



Strata Records Inspection Report

1 Sample Street, Sampleton

Inspection Date: 4 August 2017
Report Number: 54321
Purchaser: Mr Sample
Inspector: A Reporter
Contact: 0444 444 444
Client Ref (Matter No.): None Provided
Special Requirements: None

About This Diamond Report

This Diamond Strata Records Inspection Report includes the following features:

- A full inspection of the strata records by experienced and fully insured professionals;
- Inspections are carried out in accordance with relevant Australian Standards;
- The unique Diamond Executive Summary to assist with relevant and simplified reading;
- Access to the inspector to clarify and/or to explain any aspects of the report.

Popular Diamond Reports

- | | | |
|---------------------------|---------------------------|-----------------------------|
| • <i>Building Report</i> | • <i>Valuation Report</i> | • <i>Pest</i> |
| • <i>Cost Estimates</i> | • <i>Engineers Report</i> | • <i>Company/Comm Title</i> |
| • <i>Pool Report</i> | • <i>Plumbing Report</i> | • <i>Completion Report</i> |
| • <i>Tax Depreciation</i> | • <i>ID Survey</i> | • <i>Boundary Peg-out</i> |

This report is provided by an independent contractor of Diamond Inspections Pty Ltd trading as Diamond Property Inspections (ABN 90 651 053 422). Any representations contained herein are those of the contracted agent and not necessarily the views of Diamond Property Inspections.

Property Details

1 Sample Street, Sampleton

Vendor: Anna Owner
1 Sample Street
Sampleton

Strata Title Details: SP1111
11
1 Sample Street Sampleton

We wish to advise that we have carried out an inspection of the books and records held by the Strata Managing Agent / Owners Corporation of the above Strata Plan. The information found is recorded in this report.



Diamond Executive Summary

This Diamond Report is a result of an inspection of the strata records associated with this property at that time of inspection.

As these reports can be challenging to read and comprehend, Diamond Property Inspections has provided for your assistance an Executive Summary in order to immediately bring noteworthy issues to your attention.

Important Note: You must read the report in its entirety and take time to understand the detail contained and NOT rely solely on this Summary.

Issues of significant concern

In the inspector's opinion the inspection has not uncovered any significant issues of concern.

Issues of interest / concern

Attention is drawn to the deficit balance in the Administrative Fund and to the duty imposed on the Owners Corporation by Section 71 of the Act to recoup a deficit by way of a Special Levy within three months of such deficit occurring.

Please Note: The building is currently underinsured for an amount equal to the valuation below. However, this does not imply that the insured value is equivalent to the current market value of the building.

A Search should be made at the Land Titles Office to ascertain all registered dealings.

****Strata Management maintain the records of the Owners Corporation in both hard copy and computerised formats. Perusal of these records, in order to identify the required information, is significantly more complex than normal. We cannot guarantee that all documents in relation to computerised records were sighted or in fact have been scanned into the computerised system made available for inspection. This report is based on a compilation of information provided by the Strata Manager.**



Contents

PROPERTY DETAILS	2
DIAMOND EXECUTIVE SUMMARY.....	3
ISSUES OF SIGNIFICANT CONCERN	3
ISSUES OF INTEREST / CONCERN	3
CONTENTS	4
BUILDING MATTERS	5
1. STRATA ROLL.....	6
2. INSURANCES	7
3. RECORDS OF NOTICES AND ORDERS.....	8
4. DOCUMENTATION RETENTION.....	8
5. BOOKS OF ACCOUNTS.....	8
6. MAINTENANCE CONTRIBUTIONS.....	9
7. BY-LAWS	10
8. MANAGING AGENT.....	10
9. TITLE DEED	11
10. MINUTES	11
11. STRATA COMMITTEE MEMBERS	12
12. INCOME TAX.....	12
13. GENERAL INFORMATION.....	12
14. BUILDING DEFECTS AND OTHER MATTERS	13
<i>OH & S Reporting</i>	<i>14</i>
<i>Capitol Works Fund Analysis.....</i>	<i>14</i>
<i>Annual Pest Report.....</i>	<i>14</i>
<i>Annual Fire Inspection (15a Certificate).....</i>	<i>14</i>
<i>Asbestos Report and Management Plan</i>	<i>14</i>
15. HISTORICAL INFORMATION	15
<i>Building issues / work carried out relating to Lot No.</i>	<i>15</i>
<i>Building issues / work carried out relating to Common Property.....</i>	<i>15</i>
<i>History of Special Levies Raised</i>	<i>16</i>
<i>Outstanding Building Works</i>	<i>16</i>
<i>Budget Analysis.....</i>	<i>16</i>
16. IMPORTANT NOTES	17
IMPORTANT INFORMATION	18



