



enews

INFORMATION SHEET

WORKPLACE SERVICES

Building Consultants: Inspecting and reporting on properties

HIA often receives enquiries regarding the requirements to perform property inspections. This may be pre-purchase inspections or other inspections, such as where there are claims of defects.

Pre-purchase property inspections

Do I need a licence?

Prior to 16 September 2009, builders or others who wanted to carry out pre-purchase property inspections in NSW were required to hold a home building consultant licence.

This requirement was subsequently removed in an effort to cut red-tape, opening the market to any suitably qualified person (generally anyone who professed to have knowledge of the BCA and experience in the industry, such as builders, architects and surveyors).

As you are providing advice to clients, you should have in place professional indemnity insurance.

What are pre-purchase property inspections?

Pre-purchase property inspections are generally undertaken at the request of a prospective buyer of a property to report on the condition of a property based on a visual inspection of all accessible parts of the property.

The inspection does not usually include parts of the property that were not or could not be inspected, matters outside your expertise, estimates of repair costs, minor defects, or termite detection. If the prospective buyer wanted a report on these things, a pest inspection and/or special purpose report may be required.

Writing the report

The format and content of the report should comply with the Australian Standard AS 4349.1.

There are various things that should be included in the report:

- name of consultant
- address of property being inspected and a description of the property
- reason for the inspection, date and scope of inspection
- any prevailing conditions at the time of the inspection
- a list of any area or item that wasn't inspected and reason why, e.g. furniture may be in the way or there may be floor coverings obstructing an inspection
- a summary of the overall condition of the property (this is the most important part of the report – it should give a brief summary of the major faults found and a report on the overall condition of the property, considering the property's age and type of building)

DISCLAIMER - The above is intended to provide general information in summary form. The contents do not constitute specific advice and should not be relied upon as such. Formal specific advice should be sought by members with respect to particular matters before taking action.

phone 1300 650 620 | fax 1300 655 953 | enquiries@hia.com.au | hia.com.au

- a list of any significant problems that need fixing (major defects and any safety hazards need to be listed; in terms of minor defects, the overall extent of defects is to be described rather than commenting on each minor defect)
- recommendations for further inspections, if feel they are required, such as pest inspections, inspections of electricity and water supply, structural engineer

Parts of the property that should be inspected include the interior and exterior of the building, including garages, shed, carports and other separate buildings on the site; the roof space; underfloor space; roof exterior; fencing; pathways; storm water run-off; and paths and driveways.

Other building inspection reports

As with pre-purchase reports, if you are considering reporting on properties for purposes other than pre-purchase, such as where another contractor or homeowner requires a report on the condition of the property or an item alleged to be defective, a construction progress report, dilapidation reports, or insurance reports, a licence is not required.

You need to determine whether you have the appropriate qualifications and experience to provide such a report, based on the reason for the report.

As the inspection and report are the provision of advice that another party intend to rely upon, it is a good idea that you have insurance to cover the risks associated with providing such services, such as professional indemnity insurance. HIA Insurance Services can provide information about this type of insurance.

For more information contact your Workplace Advisor on 1300 650 620