

COASTAL**STRATA**

STRATA INSPECTION REPORT

Address of the unit	1/1 Example St, Wollongong
Date of this report	Thursday, 13 February 2020
Prepared by	Coastal Strata 02 4297 2555 info@coastalstrata.com.au coastalstrata.com.au

Buying a strata unit? You'll need to find out if the scheme is well-run, well-maintained, adequately financed, and planned well.

How do you do that? Well we've inspected the strata scheme's records at the strata manager's office and prepared this report to provide you with valuable knowledge, reassurance and insights into the strata scheme.

We know there's a lot of information (trust us, it's all relevant though!) so if you have any questions please get in touch on 02 4297 2555 or info@coastalstrata.com.au



Craig Baylis

**Licensed Strata Manager & Managing Director
Coastal Strata**

PROFILE

Client and property details

CLIENT

Instructions from	John Smith Conveyancing
Client name	Jones
Vendor name	Peters
Address of the unit	1/1 Example St, Wollongong
Strata Plan Number	12345
Lot number	9
Date of this report	Thursday, 13 February 2020

STRATA MANAGING AGENT

Strata schemes can hire a licensed strata managing agent to help manage the scheme. An agency agreement outlines the agent's responsibilities and generally includes budgeting and planning, coordinating repairs and service providers and meeting preparation and attendance.

A strata managing agent is appointed by the strata scheme by a majority vote at a general meeting.

Strata Managing Agent	Body Corporate Services Level 5, 38-40 Young Street, Wollongong NSW bcssm.com.au bcs_wollongong@bcssm.com.au 02 4228 2800
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SUMMARY

This brief summary is supplied to allow a quick and superficial overview of the top issues within the report. This summary is not the report and cannot be relied upon on its own. You should read the full inspection report for more information.

BUILDING

Building section comments	<p>Current matters</p> <ul style="list-style-type: none"> Unit 1 balcony tiles - Quote approved on 3/02/2020 to re tile and waterproof the balcony of unit 17 at a cost of \$6,270.
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FINANCIAL

Levies per quarter	\$900
Special levies	There are no current special levies.
Administrative fund balance	\$9,800
Capital works fund balance	\$102,997
Capital works fund plan	<p>Attached for your information is an extract from the Capital works fund plan. From the plan and records we note;</p> <ul style="list-style-type: none"> The plan suggests that in June 2020 the Capital Works Fund balance should be approximately \$193,000 however the balance is currently only \$102,997. The fire protection upgrade in July 2019 at a cost of \$64,640 paid from the Capital works fund was not budgeted for. The levies currently raise \$19,000 per year into the Capital Works Fund. The plan suggests that \$20,000 should be raised. The plan estimates that painting may be required in 2020 at an approximate cost of \$83,000. <p>If the strata scheme intends to keep the balance in line with the plan they would need to increase the levies however the balance may still be sufficient to pay for painting when required. If the Capital works fund balance is insufficient to pay for repairs it increases the possibility that special levies may be needed.</p>

PEOPLE

Pets By-law	Written permission is required to keep a pet.
By-laws specially related to your lot	There are no special by-laws that relate specifically to your lot.

BUILDING

PROPERTY DETAILS

Description	4 storey residential building
Number of units	21 units The units were constructed in two stages. Stage 1 - Units 1-15. Lot 16 was a development lot and was subdivided in 1997 to contain lots / units 17-22 as recorded in Strata Plan 54023.
Number of lots	22
Unit entitlement of your lot	250
Unit entitlement total	4950
BMC / Community Association	This strata plan is not a part of a larger development such as within a BMC Stratum Development or a Community Association.

UNIT AREA

What is a strata scheme? - A strata scheme is a building or group of buildings divided into lots, which can include individual units, car spaces and storage areas. When you buy a lot, you own the individual lot as well as share the ownership of common property with people who own the other lots.

Lot unit area (m2)	100
Lot car space area (m2)	35
Lot yard and / or balcony area (m2)	35
Lot other areas (m2)	0
Lot total area (m2)	170
Notes	Nil

CRAIG'S TIP



The unit areas above are noted on the strata plan as part of your lot. We suggest you make sure the information above matches the plans attached to the contract and what you've been told about the unit.