Building Matters

- | | | |
|-----------|--|------------|
| A. | Is the Strata Plan Part of a Community Association or BMC? | No |
| | If Yes "Community Plan" / BMC No.? | - |
| | The manager is? | - |
| B. | Is a Community Title Records / BMC inspection recommended? | No |
| C. | Is a Pest Inspection recommended? | YES |
| D. | Is a Building Inspection recommended? | YES |



1. Strata Roll

- 1.1 Section 96** ➤ Is there a Strata Roll **YES**
- 1.2** From the entries on the Strata Roll does the Initial Period appear to have expired? **YES**
- 1.3 Section 98 (1)** ➤ Lot details for Lot: **10**
 Vendor: The recorded vendor is: **Anna Owner**
1 Sample Street
Sampleton
 Original Owner: **NOT SIGHTED**
- 1.4 Section 98 (1) (b)** ➤ Mortgagees: The recorded mortgagee is **NONE RECORDED**
- 1.6 Section 98 (2) (c)** ➤ Unit entitlements:
 Unit Entitlement: The Unit Entitlement (UE) is **23**, the Entitlement Aggregate (Agg) being **376**
 This information was ascertained from the strata roll.

Note: The Owners Corporation must prepare and maintain the strata roll in accordance with this section of the SSM Act. The strata roll can be recorded or stored mechanically, electronically or by other means.



2. Insurances

Insurance of Buildings- information gained from Renewal Certificate - Copy attached

Type	Policy No.	Cover	Premium	Due date
Building	827376	\$4,160,000	\$6,085.62	1.04.2018
Contents	As above	\$35,000	Included	As above
Loss of Rent	As above	\$624,000	Included	As above
Public Liability	As above	\$20,000,000	Included	As above
Personal Liability	As above	\$200,000/2,000	Included	As above
Fidelity Guarantee	As above	\$100,000	Included	As above
Office bearers Liability	As above	\$100,000	Included	As above
Machinery Breakdown	As above	\$Not covered	\$Not covered	As above
Catastrophe	As above	\$Not covered	Included	As above
Worker's Compensation	As above	N/A	N/A	Not required if wages are under \$7,500 P.A
Govt. audit costs	As above	\$25,000	Included	As above
Appeal expenses	As above	\$100,00	Included	As above
Legal defense expenses	As above	\$50,000	Included	As above
Lot owners fixtures and improvements	As above	\$250,000	Included	As above

4.1 The excess is \$ 500 flood; \$500 all other claims

4.2 Insurance Broker: Corporate Home Unit Underwriting Agencies Pty Ltd

4.3 Insurance Company: QBE

Valuation – Building section 82 (3)

Has a valuation been carried out in last 5 years?

YES

If yes who by?

Strata Manager Valuations

Year 9 March 2017 Value

\$4,480,000

Note: It is a requirement of the SSM Act, that the Owners Corporation have a property valuation carried out for insurance purposes at least once every 5 years and have the building insured for its current replacement value.

Valuation - Land

Was a Valuer General's valuation sighted?

YES

Year 2016 Value \$2,370,000



3. Records of Notices and Orders

- | | | |
|------------|--|-----------------------------------|
| 3.1 | Are records kept of Notices received by the Owners Corporation? | YES |
| 3.2 | Are records kept of orders received by the Owners Corporation? | YES |
| 3.3 | Are the records kept in loose leaf, electronically or bound book form? | Loose & Electronically |
| 3.4 | Are the Notices and Orders themselves kept by the Owners Corporation? | YES |

4. Documentation Retention

- | | | |
|------------|---|------------|
| 4.1 | Is correspondence retained? | YES |
| 4.2 | Are Notices of Owners Corporation and Council Meetings retained? | YES |
| 4.3 | Are proxies retained? | YES |
| 4.4 | Are voting papers retained? | NO |
| 4.5 | Are records served under Section 31 retained? | YES |
| 4.6 | Are Notices given under Section 118 retained? | YES |
| 4.7 | Are these documents retained for the prescribed period? (Seven Years) | YES |

