



# HILL STRATA

## SOLUTIONS

Strata Inspection Report

Unit 4/1 Property Street

Strataville NSW 2500

Lot 4 Strata Plan 80000

Hill Strata Solutions Pty Ltd

Phone: (02) 4243 9125

Email: [email@hillstratasolutions.com.au](mailto:email@hillstratasolutions.com.au)

PO Box 102 Shellharbour City Centre NSW 2529



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## IMPORTANT INFORMATION REGARDING THIS REPORT

This report was prepared on 1 February 2019 by Priscilla Hill from Hill Strata Solutions at the request of:

MMM Lawyers on behalf of

Mr and Mrs Pitt

The records of the Owners Corporation were inspected on 1 February 2019.

Hill Strata Solutions Pty Ltd has prepared this report for the purpose of reporting solely to the client named above.

The information contained in this report is based on the information provided at the time of our inspection of the books and records of the Owners Corporation. Hill Strata Solutions Pty Ltd can not guarantee that all of the Owners Corporation records were provided to us at the time of inspection nor accept liability if the information provided at the time of the inspection is inaccurate, omitted or incomplete. Every effort is made by Hill Strata Solutions Pty Ltd to provide true and accurate information in this report.

The information provided in this report is a result of an inspection of the records for approximately one hour. We aim to provide as much information within that timeframe. If you require further information or more detail on any of the information provided within this report please contact our office and we can arrange a further inspection of the records at an additional cost.

Should you have any questions regarding this report, please do not hesitate to contact us:

Hill Strata Solutions Pty Ltd

Phone 02 4243 9125

PO Box 102 Shellharbour City Centre NSW 2529

Email: [email@hillstratasolutions.com.au](mailto:email@hillstratasolutions.com.au)

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**KEY INFORMATION****4/1 Property Street Strataville**

The subject property is identified as Lot 4 in Strata Plan number 80000.

This strata scheme consists of 6 lots in total and Lot 4 has a unit entitlement of 10 out of 60 which equates to 16.66% of the total share of the strata scheme.

Upon our inspection of the books and records at ABC Strata Management we noted the following key information:

**Owners Corporation Funds**

The balance of Owners Corporation funds at 1 February 2019 is \$23,439.21

We note that the current balance of the Administrative Fund is \$2,451.20 and the balance of Capital Works Fund is \$20,988.11.

**Quarterly Levy Contributions**

The current quarterly levy contributions for the subject lot are as follows:

Administrative Fund	\$300.00
Capital Works Fund	\$200.00
<b>Total per quarter</b>	<b>\$500.00</b>

We note that there is an outstanding amount of \$0.00 owing at 1 February 2019.

**Building Insurance**

The property is currently insured for \$4,500,000.00 with Insurance Australia and includes all of the compulsory covers required under the Strata Schemes Management Act 2015 such as Public Liability and Voluntary Workers cover.

**Additional Notes and Comments**

## STRATA ROLL RECORDS

The Strata Roll record sighted complied with the Strata Schemes Management Act 2015	Yes
The Initial Period has expired	Yes
Original Certificate of Title was sighted at the inspection	No
Lot number	4
Unit number	4
Owner of Lot	Johnny Cash
Unit Entitlement	10 out of a total aggregate of 60. This equates to 16.66% of the total share, rights and financial responsibility of the strata scheme.
Mortgagee	None recorded
Original Owner	None recorded
Number of total Lots	6
Number of total Units	6
Strata Plan Registration Date	1 January 2010

**INSURANCES**

Insurance Company	Insurance Australia
Building Sum Insured	\$4,700,000.00
Policy Number	123456
Insurance Premium	\$5,100.00
Renewal Date	6 February 2020

**Additional Insurances**

Public Liability	\$20,000,000.00
Fidelity Guarantee	\$100,000.00
Office Bearers Liability	\$5,000,000.00
Loss of Rent	\$470,000.00
Common Area Contents	\$47,000.00
Voluntary Workers	\$200,000/2,000
Catastrophe Insurance	Not Insured
Machinery Breakdown	Not Insured

**INSURANCE VALUATION**

Valuation Amount	\$4,500,000.00
Valuer	XYZ Property Valuers
Valuation Date	13 November 2017

The property is currently insured for an amount equal to or greater than an Insurance Valuation conducted by a registered valuer.