REPAIRS & MAINTENANCE

Below is a snapshot of any recent major repairs and maintenance carried out. If you require further information on the condition of the lot you are purchasing you may wish to obtain a Building Inspection Report from another provider.

2020	No major repairs noted
2019	Fire system replacement \$64,460
2018	Driveway high pressure clean and reseal \$6,200
2017	Roof gutter maintenance \$1,355
2016	Balcony tile repairs \$3,895, pruning \$1,163, fire safety repairs \$8,283, window locks for child safety \$6,519
2015	No major repairs noted
2014	Plumbing \$5,616, garden works \$5,830

Notes	Nil
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CRAIG'S TIP



Who pays for repairs? - The owners corporation are responsible to repair and maintain the common property and each owner is responsible to repair and maintain items that are part of their lot. The strata plan shows the boundaries of your lot and therefore which parts of the building you are responsible for.

REPORTS

Owners corporations can obtain a variety of reports to assist in the management, maintenance and repair of the common property.

Work Health & Safety Report	A WH&S Report has not been obtained. It is suggested that the owners corporation obtain a WH&S Report to check for any slip, trip hazards and the like.
Asbestos Report	An Asbestos Report has not been obtained however it may not be required due to the age of the building.
Termite Inspection Report	From the information sighted termite inspection reports are not currently being obtained. If you have concerns about termites to your lot you may wish to arrange an inspection from another provider.

BUILDING DEFECTS

Strata schemes can obtain a Building Defect Report to identify known or unknown building issues within a property. Depending on the age and structure of the property the developer or other parties may be responsible to arrange the required repairs.

The strata building bond and defect inspection scheme applies to contracts entered into from 1 January 2018 for building work to construct residential or partially-residential strata properties that are four storeys or more. For these properties developers arrange independent defect inspection reports. If defects are found but not rectified the building bond can be used to carry out the repairs.

Building defects	No building defect issues were noted in the files inspected.
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OTHER BUILDING MATTERS

Current matters

- Unit 1 balcony tiles - Quote approved on 3/02/2020 to re tile and waterproof the balcony of unit 17 at a cost of \$6,270.

Fire system replacement

In July 2019 fire safety works were carried out at a cost of \$64,460. An Annual Fire Safety Statement was then completed in August 2019 stating that all items comply.

FINANCIAL

What are levies? - Levies are a fee or 'contribution' paid by all lot owners in a scheme to cover any projected costs and expenses. Generally, the levy contributions are paid by quarterly instalments as approved at the annual general meetings (AGM).

LEVIES

Administrative fund levy	\$400
Capital Works Fund levy	\$500
Total Levy Per Quarter	\$900
Levies currently paid to	29/02/2020
Levies due from	1/06/2019
Notes	Nil

CRAIG'S TIP



Low levies are not necessarily a good thing. Ideally a strata scheme should be raising sufficient funds into the Administrative fund to cover the recurring expenses each year plus keeping the Capital Works Fund balance in line with the recommendations in their Capital Works Fund plan.

SPECIAL LEVIES

Owners corporations can vote to introduce a 'special levy', which can sometimes be a large amount.

Special levies may be needed when there are insufficient funds to cover large capital works, unforeseen works or to carry out major repairs to the common property.

Special levies are calculated according to the lot entitlement of each lot owner. The special levy rate shows the % your lot contributes towards special levy amounts raised.

Special levy %	5.1%
Special levies	There are no current special levies.

BANK BALANCES

The **Administrative fund** is to pay for day-to-day recurrent expenses such as insurance, strata managers fees, common lawns and garden maintenance etc. If the administrative fund is in deficit the budget may need to be increased at the next annual general meeting to repay the deficit and ensure sufficient funds are available when required.

The **Capital Works Fund** (previously called the *Sinking fund*) is used to pay for expenses such as painting, fencing, driveway repairs, carpets, roofing and guttering.

Even one owner in **arrears** can severely impact the cash flow in a strata scheme. Strata managers often engage a debt collection agency to pursue owners who are in arrears.