5. Books of Accounts

- | | | |
|-------------|--|--------------------------------------|
| 5.1 | Who keeps the books of account? | Strata Manager |
| 5.2 | What was the approximate balance of the Administrative Fund? | \$ (1,525.47) as at 4 August, |
| 2017 | | |
| 5.3 | What was the approximate balance of the Capitol Works Fund? | \$ 14,035.42 as at 4 August, |
| 2017 | | |
| 5.4 | Are there any arrears for the Scheme? | \$ 0.00 as at 4 August, 2017 |
| 5.5 | How were these approximate balances ascertained? | PC Printout |



6. Maintenance Contributions

- 6.1** The records indicate that current standard contributions are as follows:
- Administrative Fund: **\$ 458.78** per quarter
 - Capital Works Fund: **\$ 84.11** per quarter
 - Other: **\$ -** per quarter
 - Levies due: **MARCH, ,JUNE ,SEPTEMBER ,DECEMBER**
- 6.2** Are there any arrears for the subject lot? **\$ 0.00**
- 6.3** Do these contributions appear to have been properly determined? **YES**
- 6.4** Are there any current special levies?
 (Admin Fund only S.76 (4))
 (Capital Works Fund S.76 (1)) periodic or lump sum payments **No**
- 6.5** If so, were Notices levying the contribution served in accordance with Section 78? -
- 6.6** Details of current special levies are:
- Fund: -
 - Amount: **\$ -**
 - Subject lots' share -
 - Due Date: -
 - Purpose: -
- 6.7** Do the records disclose the possibility of special levies in the near future?
POSSIBLE
- 6.8** If so, what are the likely details?
- Fund: **ADMINISTRATIVE**
 - Amount **\$NOT DETERMINED**
 - Likely Date: **NOT DETERMINED**
 - Purpose: **FUND IN DEFICIT/CASH FLOW**

Note: Special levy amounts listed are for the entire Strata Plan. To work out the proportion for the listed lot divide the amount of the special levy by the Unit Entitlement Aggregate (Agg) listed in **Section 1, Strata Roll** and then multiply by the Unit Entitlement (UE) also listed on **Section 1, Strata Roll**.



7. By-Laws

7.1 Do the records suggest that the By-Laws have been changed or added to in the past two years?

YES

7.2 If so, does it appear that these changes or additions have been registered?

YES

7.3 If they have not been registered, what do they relate to?

-

7.4 What is the attitude of the Owners Corporation to the keeping of animals?

AS PER BY-LAWS-MUST APPLY IN WRITING

7.5 Were any exclusive use By-Laws registered in the past two years affecting the subject lot?

No

Note: It is a requirement under the Act that approved By-laws must be registered within two years for them to become law.

8. Managing Agent

8.1 Managing Agent: **SAMPLE STRATA MANAGEMENT**

111 A Road

Reportsville NSW

Phone: **9999 9999**

The license for this manager is **123456**

A written appointment and delegation was **NOT SIGHTED**

8.2 **Section 27 (1)**

This Managing Agent / Owners Corporation was appointed in **PRIOR TO 2006**.

8.3 **Section 27 (2)**

The previous Managing Agent / Owners Corporation was **UNABLE TO DETERMINE**



9. Title Deed

9.1	The original of the Certificate of Title for the common property was sighted.	
	Edition number:	2
	Date issued:	3/11/2015
	Identifier:	CP/SP1111
9.2	The strata plan was first registered on:	7.4.1975
9.3	Details of any subdivisions:	NIL
9.4	Number of Lots in the Strata Plan	11
9.5	Number of Units in the building	11

10. Minutes

10.1	Does the Owners Corporation keep Minutes of meetings?	YES
10.2	If so, do the Minutes include particulars of Motions passed?	YES
10.3	If so, does it retain these Minutes as required by the Act and Regulations?	YES
10.4	Date of First Annual General Meeting:	NOT SIGHTED
10.5	Date of last Annual General Meeting:	19 SEPTEMBER 2016
10.6	Has an Auditor been appointed?	NO
10.7	Last meeting posted in minute book sighted:	EGM 20 APRIL 2017
10.8	Copy of Minutes attached:	YES SEE ATTACHED
	Minute book inspected dated from 2006	



