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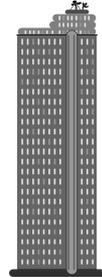
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Factsheet – Why do I need a Strata Report?



A Strata Report is very important if you are thinking of buying a strata title property to ensure that the complex is fully insured and that all aspects of the maintenance and lifestyle arrangements are attended to.



What is a Strata Property?

Any property which is located on “common” property – eg: a unit, villa or townhouse. This can include a complex with anything from 2 – 1000 residences. The “common” property is the overall complex where your prospective residence is situated.

What does a Strata Report cover?

When purchasing a unit, villa, townhouse or other “strata” property, it is essential to commission a Strata Inspection Report. An inspection is done of the Owners Corporation “Strata Roll”, which is the main record of the details of properties within the complex, noting information relating to mortgagees over the property in question as well as title particulars.

Insurance details must also be checked, as the Strata Committee is responsible for the building, property damage, workers compensation, voluntary workers and any other insurance of the strata complex.

Records of Notices and Orders relating to the complex and the residences within it are also investigated. These notices can include things such as fire hazard notices, municipal orders and occupational health and safety notices.

Documentation retention is checked, to ensure that the strata committee has their books in order and keeps up to date with important matters.

The books of Account are sighted to ensure that proper accounting is in place and information should be supplied to you about who keeps the books of account, what the approximate balance of funds was at the time of the report.

Maintenance contributions which you will be liable for are also detailed in the report, enabling you to get a clear picture of the costs involved in owning a strata property within a particular complex. Details should include costs to the Administrative Fund, Sinking Fund, Special Levies – both current and proposed and whether or not the inspector feels the costs have been correctly determined.

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Details of the By-Laws of the Owners Corporation should be listed.

Information should be given as to the details of any Managing Agent of the complex, as well as any alternative agent, should the Managing Agent fail to complete their duties.

The inspector should sight the Title Deed of the common property and if it is not available, the reasons why should be explained.

The inspector should check to ensure that minutes of all meetings by the Owners Corporation are kept, as well as details of any income tax matters, including recording of TRN & ABN numbers.

General information should also appear on your Strata Report, including details of the number of lots in the Strata Plan, what unit entitlement your prospective property has and when the last increase in levies occurred.

General repair of the complex should be recorded in your report, including plumbing and building defects and when the repairs were made.

Historical information may include details of the date of registration of the Strata Plan, when the first and last AGM's and Executive Committee meetings were held, names of office bearers and details of auditors appointed.

We hope this fact sheet has been of assistance to you.

Regards

Roderick Storie Solicitors