## FINANCIAL INFORMATION

## OWNERS CORPORATION FUNDS AS OF 1 FEBRUARY 2019

Balance of the Administrative Fund	\$2,451.20
Balance of the Capital Works Fund	\$20,988.11
Total Cash at Bank	\$13,439.31
Investment Accounts	\$10,000.00
Total levies in arrears	\$0.00
<b>Total Balance of Funds</b>	<b>\$23,439.31</b>

## LEVY CONTRIBUTIONS FOR LOT 2

Current Administrative Fund levy	\$300.00 per quarter
Current Capital Works Fund levy	\$200.00 per quarter

**Total Levies payable** **\$500.00 per quarter**

Levies effective from 1 May 2018

Current Levy Arrears \$0.00

Current Special Levies payable \$0.00

## APPROVED BUDGET

Current Budget approved at Annual General Meeting held 1 April 2018

Total Administrative Fund	\$11,500.00
Total Capital Works Fund	\$6,000.00

## APPROVED BUDGET PRIOR YEAR

Total Administrative Fund	\$10,000.00
Total Capital Works Fund	\$5,000.00

**SPECIAL LEVIES**

Current Special Levies due for Lot 4	None
Purpose of Special Levy	N/A
Date determined	N/A
Historical Special Levies raised	No special levies have been raised within the last five years
Possible/Future Special Levies	There is a possibility that future special levies may be required to fund the waterproofing issue in the basement garage. Once quotations are received, the Owners Corporation may decide to fund the project with a special levy.

**TAX/GST REGISTRATION**

Is there evidence of Income tax return lodgement for previous financial year?	Yes
Is the Owners Corporation registered for GST?	No
If GST registered, is there evidence Business Activity Statements have been lodged quarterly?	N/A



**STRATA SCHEME BY-LAWS**

Standard By-laws sighted in the records	Yes, copy attached
Are there any by-laws that have been approved but not yet registered?	No
Are there any special by-laws that directly affect the subject Lot?	No
What is the by-law for the keeping of animals?	The Owners Corporation has adopted Option A which only permits animals with the written approval from the Owners Corporation. Approval is normally required at a meeting.  Please refer to by-law number 16 of the attached copy of by-laws.
Is there evidence that animals have been refused by the Owners Corporation in the past two years?	None sighted in the records
Any recent by-law breaches issued	None sighted in the records

**CURRENT DISPUTES/LITIGATION**

Current disputes within the scheme	We found no evidence of any issues
Current state of harmony within the scheme	We found no evidence of any issues
Current Tribunal/Mediation matters	No
Current Orders made by NCAT (National Civil & Administrative Tribunal)	No
Any current or proposed litigation	No

## MAJOR REMEDIAL WORKS

Details of any current or proposed major remedial works for the strata scheme

The Owners Corporation has engaged Southern Engineering to inspect and report on a waterproofing issue in the basement garage. A copy of this report is enclosed. Quotations are currently being sourced and will be considered at the upcoming Annual General Meeting.

## BUILDING DEFECTS

Is there a record of a Building Defects Report being undertaken on the strata scheme?

None sighted in the records

Is there evidence of a current or proposed claim under Home Owners Warranty?

None sighted in the records

## 10 YEAR CAPITAL WORKS FUND

Is there a Capital Works Fund Assessment/Plan in the records?

Yes, copy attached

Notes regarding the report

The Capital Works Fund has been prepared by ABC Property Inspections. The report is for a period of ten years, commencing in 2015.

This report sets a maintenance plan and budget for a ten period so that the Owners Corporation raise sufficient for these works in the future.

We note that the Owners Corporation has not followed the recommendations from the Capital Works Fund Plan in the last three years when determining the levy contributions.

**COMPLIANCE****ANNUAL FIRE SAFETY STATEMENT**

Is there evidence that the Owners Corporation has submitted an AFSS to Council within the last 12 months?

Yes, copy of report attached

**WORK HEALTH & SAFETY**

Is there evidence that the Owners Corporation has obtained a Work Health & Safety Report on the strata scheme?

Yes, copy of report attached

**ASBESTOS SURVEY**

Is there evidence that the Owners Corporation has obtained an Asbestos Report on the strata scheme?

None sighted in the records

**WINDOW SAFETY DEVICES**

Is there evidence that the Owners Corporation has installed window safety devices?