Administrative Fund Balance	\$9,800
Capital Works Fund Balance	\$102,997
Levy Arrears Total	\$3,109

CAPITAL WORKS FUND PLAN

Owners corporations must prepare a plan of anticipated major expenditure required in the next 10 years. The forecast suggests annual budget amounts aiming to have sufficient funds when repairs are needed.

Capital Works Fund plan	<p>Attached for your information is an extract from the Capital works fund plan. From the plan and records we note;</p> <ul style="list-style-type: none">• The plan suggests that in June 2020 the Capital Works Fund balance should be approximately \$193,000 however the balance is currently only \$102,997.• The fire protection upgrade in July 2019 at a cost of \$64,640 paid from the Capital works fund was not budgeted for.• The levies currently raise \$19,000 per year into the Capital Works Fund. The plan suggests that \$20,000 should be raised.• The plan estimates that painting may be required in 2020 at an approximate cost of \$83,000. <p>If the strata scheme intends to keep the balance in line with the plan they would need to increase the levies however the balance may still be sufficient to pay for painting when required. If the Capital works fund balance is insufficient to pay for repairs it increases the possibility that special levies may be needed.</p>
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OTHER FINANCIAL MATTERS

Nil

INSURANCE

Owners corporations must insure the buildings or structures on its common property under a damage policy with an approved insurer.

INSURANCE POLICY

Insurer	CHU
Policy renewal date	1/10/2020
Premium	234,500%
Building sum insured	350,000,000%
Public liability	3,000,000,000%

OTHER INSURANCE MATTERS

Nil

CRAIG'S TIP



Typically the strata insurance is paid as part of your levies.

As an owner you'll need to consider taking out your insurance for your contents, landlords insurance if renting the unit out and any other insurance you deem appropriate.

PEOPLE

BY-LAWS

All strata schemes have a set of by-laws (rules) that owners, occupiers and, in some cases, visitors must follow. By-laws cover issues such as whether or not pets are permitted on the scheme, how smoking is regulated, parking, noise, and the conduct of residents and visitors.

By-laws	A copy of the by-laws that apply to this strata scheme are attached for your information.
By-laws relating specifically to your lot	There are no special by-laws that relate specifically to your lot.
Pets By-law	Written permission is required to keep a pet.

MEETINGS

Owners corporations are required to have at least one meeting per year, the annual general meeting, where amongst other items the budget and levies are set for the coming year.

Meetings other than the AGM are called general meetings.

Date of last meeting	1/06/2019 annual general meeting
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CRAIG'S TIP



Each owner has one vote for each lot they own. If someone has outstanding strata fees owing they are considered unfinancial and cannot vote unless an unanimous resolution is needed.

Most decisions can be made by a simple majority vote (more than 50 percent). A poll can be called for regardless of the vote. In a poll vote, votes are worked out by counting the unit entitlements.

OWNER OCCUPIERS

Based on strata roll the following units are owner occupied	Units 2 & 4
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OTHER PEOPLE MATTERS

Nil

CONTACT US

We know there's a lot of information in this report (trust us, it's all relevant though!) so if you have any questions please get in touch.

02 4297 2555
info@coastalstrata.com.au

Regards



Craig Baylis

**Licensed Strata Managing Agent and Managing Director
Coastal Strata**

Legal Disclaimer

This inspection report has been prepared by reviewing documents supplied by the owners corporation or by their strata managing agent. No responsibility will be accepted for errors or omissions should the report be found to be incorrect, as it is possible that some of the records were not made available for inspection. The information provided relates to strata schemes within New South Wales only. As legislation can differ between Australian States and Territories this information is not to be construed to apply to any other state or territory.

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INSPECTION REPORT ATTACHMENTS

WHAT'S INCLUDED?

ATTACHMENTS

Typically our reports include the following attachments;

- Extracts from reports such as the Capital Works Fund Plan, Work Health & Safety Report, Asbestos Report etc
- Financial reports from the strata manager
- Insurance information
- By-laws
- Minutes from the last 2 annual general meetings and strata committee meetings
- Other relevant correspondence, quotes, documents etc