

PARDON? A FINAL INSPECTION! WHY?

Buyers often look aghast at the suggestion of the need to do an inspection before settlement.

Your Conveyancer will highly recommend that you the Buyer attends to a final inspection before settlement to ensure that

- The property is vacant (unless of course there is a tenant),
- The property is as it was when the agreement was made to purchase the property,
- The fixtures in the property are still in place and,
- The furniture (if any) included in the sale price has been left in the property.

It is a contractual right; the Seller shall allow the Buyer access upon reasonable notice to view the property to conduct the final inspection prior to completion (settlement).

The inspection must be done before the handing over the Buyers settlement moneys at the Titles Office. Once funds have been paid over and an issue is found after settlement rectification becomes difficult once the Seller has done a runner!

We've all heard the term "the devil is in the detail". This is why the professionals involved in the conveyancing profession on drafting the standard term contract were very verbose listing the fixtures as;

Unless excluded the price includes all stoves, hot water systems, wall to wall floor coverings, drapes and tracks, blinds, light fittings, dishwashers, ceiling and wall mounted fans, clotheslines, hoists, fixed television antennae, in ground or above ground swimming pool and filtration equipment, air conditioners, in ground shrubs, and all fixtures as inspected by the Buyer.

Chattels (furniture) should be listed and attached to the contract - such a washing machine or a dining room table and 6 chairs etc.

But despite your best endeavours and that of your Conveyancer and the Sellers Real Estate Agent issues do occur.

Conveyancers can share many horrible stories of the disputes that arise at final inspections namely;

- Missing chattels,
- Missing fixtures,
- Filthy and unkempt property,
- Damage,
- Fixtures not operable,
- The owner still in possession!!

It is most sensible to bring the issue up right away with the Real Estate Agent if something just isn't right.

• Missing chattels may have been rather innocently packed in error by the removalists with money compensation being allowed by the Seller at settlement,

• Missing fixtures? Why would a Seller remove light fittings or an air conditioner? Possibly the Seller was not aware of the obligation or simply wanted the items for their next property or were of sentimental value. Once again compensation needs to be allowed to the Buyer on settlement.

• Filthy and unkempt property does cause consternation; one person's clean property may not be necessarily judged as clean by another. The rule is if it was generally untidy at the time of contract it is likely to be delivered that way on the day of settlement. If a Buyer requires the property to be tidier than at time of Contract, then they should insist that a special condition is inserted in the Contract prior to signing same committing the Seller to clean the property to the Buyers reasonable satisfaction prior to settlement.

• Damage, a Buyer during the final inspection is looking for major new damage, fair wear and tear is acceptable, clearly it is new major damage that wasn't there at the time of Contract that should be raised immediately by the Buyer. Once again rectification or compensation is the vehicle of compromise. Often we are faced with a property damaged by persons who have broken into a vacant property during the course of the contract. The Seller hopefully has maintained the insurance over the property to cover such eventuality.

• Fixtures not being operable does cause all stakeholders in the transaction grief. On the day of the final inspection it is revealed that the dishwasher does not work. The Sellers response may be it never worked, never provided a warranty in the contract that all electrical fixtures and fittings would be operable on the day for completion. If the Buyer never undertook an electrical inspection prior to contract the Buyer will be stuck with an inoperable dish washer.

• Thankfully Sellers are in the main aware that they must provide vacant possession on settlement however, on occasions, Sellers familiar with practices in other jurisdictions where possession is granted post completion may very well be waiting for their cheque before vacating.

So what have we learnt? Ensure you have all terms included in your contract and undertake a final inspection.



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First Title - Property risk insurance (also known as title insurance) protects you against legal risks that can threaten the ownership of your property, or affect your right to occupy and use your land. Buyers - Property risk insurance covers a range of risks you are exposed to as a property buyer. Owners - Even if you already own your home, your property is still exposed to unknown risks from many issues including fraud documents.

TIMG - Solutions for Business - No matter what your business size, we offer a range of solutions to cover you from the time your information is created to the time it reaches its expiry date. Our goal is to make work-life simpler by helping you store, manage, integrate and access your important information securely, compliantly and effortlessly. Plus, you can be confident your data and information are stored and managed right here in Australia.



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