Yes, Certificate attached

**SUMMARY OF HISTORICAL  
MAJOR EXPENSES****2017-2018**

Fence Replacement \$4,000.00

Major Plumbing Works \$4,500.00

**2016-2017**

Waterproofing \$9,450.00

Electrical Upgrade \$8,000.00

**STRATA MANAGING AGENT**

Strata Managing Agent	ABC Strata Management
Address	1 Strata Avenue Strataville NSW 2500
Phone number	4222 2222
Agreement Commencement Date	1 November 2017
Strata Manager	E Roberts

**MINUTE BOOK RECORDS**

Minute Book was sighted during the inspection	Yes
Date of the First Annual General Meeting	Not sighted in the records
Date of the most recent General Meeting	Annual General Meeting 1 April 2018
Date of the most recent Committee Meeting	Strata Committee Meeting 1 April 2018

**STRATA COMMITTEE MEMBERS**

M Jones (lot 1)  
J Smith (lot 2)

**ATTACHMENTS**

1. Strata Roll Information
2. Owner Levy Statement
3. Balance Sheet
4. Income & Expenditure Statement
5. Insurance Certificate
6. Insurance Valuation
7. Minutes of the last three Annual General Meetings
8. Certificate of Title
9. Strata Scheme By-Laws
10. Capital Works Fund Plan
11. Work Health & Safety Report
12. Asbestos Survey

## GLOSSARY OF TERMS USED WITHIN THIS REPORT

### **Administrative Fund**

A fund where the lot owners pay levies to cover the day-to-day running costs of the strata scheme. Examples of the expenses covered in this fund are insurances, general cleaning and maintenance cost, water usage and management fees.

### **Agenda**

A list of matters to be voted on by the owners at a meeting.

### **Annual General Meeting (AGM)**

A meeting of the owners that must be convened once every year.

### **By-Laws**

A set of rules and regulations that are registered on the title of the property that must be adhered to by all owners and tenants.

### **Budget**

An estimate of the expected expenses for a 12 month period. The budget then determines the levies that each owner will pay for the year. The budget is prepared by the Strata Manager or Strata Committee and presented at the AGM.

### **Capital Works Fund (previously known as Sinking Fund)**

A fund where the lot owners pay levies to cover capital expenditure such as major works, structural repairs, painting, roof and window replacement. There is a requirement under the legislation that an Owners Corporation must have a Capital Works Fund Plan.

### **Certificate of Title**

A title deed issued by the NSW Land and Property Information to prove ownership of a property. The Owners Corporation has title for the common property.

**Common Property**

Common property is the shared areas of the property such as external walls, stairwells, driveways and gardens. These areas are owned by the Owners Corporation and must be maintained by the Owners Corporation.

**Extraordinary General Meeting (EGM)**

A meeting held in addition to the Annual General Meeting for the owners to discuss and vote on specific matters.

**Initial Period**

The period of time prior to the first Annual General Meeting whereby the original owner still owns the majority of the lots in the strata scheme. Once one third of the unit entitlement is sold and the first Annual General Meeting is held, the initial period then ceases and the Owners Corporation takes ownership of the strata scheme.

**Levies**

Contributions, usually paid quarterly, by the owners to the Owners Corporation to cover regular expenditure and future major works expenses. The amount paid by each lot owner is regulated by the unit entitlement of their respective lot and allocated to both the Administrative and Capital Works (previously known as Sinking) Funds.

**Minutes**

A recorded result of each motion at a meeting.

**Motion**

A proposal put forward for consideration at a meeting for the owners to vote on.

**Original Owner**

The owner of the property when the Strata Scheme is first registered. It is generally the developer or builder.

**Owners Corporation**

The legal entity consisting of all the owners of the lots in a Strata Scheme.



**Special Levy**

A Special Levy is raised to pay for a specific expenditure in addition to the standard quarterly levies. The amount and due date of a special levy must be determined by the Owners Corporation at a general meeting.

**Strata Committee**

Owners that are elected at the Annual General Meeting to represent the Owners Corporation and make decisions in relation to the running of the strata scheme.

**Strata Roll**

The list of the owners of all lots in the Strata Scheme which includes any tenants.

**Tribunal**

The NSW Civil and Administrative Tribunal (NCAT) hears and determines disputes between tenants and landlords.

**Unit Entitlement**

The share or value of each lot in a strata scheme, this determines the proportion of each lot owner's contributions and voting rights.

# ATTACHMENTS