide a general assessment of the property and collectively comment on the minor defects which would form a normal part of property maintenance.

5 Where a major defect has been identified, the inspector will give an opinion as to why it is a major defect and specify its location.

ACCEPTANCE CRITERIA

1 The building shall be compared with a building that was constructed in accordance with the generally accepted practice at the time of construction and which has been maintained such that there has been no significant loss of strength or serviceability.

2 The basis for comparison is a building of similar age and similar type to the subject building and which is in reasonable condition, having been adequately maintained over the life of the building

3 It follows that the subject building may not comply with the current Australian Standards, building codes / regulations and the like that are applicable at the time of inspection. The inspector may point out these discrepancies at his/her discretion.

4 You (being the client) shall arrange right of entry, facilitate physical entry to the property and supply the necessary information to enable the inspector to undertake the inspection and prepare a report.

5 The inspector is not responsible for arranging entry to the property or parts of the property. Areas where reasonable entry is denied to the inspector, or where reasonable access is not available, are excluded from, and do not from part of, the inspection.

6 The inspection will not cover or report the items listed in Appendix D of AS4349.1-2007.

TERMS AND CONDITIONS

1. **This agreement**
   a) This document contains all of the terms of this agreement and anything inconsistent we or you have said or written to each other is excluded.
   b) This agreement defines the scope of our inspection and **limits our liability for any errors or omissions in our work as set out in clause 4(c)**.
   c) *Italicised* words in this agreement have special meanings as defined in Schedule 1 or elsewhere in this agreement.
   d) If you do not agree with the terms in this agreement, you must tell us within sufficient time to allow us to cancel the inspection, otherwise you agree to all of the terms.
   e) If any term of this agreement is in breach of any law, then that term remains part of this agreement but is to be amended only as much as is necessary to comply with that law.
   f) If any part of this agreement conflicts with Australian Standards AS4349.0 or AS4349.1, this agreement takes precedence.
2. **What we will do**
   a) We will visually inspect the *Building*.
   b) We will provide the *Report*, comparing the condition of the *Building* to others of a similar age and type of construction and will list *Major Defects*.
   c) We will only inspect *Accessible Areas* of the *Building*.
   d) We will not inspect or report on hidden defects.
   e) We are not termite inspectors, pest inspectors, asbestos inspectors, electrical inspectors or plumbing inspectors and the *Report* will not deal with these or other areas outside of our expertise.
   f) We will not estimate the costs of any rectification work.

3. **What you will do**

a) You will pay us the *Price* at or before the Inspection Time. Where any inspection is performed before the *Price* is paid, we will withhold the *Report* until payment is made and we will not be liable for any consequence of the late delivery of the *Report*.

b) You will get authority for us to access the *Building* for an adequate period at the inspection time and will coordinate access for us.

c) If you delay us or give us an incorrect instruction you will pay us any extra costs we incur.

d) If you, or anyone on your behalf, including the real estate agent, instructs us to not report on an *Accessible Area* we will follow that instruction and will not be liable for failing to report on that *Accessible Area* in our *Report*.

e) You will not provide the *Report*, or any part of it, to any other person without our written consent.

f) If you show the *Report* to another person you will tell them that they must not rely on it.

g) If you, or anyone on your behalf, including the real estate agent, give us any information about the *Building* we can use that information in our *Report* and will not be liable if it is inaccurate.

4. **Breaches of this agreement and limitations on liability**

a) If you fail to pay us the *Price* at or before the inspection time, or fail to pay any amount due under this agreement, we can charge you interest on the unpaid money at the rate of the NAB Visa Card interest rate.

b) If you breach any part of this agreement you will reimburse us in full the amount of any loss or damage we suffer as a direct or indirect consequence, including legal costs and debt recovery costs.

c) If we breach this agreement or are negligent, including omitting to mention a *Major Defect* or expressing an inaccurate opinion to you, any liability we might have to you for any loss or damage that you suffer is limited to repaying to you the *Price* agreed upon above.

d) You agree that we cannot accept any liability for our failure to report a defect that was concealed by the owner of the building being inspected and you agree to indemnify us for any failure to find such concealed defects.

e) Where our report recommends another type of inspection including an invasive inspection and report then you should have such an inspection carried out prior to the exchange of contracts or end of cooling-off period. If you fail to follow our recommendations then you agree and accept that you may suffer a financial loss and indemnify us against all losses that you incur resulting from your failure to act on our advice.

f) The person performing the inspection may be our employee or sub-contractor. If so, you agree that they have no personal liability for the inspection or the *Report*.

g) The Report is not a certificate of compliance that the property complies with the requirements of any Act, regulation, ordinance, local law or by-law, or as a warranty or an insurance policy against problems developing with the building in the future.

