

Podcast Transcript

Episode Title: Why You Need a Strata Report Before Buying

Host: Ian (Speaker 2)

Guest: Paul Denny (Speaker 1)

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Transcript

Ian (00:00.244)

It's time to talk about Strata, and I really love this. I love this time of Monday morning when we have a bit of a yarn with Bowral Conveyancing Centre, or more specifically with Paul Denny, about all sorts of things to do with conveyancing. And today we're talking... good morning, Paul.

Paul (00:15.500)

Good morning, Ian.

Ian (00:16.200)

This morning we're talking about Strata reports.

Paul (00:18.500)

Yes, when you're buying into a strata property, one of the reports you can get is on the owners' corporation, which involves an inspector going in to look through the books of the strata and then producing a report telling us all sorts of things about what's happening with that particular development. It's money well spent and a wealth of information.

One of the big important things is the history of what they've been spending money on over the years. For instance, are there recurring problems every year with plumbing or drainage, or even sometimes concrete cancer? If that's coming up constantly every year in little bits and pieces, well, that may be a sign of a more significant problem that'll have to be addressed at greater expense later on.

It also looks at future expenditure. Maybe not so much nowadays, but a few years ago, a big thing was cladding. When a lot of the cladding was found to be flammable, it had to be replaced. The report can give insight into what that would

cost. Painting, if it hasn't been repainted for the last five years, there might be a big painting bill coming up. So it's a fishing exercise to see what's going on.

What's the financial standing of the strata? How much money they have in the banks? It's supposed to be what they call an administration fund, which is for day-to-day expenses like cleaning and insurance, but also a capital works fund, which we used to call a sinking fund. They've got to build money up so when these big expenditures do come up in the future, there won't be a special levy that needs to be raised to cover those works.

It also looks at how well the people live with each other. Is there a problem with noise? Smoking can sometimes be an issue, and even pets, because, of course, you can't exclude pets like dogs and cats nowadays by law.

Ian (02:21.056)

But you can complain about the noise they make.

Paul (02:23.000)

Yes, you can have rules about them. If someone wants to keep a small dog in their apartment, they can't be prevented from doing so under the law.

Ian (02:30.000)

So what if the dog barks a lot and they have a rule that says the dog...

Paul (02:34.000)

Well, it would have to be removed. If it becomes a problem, then there's an application to the Strata Tribunal to make an order for that dog to be removed if it can't be controlled.

Ian (02:44.500)

Now, Paul Denny, you can explain all of this to people. And they would be well advised to give you a call and have a bit of a yarn if they're thinking about buying a property within some sort of complex where Strata is involved.

Paul (03:11.992)

Certainly, absolutely. And often the strata report is provided by the agent, which is very good. So we will look through that and give some advice on that.

Ian (03:19.000)

Yes, even though the agent has provided it, it's still worth having a second opinion.

Paul (03:22.500)

Look, a Strata report is different from a building report because it's a statement of fact rather than an opinion. So I'm quite happy to rely on one that's provided, as long as it's recent, because it's a factual report, not an opinion.

Ian (03:38.000)

Okay, but there could be a word or two that needs to be changed. So if people want to get in touch with you, what is the best way to do that?

Paul (03:45.056)

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Key Information

Website: www.bowralconveyancing.com.au