11. Strata Committee Members

11.1 The duly elected members of the committee:

PLEASE REFER TO THE MINUTES OF THE AGM FOR ELECTED MEMBERS

12. Income Tax

- | | | |
|------|---|----------------------------|
| 12.1 | Does the Owners Corporation appear to receive taxable income? | YES |
| 12.2 | If so: | |
| | ➤ What is the source of that income? | INTEREST ON SAVINGS |
| | ➤ Are Income Tax Returns lodged? | YES |
| 12.3 | Was Tax File No. Sighted? | NO |
| | | NO. ----- |
| | Was ABN sighted? | NO |
| | | NO. ----- |
| | Is the plan GST Registered? | NO |

13. General Information

So far as was possible to ascertain from the Owners Corporation records:

- | | | |
|------|---|----------------------------|
| 13.3 | State of harmony in building By-Law Infringements: | |
| | PARKING ON COMMON PROPERTY | |
| | LEAVING MAIN ENTRY DOOR OPEN | |
| | DEPOSITING OF RUBBISH ON COMMON PROPERTY | |
| | NOISE | |
| | LEAVING GARAGE DOORS OPEN | |
| | DEPOSITING OF CIGARETTE BUTTS ON COMMON PROPERTY | |
| 13.4 | Does the building have cable television connected | NO CONTRACT SIGHTED |
| 13.5 | Does the building have a pool | NO |



14. Building Defects and Other Matters

Particulars of matters discovered from the books and records generally which may adversely affect either the Owners Corporation or the subject lot(s) from the point of view of a Purchaser or Mortgagee, or which otherwise may be of interest to a Purchaser or Mortgagee are:

14.1 Building / Defect Reports

AGM - 19.9.07 - Managing Agent to arrange:-

- For a builder to quote to repair the balcony of Unit 5, to fix the lifting concrete ceiling outside Unit 1 & 2 in the stairwell of Units 1-6 and replace the grates and drain cover in the driveway with heavy duty grates.
- For the plumber to investigate the leak from Unit 4 into Unit 1.
- For the repair of Unit 6's garage door.
- To fix the balcony sliding doors of Units 4 & 6.

AGM - 25.9.13 - Managing Agent was instructed to arrange to repair the crack in the common wall of the bedroom of Unit 2.

AGM - 15.9.14 - Resolved to accept the quotation from Harrison Group to repair the loose stairwell entry doors and no additional levy be determined.

- Resolved to approve the quotation from AMS Locksmiths & Alarms Pty Ltd for the replacement of the unit entry doors to comply with the Annual Fire Safety Statement.

AGM - 13.10.15 - Managing Agent was instructed to arrange:-

- To repair the concrete edging outside Unit 7-10 entry way, paint the edging surrounds and remove existing bollard.
- To install flyscreens to all common stairwells windows.
- To send a letter to Unit 11 regarding burning incense unattended and smoke alarm being activated.

AGM - 19.9.16 - Managing Agent was instructed to arrange:-

- For the repair of Unit 10 garage door.
- To repair the downpipe near Unit 2 which is overflowing an water coming out the bottom.
- For the removal of the conifer next to the driveway.
- To trim all trees off the building.
- To repair the rollers and lock of Unit 9 glass sliding door.

EGM - 20.4.17 - Resolved that Premier Strata be reappointed as Strata Managing Agent of the Owners Corporation.

- Managing Agent was instructed to arrange:

- To chase up Unit 9 sliding door repair.
- To contact the roofer regarding the front downpipe and the downpipe with new rivots.
- For the repairs of the leaking tap near Unit 8 garage.
- To repair the area outside Unit 10 entry.
- To repair the lights in the walkway and in the clothesline area.



14.2 Other Reports

At the time of our inspection the records presented to us contained the following reports:

OH & S Reporting

Occupation Health & Safety Report ?

Yes No

Year 2013

Copy Attached

NOTE: Health and Safety Inspections of common property areas should be carried out at least annually to assess and report all defects, building issues and to ensure the property meets all local, state and federal government requirements. This will also ensure that insurance liability is not compromised.

