

Don't let it all fall apart

It's well worth spending a little to save a lot, writes **Kate Robertson.**

ALEX Scaffaro, owner of Urban Property Inspections, prefers it when house hunters call him before they have made an offer on a property. He says it gives his clients more options to negotiate on price — or change their minds about buying — if any issues arise.

In the past, those "issues" have included finding a weight-bearing wall being supported by a car jack and a bucket being plastered into a ceiling to disguise a leaking shower on the second level.

Mr Scaffaro says he doesn't tell anyone not to buy. "We can only advise them on what we find," he says. "Every style of home has different issues."

For older houses, the main problems tend to be poor ventilation and moisture build-up under the house, which can cause rotting stumps or problems with footings, and rising damp.

"At the footings, the brickwork starts to absorb the moisture, the brickwork becomes chalky and paint starts flaking off," Mr Scaffaro says. "They could need additional subfloor ventilation or improved drainage or treatment to the brickwork and footings to stop them absorbing moisture."

A sagging roof line can indicate

problems with the foundations but an older roof can have its own issues. "Concrete roof tiles can begin to absorb moisture," he says, adding that this can be expensive to rectify. "It depends on how long they have been exposed. Once the seal has gone, if they are exposed to climate and left like that for too long you can't restore them any more. They become brittle."

Mr Scaffaro warns that although many people sign a sales contract with a clause that their offer is subject to a building inspection, the standard wording covers only "major" structural issues or termites. And while problems such as concrete roof tiles absorbing moisture would be expensive to fix, they are not classed as a structural defect, he says.

With the median price of Melbourne property more than \$500,000, buyer's advocate and registered builder Peter Rogozik can't understand why some people balk at paying for a building inspection. He agrees with Mr Scaffaro that relying on the "structural defect" conditional clause in a private sale contract is unwise. But the worst-case scenario is when people buy at auction without an inspection, where the sale is unconditional.

"It's quite astounding that there are a substantial number of people



that take the risk," Mr Rogozik says. "If they just want a building report, it's about \$300 to \$400 — that's so insignificant — and if they want a building and pest report it's about \$600."

"You've got to obtain the report before the auction because your auction contract is unconditional, so there's no way around that. In a private-sale situation, I'd first agree on price, because that's always the hardest thing to agree on, and then I make the purchase subject to the building clause. That way if something comes up you can use the clause to rescind and then negotiate down from there."

Mr Rogozik says it is important

to ask to see a copy of one of the building inspector's reports before choosing who to engage. "I've seen reports that are loaded with disclaimers and don't really come to any definite conclusions," he says.

"The first six pages are disclaimers and then you get a couple of little paragraphs at the end that are vague and general. Get a pest inspector as well because building inspectors know nothing about insects, borers, white ants; it's a totally different profession."

Mr Rogozik says some property sellers deliberately set out to hide issues such as rising damp by repainting and a good building inspector is essential for uncover-

ing expensive problems: "He'll just put the damp meter against the wall to ascertain the level of dampness in the wall."

But he says it's important to look at the big picture. "Don't walk away

If they just want a building report, it's about \$300 to \$400. PETER ROGOZIK

from a great opportunity because you know it might need re-stumping that's going to cost \$4000 or \$5000," he says.

"If you've got yourself a fantastic asset that ticks the boxes of what

constitutes the optimum investment choice, this property's going to double in value over six to nine years' time. You're going to make hundreds and hundreds of thousands of dollars on this property; \$5000 is not a deal breaker. So you've got to put it into perspective and, in the greater majority of situations, I don't walk away."

And don't think when you buy is the only time you need to worry about the condition of the property he warns. The role of the building report is not only to identify building faults but also to assist in developing an ongoing maintenance plan for your property.

"A period home is an appreciat-



An inspection helped Glenn Mitchell, right outside his apartment, avoid potential disaster.

A timely warning

AFTER months of looking, a unit in a block of four in Carlton was stacking up nicely for investor Glenn Mitchell. It was a great location and appeared to be reasonably priced. That was until the building inspection report was completed.

"If we had have gone ahead with that, it would have been a disaster," Mr Mitchell says.

The report revealed a litany of expensive problems, including a dodgy bathroom renovation that had not connected waste pipes from the shower and the bath properly, so water drained on to the soil underneath.

Mr Mitchell works in financial services and says the decision to spend

money on a building inspection is a simple one. "If it stops you making the wrong decision, the money you're spending [on an inspection], you're going to get back many times over."

"The money I spent was certainly worth every cent. The last thing I wanted to do was buy a property where I'd be having tradesmen fixing underneath and the rooflines and pulling out the bathroom for the next 12 months ... we just walked away from it."

Mr Mitchell went on to buy a two-bedroom unit in West Brunswick. "It's increased in value quite nicely and I've never had any trouble at all with the building."

ing antique that needs to be maintained regularly," Mr Rogozik says, "so the role of the building report is to not only identify building faults but to give people hints about maintenance to protect their asset."

A maintenance plan can include reminders to regularly repaint external timbers, check silicone in the bathroom and kitchen to ensure they don't need replacing and inspect for damp areas underneath the house, which will attract termites and can impact on the stumps or footings.

"I have an ongoing maintenance plan for my home and I do it regularly because I know if I spend a few hundred dollars regularly it's going

to save me a lot of money going forward," Mr Rogozik says.

"All homes deteriorate over time, no matter what you buy; you need to protect your asset."

Tips

- Check the building-defect clause before signing
- Get a building inspection before making an offer
- Don't tell the agent who has requested the inspection
- Look at the big picture when deciding whether to proceed
- Develop an ongoing maintenance plan to protect your asset