h) The Inspection WILL NOT look for or report on Timber Pest Activity. You should have an inspection carried out in accordance with AS 4349.3-1998 Timber Pest Inspections, by a fully qualified, licensed and insured Timber Pest Inspector. If Timber Pest Damage is found then it will be reported. The inspector will only report on the damage which is visible.

i) No inspection or report will be made for mould (mildew) and non-wood decay fungi. If during the course of the inspection mould (mildew) and non-wood decay fungi happen to be noticed, the inspector may include general remarks in the report at his /her discretion.

j) No inspection of asbestos will be carried out at the property and no report on the presence or absence of asbestos will be provided. If during the course of the inspection asbestos or materials containing asbestos happen to be noticed, the inspector may include general remarks in the report at his /her discretion. If asbestos is noted as present within the property, then you agree to seek advice from a qualified asbestos removal expert prior to conducting / engaging contractors to conduct any intrusive works.

k) The report is prepared and presented, unless stated otherwise, under the assumption that the existing use of the building will continue as a residential property.

l) Any cost estimates in regards to repair / maintenance work that the inspector may, at his / her discretion, provide to you (the client), are to be understood to be opinions only. These estimates are not calculated quotations and are not to be treated as such. Summerton Building & Inspection, along with their authorised inspector, accepts no liability for any estimates provided in good faith.

m) If the property to be inspected is occupied, then you (the client) must be aware that furnishings or household items may be concealing evidence of problems, which may only be revealed when the items are moved or removed. Where the report says the property is occupied, you (the client) agree to:

   A) Obtain a statement from the owner as to:
      (i) Any timber pest activity or damage;
      (ii) Timber repairs or other repairs;
      (iii) Alterations or other problems to the property known to them;
      (iv) Any other work carried out to the property including timber pest treatments;
      (v) Obtain copies of any paperwork issued and the details of all work carried out

   B) Indemnify Summerton Building & Inspection / the authorised inspector from any loss incurred by you relating to the items listed in clause A) above where no such statement is obtained. You (the client) agree that we cannot accept any liability for our failure to report a defect that was concealed by the owner of the building being inspected and you (the client) agree to indemnify us for any failure to find such concealed defects.

5 Dispute resolution

a) Any dispute arising out of this agreement must be referred for expert determination to the Association of Building Consultants (ABC) which will appoint an expert for this purpose.

b) The Expert Determination Rules of the Institute of Arbitrators and Mediators Australia will govern the expert determination except where they conflict with this agreement which takes precedence.

c) The expert will decide who should pay the costs of the expert determination but initially both you and we must contribute equally until the expert decides.

d) The expert's decision is final and binding and cannot be appealed to any court.

6 Third Party Disclaimer

We will not be liable for any loss, damage, cost or expense, whatsoever, suffered or incurred by any person other than you (the client) in connection with the use of the inspection report provided pursuant to this agreement by that person for any purpose or in any way, including the use of this report for any purpose connected with the sale, purchase, or use of the property or the giving of security over the property, to the extent permissible by law. The only person to whom we may be liable and to whom losses arising in contract or tort sustained may be payable by us is the client named on the face page of this agreement.

7 Prohibition on the Provision or Sale of the Report

The report may not be sold or provided to any other person without our express written permission, unless the client is authorised to do so by legislation. If we give our permission it may be subject to conditions such as payment of a further fee by the other person and agreement from the other person to comply with this clause.

8 Release

You release us from any and all claims, actions, proceedings, judgements, damages, losses, interest, costs, and expenses of whatever nature that the person may have at any time hereafter arising from the unauthorized provision or sale of the *Report* by you to a person without our express written permission.

SCHEDULE 1

1. **Definitions**

You should read and understand the following definitions of words used in this agreement and the report. This will help you understand what is involved in a property and building inspection, the difficulties faced by the inspector, and the contents of the report which we will provide you following the inspection.

a. ***Accessible Area*** means any area of the *Building* we deem can be safely and reasonably accessed at the time of inspection:

   i. and extends to include

      1. any roof space with an opening *access hole* at least 400mmx500mm in size and available space for crawling through the roof space of at least 600mmx600mm and where access does not require the use of a ladder of a length greater than 3600mm
      2. any roof exterior accessible by using a ladder 3600mm long, placed on the ground.

   ii. but does not include any other areas of the *Building* and particularly does not include:

      1. any area that can only be accessed by cutting an *access hole*, removing screws, nails, bolts, sealants or other fasteners;
      2. any under floor space that has been treated with chemicals;
      3. any area at a height at which safe and reasonable access is not available, or where it is not close enough to be seen directly when safely using a ladder 3600mm long placed on the ground;

