

3rd Generation Builders

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TERMS OF ENGAGEMENT – PRE PURCHASE INSPECTION

(This agreement complies with the Domestic Building Contract Act 2000)

Clients Name:		-
Address:		-
Phone:		-
Email:		
		-
۱	(Client's name) hereby agree to the Terms and Condition	ns of this Pre-
Purchase Building Inspection.		
	Dated by the client	
Signed by the client	Dated by the client	
1 Page		

Description of Scope of Works: To report only on structures and areas within 30 metres of the structure

but within the immediate fence boundary.

Terms of Payment: Upon Terms of Agreement being signed and prior to inspection. Please note, if inspection is cancelled within 2 business days of the inspection date a \$75.00 cancellation fee will be charged to the client. If cancelled within 1 business day of the inspection a \$125.00 cancellation fee will be charged to the client. If cancelled on the day of inspection or we are unable to gain access to the premises you are liable to pay the full cost of the inspection. CANCELLATION FEE IS PAYABLE WHETHER TERMS ARE SIGNED OR NOT. We hold your spot in our schedule so we can't exactly fill it if you decide to cancel at short notice.

Approximate date of Inspection: Upon Terms of Agreement being signed and within 10 business days

Approximate date of Providing Written Report: Approximately 1 working day after inspection but normally the same day.

If you fail to sign and to 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.

INFORMATION STATEMENT

- 1. The Client has the right to attend the inspection although we ask that you arrive at the designated time given to you by admin staff. In order for our inspectors to conduct a thorough inspection we can't have clients following them around asking questions. These can be asked at the end of the inspection.
- 2. The Client shall inform the Consultant in writing if someone other than themselves is acting on the Client's behalf.
- 3. The Consultant's written report is for the Client's purpose only. We strongly suggest not forwarding a copy of your report onto you realtor for many reasons.
- 4. The Client/Client's Realtor is responsible for access to all areas.
- 5. The Client/Client's Realtor will make sure all animals are locked and tethered.

6. Australian Standard 4349.1 – 2007

Clause A3.3 THE STANDARD PROPERTY REPORT-

A standard property report is not intended as a certificate of compliance of the property within the requirements of any Act, regulation ordinance, or by-law, or, as a warranty or an insurance policy against problems developing with the building in the future. Estimating the cost of remedying defects is not included in a standard property report.

7. A building report should not be seen as an all-encompassing report dealing with a building from every aspect. Rather it should be seen as a reasonable attempt to identify any significant defects visible at the time of inspection. Whether or not a defect should be regarded as significant, depends to a large extent upon the age and type of building being inspected.

8. AREAS TO BE INSPECTED

8.1 The inspector shall inspect accessible parts of the building and appurtenances, together with relevant features of the property within 30m of the building and within the boundaries of the site, or as otherwise agreed in the inspection agreement. In this context, relevant features include car accommodation, detached laundry, ablution facilities and garden sheds, retaining walls more than 700mm high and less than 1000mm high, paths and driveways, steps, fencing, earth embankments, surface water drainage and stormwater run-off.

Inspection of Strata and Company Title residential property shall be limited to the nominated residence and does not include common property.

NOTE: Further information regarding inspection of Strata and Company Title residential property is given in Appendix A.

The following areas shall be inspected where applicable:

- (a) The interior of the building.
- (b)The roof space.
- (c) The exterior of the building.
- (d)The sub-floor space.
- (e)The roof exterior.
- (f) The property within 30m of the building subject to inspection.

Building elements to be inspected in the nominated areas shall be in accordance with Appendix B.

Note: The inspection does not include all building services, furnishings, and the like, that may be present in the building. A representative list of exclusions to the inspection is provided in Appendix C.