Capitol Works Fund Analysis

Has the owners' corporation complied with the SSM act 1996 in respect of carrying out this inspection?

Yes No

Year 2016

Copy Attached

NOTE: It is a requirement of the Strata Title Act that all strata schemes carry out a Sinking Fund Analysis and review this at specific intervals.

Annual Pest Report

Australian Standard 3660.1 & AS 4349.1 recommends that all properties be inspected every 12 months as a minimum, high-risk properties need to be inspected at least every 6 months.

Has the owners corporation complied with the recommendations of AS3660.1 & 4349.1 in respect to having this inspection carried out?

Yes No

Year

Copy Attached

Annual Fire Inspection (15a Certificate)

Was a current 15a Certificate sighted in the files presented?

Yes No

Year 2016

Copy Attached

It is a requirement that all units have a smoke alarm system installed internally. We could not determine if this has been complied with. You should make your own enquiries.

Asbestos Report and Management Plan

Was a current Asbestos Report or Management Plan sighted in the files presented?

Yes No

Year 2012

Copy Attached



15. Historical Information

The following Historical information concerning the Owners Corporation and the Strata Scheme generally is made available on the basis that it may be of interest to the Purchaser or Mortgagee. This information is based on the information provided to us by the Managing Agent / Owners Corporation the amount of detail is dependent on the detail in the records, where the expenditure is recorded as being for the listed lot we will record same below.

Note: The following details are that of work carried out at the property as recorded in the STATEMENT OF INCOME AND EXPENDITURE REPORTS held by the Managing Agent / Owners Corporation. Where possible we have accessed and inspected the records for the last five years (some Managing Agents & Owners Corporations do not present 5 years of information for inspection)

Repairs and Maintenance [R&M] (admin) / Replacements – (Sinking) / Capital works / Special levy works / One off Projects.

Building issues / work carried out relating to Lot No. 10

- 2011/12 - Roof repairs (U10 remove fallen tree branches from roof area, replace broken tiles, recut & secure tiles, replace broken batons & secure loose gutters) \$1,350
- Maint - Intercom repairs (U10 investigate faulty panel & replace handset) \$210
- Maint - Plumbing (U10 - Sat call out - clear blocked stormwater drain & remove sediments from pump sump) \$220

- 2016/17 - Waterproofing (U10 Waterproof membrane/tiling shower - strata works agreement attached) \$995

-

Building issues / work carried out relating to Common Property

- 2007/08 - Maint - Ceiling repairs (repair ceiling outside U1 & 2; U4 replace water damaged ceiling) \$2,150
- Improvements (install new galvanised driveway grate) \$900
- Plumbing/drainage works (U1 install stack pipe outside garage) \$965

- 2008/09 - Balcony repairs (repair concrete cancer to Unit 6, 7, 8, 9 & 10 balconies) \$7,100
- Tree maintenance \$750

- 2009/10 - Electrical repairs (replace smoke alarms in stairwells & check common light, replace lamps) \$583

- 2010/11 - Tree maintenance \$1,490

- 2011/12 - Waterproofing (U13 waterproof ensuite shower) \$1,540

- 2012/13 - Pest control (termite inspection & report except U1, 8 & 10) \$1,172
- Tree maintenance (remove dead gum tree at rear of property) \$2,890

- 2013/14 - Antenna installation \$2,560
- Electrical improvements (replace main sub boards to all units with new circuits & safety switches) \$1,674



- Improvements (installation of aluminium nosing non slip treads to stairs in three stairwells) \$3,621

2014/15 - Door replacement/repairs (removed, refit & serviced three main entry doors back into original position) \$2,970

- Painting - Interior (painting of fire doors) \$1,650
- Waterproofing (U2 & U9 waterproof main bathroom) \$3,289

2015/16 - Driveway repair/replacement (repair concrete) \$1,837

- Window lock install/compliance (install window locks) \$4,892
- Maint - repair wall cracks (U1 repair cracks) \$528
- Maint - General (supply & fit flyscreens) \$350

2016/17 - Capital works fund report \$588

- Window lock install/compliance \$1,084

History of Special Levies Raised

- 2008 \$1,420.00 For clear admin fund deficit resolved @ AGM, 16.9.08 Payable 1.11.08
- 2013 \$5,799.03 For clear admin fund deficit resolved @ AGM, 25.9.13 Payable 1.10.13 & 1.11.13
- 2014 \$1,003.98 For clear admin fund deficit resolved @ AGM, 15.9.14 Payable 1.10.14
- 2014 \$13,530.00 For replacement of fire doors resolved @ AGM, 15.9.14 Payable 1.11.14; 1.2.15; 1.5.15 & 1.8.15

Note: This section can indicate whether the Owners Corporation / Managing Agent are in control of the budget and expenses.