4. any part of the *Building* that can only be accessed or inspected from land adjacent to the Inspection Address.

b. ***Access Hole*** *(cover)* means an opening in the structure to allow for safe entry to carry out an inspection.
c. ***Building*** means the residence, or other building as set out in the Special Conditions, and does not include any outbuildings, sheds, retaining walls or other structures.
d. ***Building Element*** means a portion of a building, by itself or in combination with other such parts, fulfils a characteristic function.
e. ***Building Rules*** means the applicable rules from the Building Code of Australia and the Development Act 1993 and its Regulations.
f. ***Client*** means the person(s) or other legal entity for which the inspection is to be carried out. If ordered by the person(s)'s agent then it is agreed that the agent represents the person(s)'s and has the authority to act for and on their behalf.
g. ***Limitation*** means any factor that prevents full achievement of the purpose of the inspection.
h. ***Major Defect*** means a defect severe enough to require rectification in order to avoid unsafe conditions, loss of utility or accelerated deterioration of the *Building*.
i. ***Minor Defect*** means a defect other than a major defect.
j. ***Our / Us / We*** means the provider of inspection services, being Summerton Building & Inspection Pty Ltd
k. ***Person*** means any individual, company, partnership or association who is not a *client*.
l. ***Property*** means the structures and boundaries etc. up to 30 metres from the exterior walls of the main building but within the boundaries of the land on which the main building is erected.
m. ***Report*** means the document and any attachments issued to you the *client* by Summerton Building & Inspection following our inspection of the property excluding any verbal comment we make to you prior to or during the inspection.
n. ***You / Your*** means the party identified on this agreement as the *client*, and where more than one party all such parties jointly and severally, together with any agent of that party.

2. **Important exclusions from the *Report***
a. If the *Building* is part of a multiple dwelling *building*, such as an apartment block, a strata titled unit, or a community titled dwelling, we will only report on that part of the *Building* and will not report on any common or community parts of the *Building*.
b. We will not report on maintenance issues or defects other than *Major Defects*.
c. We will not move any furniture, household items, floor coverings, plants or soil.
d. We will not cut *access holes* or remove access covers.
e. We will not cut, scrape, or destroy anything to inspect or test it.
f. We will not assess the *Building* for compliance with any *Building Rules*, past or present.
g. We will not make any enquiry of the local Council or any other authority.
h. We will not test any electrical equipment, appliances, smoke alarms, air conditioning, swimming pool plant, security systems or similar.
i. The inspection and report will not will not comment on any defects which may not be apparent due to prevailing weather conditions at the time of inspection. Such defects may only become apparent in differing weather conditions.
j. We will not inspect, test or report on any of the following:

i. Footings below ground.
ii. Concealed damp-proof course.
iii. Electrical installations, light switches and fittings, TV, sound and communications, intercom systems or security systems.
iv. Concealed plumbing.
v. Adequacy of roof drainage.
vi. Gas fittings and fixtures.
vii. Air-conditioning.
viii. Automatic garage door mechanisms.
ix. The operation of incinerators, fireplaces or heaters, including chimneys and flues.
x. Floor coverings.
xi. Electrical appliances including hotplates, stoves, dishwashers, ovens, microwave ovens or ducted vacuum systems.
xii. Paint coatings, except external protective coatings.
xiii. Health hazards (e.g., allergies, soil toxicity, lead content, radon, presence of asbestos or urea formaldehyde).
xiv. Timber or metal framing sizes and adequacy.
xv. Concealed tie-downs or bracing.
xvi. Timber pest activity.
xvii. Mechanical or electrical equipment (such as gates).
xviii. Soil conditions.
xix. Control joints.
xx. Sustainable development provisions.
xxi. Concealed framing-timbers or any areas concealed by wall linings/sidings or cladding.
xxii. Landscaping.
xxiii. Rubbish.
xxiv. Furniture or accessories.
xxv. Stored items.
xxvi. Insulation.
xxvii. Environmental matters (e.g., BASIX, water tanks, BCA Environmental Provisions).
xxviii. Energy efficiency.
xxix. Lighting efficiency.

3. Terms and conditions agreement

You agree that in replying to this agreement you have read and understand the contents of this agreement and that the inspection will be carried out in accordance with this document. You agree to pay for the inspection prior to or at completion of the inspection and prior to the delivery of the report.

If you fail to sign and return a copy of this agreement to us and do not cancel the requested inspection then you agree that you have read and understand the contents of this agreement and that we will carry out the inspection on the basis of this agreement and that we can rely on this agreement.

Note: Additional inspection requirements requested by you may incur additional expense in regard to the cost of the inspection.