8.2 Safe and reasonable access.

The extent of accessible areas shall be determined by the inspector at the time of inspection, based on the conditions encountered at the time of the inspection. The inspector shall not be liable for failure to perform any duty or obligation or supply any service for which the inspector has been engaged to provide, where such failure has been caused by inclement weather, industrial disturbance, inevitable accidence, reasonable concern for the health and safety of the inspector, access to the residence/property is unlawful, the building/site or part of the site is not made accessible, the inspector is otherwise prevented from gaining access to the building or site or any cause outside the reasonable control of the inspector. The inspector shall also determine whether sufficient space is available to allow safe access. There will be an extra fee if a reinspection is required due to any of the above.

The inspection shall include only accessible areas and areas that are within the inspector's line of sight and close enough to enable reasonable appraisal. Reasonable access shall be determined in accordance with the provisions of Table 1.

The inspector shall inspect an elevated areas only where-

- (a) it is at a height at which safe reasonable access is available, or where safe and reasonable access is otherwise available; or
- (b) an unobstructed line of sight is present from safe use of a 3.5m ladder and the building elements present are close enough to allow appraisal.

NOTE: 'Elevated area' includes the roof, roof space, crawl space, landing feature, and the like, generally elevated above the ground and not intended for normal use by occupants.

Area	Access manhole mm	Crawl space mm	Height
Roof interior	450 x 400	600 x 600	Accessible from a 3.6m ladder
Subfloor	500 x 400	Vertical clearance Timber floor : 400* Concrete floor : 500	
Roof exterior			Accessible from a 3.6m ladder

TABLE 1 REASONABLE ACCESS

* Underside of bearer

NOTES:

- 1. Reasonable access does not include the cutting of access holes or the removal of screws and bolts or any other fastenings or sealants to access covers.
- 2. Subfloor areas sprayed with chemicals should not be inspected unless it is safe to do so.

A 3.6m ladder is considered generally reasonable for safe use by one operator during an inspection. Regardless of the ladder length, weight and size, safe use of ladder or safe access may mean that inspection of a roof, elevated platform or roof space is not possible in part, or at all, during an inspection and, in such circumstances, an inspector may recommend the use of special access equipment and that a further inspection be undertaken when a safe method of access is present.

8.3 Defects

The inspector shall appraise building elements, including structural elements, for the presence of defects as specified in table 2.

2. During an inspection the inspector should be alert to the possibility that a building element is defective but that the defect does not fall neatly into one of the categories of defect described in Table 2. In such a case the inspector should use a combination of defect properties or otherwise access and describe the defect in his/her own words, based on his/her own experience.

In many cases, the actual structural elements of a building will be obscured by finishes and other non-structural building elements, and the inspector may be unable to access directly the state of the structural member. In such cases, the inspector has to infer the performance of the structure by observing the effect of the structure on the non-structural building elements. For example, the inspector normally will be unable to inspect the footings of a house as they are buried beneath the ground; however, cracking in nonstructural masonry walls above the ground may indicate that a defect exists within the footing system.

9. It is **<u>Strongly Recommended</u>** that the following Inspections and Reports be obtained prior to any decision to purchase the Property, so that the purchaser can be well equipped to make an informed decision. These Inspections and Reports fall outside the guidelines for a Standard Property Report as specified in AS4249.1-2007 and are excluded from this Report.

Timber Pest Inspection – to be reported separately from Pest Inspector	Electrical Inspection including smoke alarms	Plumbing Inspection
Council Plan Inspection including final approvals	Air conditioning Inspection	

10. Types of Cracking Defect

10.1 Determining defect

Cracking in a building element may constitute a defect in a variety of ways. In many cases a particular cracking occurrence may result in more than one type of defect. For example, a particular crack might at the same time be a structural defect, a serviceability defect and an appearance defect.

The inspector should determine whether the cracking constitutes a major or minor defect, based on the expected impact of the cracking.

10.2 Appearance defect

Cracking of a building element is an appearance defect where in the opinion of the inspector the only present or expected consequence of the cracking is that the appearance of the element is blemished.