Outstanding Building Works

2017 No major works were listed or quotes sighted at the time of this inspection

Note: Shows details of works quoted but not yet resolved, building works not yet complete and unpaid invoices (etc).

Budget Analysis

Year	Administration fund	Capitol Works Fund
2012	Budget \$22,488.50	Budget \$7,000.00
2013	Budget \$27,300.00	Budget \$5,217.00
2014	Budget \$30,000.00	Budget \$2,517.00
2015	Budget \$30,000.00	Budget \$2,517.00
2016	Budget \$30,000.00	Budget \$5,500.00

Note: This section shows increases / decreases in the budget for the past (5) years when records are available for inspection. It gives an indication of cost trends for the plan and whether correct budgeting practices have been applied by the O/C and/or the Managing Agent.

Some strata management companies scan documents onto computer systems for inspection purposes. In some instances our inspections may encompass these scanned documents as well as hard copies including Minute Books. Whilst every care is taken during the inspection, we cannot guarantee that what was sighted is all that the manager may have in their possession.



16. Important Notes

- A. During the course of the subject inspection, no attempt was made to ascertain whether any Managing Agent has complied with the detailed accounting requirements of the Property, Stock and Business Agents Act 2002 or whether the prescribed accounting and prescribed financial statement requirements are being complied with by the Owners Corporation.
- B. The information contained in this report was extracted from the books and records of the Owners Corporation and, so far as was possible, from conversations with officers of the Owners Corporation.
- C. Special procedures were followed to minimise the possibility of records not being made available for inspection. However, your attention is directed to the possibility that all of the Owners Corporation records may not have been made available for inspection or, alternatively, that the records may not have contained all of the information of interest to a Purchaser or Mortgagee.
- D. This report is issued to the named client and if that person is a solicitor or conveyancer, the client of that solicitor or conveyancer. Diamond Network Services will not accept any responsibility to any other person who relies upon this report to their detriment unless it has agreed in writing to accept such responsibility.

DISCLAIMER OF LIABILITY TO THIRD PARTIES:- This report is made solely for the benefit of the client named on the face of this report and no liability or responsibility whatsoever is accepted to any third party who may rely on the Report wholly or in part. Any third party acting or relying on this report whether in whole or in part do so at their own risk.

This Inspection and Report was carried out by A Reporter.



Important Information

Things to do once you have purchased the property

1. Make sure that you're Licensed Conveyancer / Solicitor has sent a completed **Section 118 Notice** to the Strata Managing Agent / Owners Corporation (listed on page 8 of the report) notifying them of your purchase.
(Failure to do so will leave you liable for un-paid levies and restrict your voting rights at any important strata meetings.)
2. If your property is to be rented ensure that your appointed Property Manager has sent the Strata Managing Agent / Owners Corporation (listed on page 8 of the report) a completed Section 118 Notice with all the tenant's details and emergency contact details for yourself.
3. Make contact with the Strata Managing Agent / Owners Corporation to introduce yourself and check that all of the legal documentation mentioned above has been received and entered against your lot in the official strata roll.
4. If you are to be an Owner Occupier you will need to ensure that you have adequate contents insurance, (this includes floor coverings which are not considered common property).
5. The policy held by the Owners Corporation only covers the building.
6. If you are an Investor you will need to ensure that you have adequate landlords insurance as personal injury caused by or in your lot will not be covered by the policy held by the owners corporation.
7. If you are an Investor renting the property it is your responsibility to ensure that your tenant receives a copy of the current by-laws.
8. Obtain a current copy of the by-laws pertaining to the building that you have purchased in.
9. For information in relation to by-laws and your responsibilities whilst living in strata visit the Department of Fair Trading website www.fairtrading.nsw.gov.au and view "buying into a strata scheme?"