10.3 Serviceability defect

Cracking of a building element is a serviceability defect where in the opinion of the inspector the present or expected consequence of the cracking is that the function of the building element is impaired.

Examples of serviceability defects resulting from cracking are as follows:

- (a) Windows or doors not opening and closing properly.
- (b) Water leakage occurring through a building element, which otherwise should not allow water entry.

10.4 Structural defect

Cracking of a building element is a structural defect where in the opinion of the inspector the present or expected consequence of the cracking is that the structural performance of the building element is impaired, or where the cracking is the result of the structural behaviour of the building.

The criteria for determining whether cracking is a structural defect are not solely related to crack width. Cracks 0.1mm wide may be a structural defect while cracks 5.0mm wide may not be structural defects. Cracking in a structural element does not necessarily indicate a structural defect.

APPENDIX B STRATA AND COMPANY TITLE PROPERTY INSPECTION

(Informative)

A1. 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.

A2. 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.

A3. 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.

APPENDIX C

BUILDING ELEMENTS AND SERVICES TO BE INSPECTED

(Normative)

The inspector shall inspect all building elements. The building elements typically present in residential buildings are listed in Tables B1 to B6. Each item shall be visually inspected and limited testing of operation shall be undertaken as indicated.

NOTE: The list of items in Tables B1 to B6 is not exhaustive.

TABLE B1 INTERIOR OF THE BUILDING

Inspection Items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Ceilings	Sagging	
	Nails popping	
	Defective lining	
	Lath and plaster key damage	
	Fibrous plaster scrimming/grouting/strapping	
	Cracking	
	Dampness and damp damage	
Walls	Bulging	
	Nails popping	
	Defective lining	
	Cracking	
	Dampness and damp damage	
	Distortion, verticality	
	Drummy plaster and render	
Timber floors	Damage	
	Decay	
	Out of level	
	Dampness and damp damage	
	Floor movement such as spring and bounce	
Concrete floors	Cracking	
	Surface damage	
	Out of level	
	Dampness and damp damage	
Timber windows	Putty	
	Broken or cracked glass	
	Sash operation	
	Sash fittings and hardware	
	Water staining	
	Decaying frames and sashes	
Metal-framed	Glazing seals	
windows	Broken or cracked glass	
	Sash operation	
	Sash fittings and hardware	
	Water staining and corrosion	

(continued)

TABLE B1 (continued)

Inspection Items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Doors and frames	Binding doors Defective door hardware Corroded or decaying frames Damaged doors Loose or badly fitting doors	
Kitchen	Bench Top	Lifting or delamination Damage Water damage
	Cupboards	Water damage Operation of doors and drawers
	Sink/taps	Chips, cracks, leaking, etc. Water supply to be turned on, and taps operated
	Tiles	Drummy Cracked Loose, missing Grouting and sealant
Bathroom, WC, ensuite	Cistern and pan	Cracking Leaking Installation and stability Water supply to be turned on and the cistern flushed
	Bidet	Cracking Leaking Installation and stability Water supply to be turned on and the bidet flushed
	Taps	Leaking Water supply to be turned on and taps operated
	Tiles	Drummy Cracked Loose Grouting and sealant
	Bath	Damage Adequately sealed and properly recessed at the junction with wall
	Shower	Visual signs of leakage Screen Broken glass Water supply to be turned on and the shower operated
	Vanity	Damage Doors and drawers
	Washbasin	Damage Loose Waste/trap Water supply to be turned on and taps operated

(continued)

Inspection Items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Bathrooms, WC, ensuite	Ventilation	
	Mirrors	Cracking
		Edging
Laundry	Taps	Operation
		Leaking
		Water hammer (water supply to
		be turned on and taps operated)
	Tubs/cabinet	Condition
	Tiles	Drummy
		Cracked
		Loose
		Grouting and sealant
	Ventilation	
Stairs	Stringer	
	Handrails/balusters	
	Newel posts	
	Treads and risers	
All	Damp problems	Rising
		Falling
		Condensation
		Horizontally or laterally
		Penetrating damp

TABLE B2 EXTERIOR OF THE BUILDING

Inspection items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Walls	Lintels	
	External Cladding	Integrity
		Paint, protective coating
		Evidence of missing damp-proof course or flashing
	Doors and windows	Flashing
		Moulding
		Sills
Timber or steel frames and		
structures		
Chimneys		Verticality
		Flashing
		Brickwork deterioration
Stairs		Structure integrity, looseness
		Safety issues
Balconies, verandas, patios,		Structure integrity, looseness
decks, suspended concrete		Safety issues
floors, balustrades		

TABLE B3 ROOF EXTERIOR

Inspection items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Roof	Tiles	Cracked and broken
	Shingles and slates	Loose, decay
	Sheet roofing	Rusting, nails popping
	Gables	
	Roof flashing	
Skylights, vents and flues		Flashing
Valleys		Rust
Guttering		Rust
Downpipes		Rust
Eaves, fascias and barges		

TABLE B4 ROOF SPACE

Inspection items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Roof covering		
Roof framing		Physical damage, deterioration Inappropriate modification
Sarking		Integrity
Party walls		Integrity
Insulation		

TABLE B5 SUBFLOOR SPACE

Inspection items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Timber floor	Supports	Deflection of bearers or joists Cracking, spalling, rusting Termite caps
	Floor	Deterioration
	Ventilation, drainage, damp	
Suspended concrete floors		Deterioration

TABLE B6 THE SITE

Inspection items/parts	Inspection areas (fields) of an item	Example and/or inspection consideration
Car accommodation, detached laundry, ablution facilities and garden sheds	Appropriate areas as described above for primary residence	
Retaining walls	Retaining walls supporting other structures. Landscaping retaining walls more than 700 mm high	
Paths and driveways	Subsidence Integrity Trip hazard	
Steps	Subsidence Integrity Trip hazard	
Fencing	General fencing	Inappropriate loading
	Swimming pool fencing	Presence and integrity Self-closing and self-latching gate
Surface water	Drainage effectiveness	Ponding of water against structures

APPENDIX D EXCLUSION OF ITEMS FROM INSPECTION

(Informative)

The inspector need not inspect nor report on the following:

- (a) Footings below ground.
- (b) Concealed damp-proof course.
- (c) Electrical installations, operation of smoke detectors, light switches and fittings, TV, sound and communications and security systems.
- (d) Concealed plumbing.
- (e) Adequacy of roof drainage as installed.
- (f) Gas fittings and fixtures.
- (g) Airconditioning.
- (h) Automatic garage door mechanisms.
- (i) Swimming pools and associated filtration and similar equipment.
- (j) The operation of fireplaces and solid fuel heaters, including chimneys and flues.
- (k) Alarm systems.
- (I) Intercom systems.
- (m) Soft floor coverings.
- (n) Electrical appliances including dishwashers, incinerators, ovens, ducted vacuum systems.
- (o) Paint coatings, except external protective coatings.
- (p) Health hazards (e.g., allergies, soil toxicity, lead content, radon, presence of asbestos or urea formaldehyde).
- (q) Timber and metal framing sizes and adequacy.
- (r) Concealed tie-downs and bracing.
- (s) Timber pest activity.
- (t) Other mechanical or electrical equipment (such as gates, inclinators).
- (u) Soil conditions.
- (v) Control joints.
- (w) Sustainable development provisions.
- (x) Concealed framing-timbers or any areas concealed by wall linings/sidings.
- (y) Landscaping.
- (z) Rubbish.
- (aa) Floor cover.
- (bb) Furniture and accessories.
- (cc) Stored items.
- (dd) Insulation.

- (ee) Environmental matters (e.g., BASIX, water tanks, BCA Environmental Provisions).
- (ff) Energy efficiency.
- (gg) Lighting efficiency.