

Telling the risk story in Pre-Purchase Pest and Building Inspections

The approach

- Informing your customers of covert and overt risks (not just the current condition of the property) provides real value.
- A condition report is only telling part of the story.
- A risk report arms your customer with vital information about what is and might be occurring at the property whilst protecting you from claims.

What inspectors rely on

Inspect and report to Australian Standards.

Pre-Inspection Agreement.

Generic wording, terms and conditions.

Visual only, non-invasive.

Report being valid at time of inspection.

Standards allow for subjectivity by inspector.

What happens in reality

This is the bare minimum, not the benchmark of what a "reasonable inspector" would inspect and report on. Inspectors should aim to **do better than the Standard**.

Sets out scope and limitations of inspection (ie "visual only" and exclusions from inspection) BUT customer expectation often exceeds scope ie the inspection will be "thorough", "structural", "a guarantee", "a clean bill of health".

Allegations focus on specific recommendations and warnings.

Peer reviews challenge what was visible particularly from manhole for the roof space and in subfloor areas.

Allegations arise out of breach of contract, negligence, breach of duty of care as per the Australian Consumer Law. An "expiry" date on report is not an adequate defence.

Peer reviews as expert evidence – what would a "reasonable" inspector do?

What we should be informing the readers of our reports:

- Termite activity (active or past) is likely on the property.
- This damage is most likely concealed.
- Leaks are likely to occur (eg in pipework, from waterproofing and/or roof).
- Defects may exist that the vendors know about or have concealed.
- Properties require maintenance – certain trades should provide advice BEFORE a contract of sale becomes binding.
- Any minor defect could become major under certain conditions, particularly:
 - Blocked gutters
 - Cracked roof tiles
 - Signs of prior leaks
 - Step cracking or minor cracks to retaining walls

Inspectors need to:

- Make recommendations to highlight where unseen problems typically exist.
- Take photographs of what's there and not there (capture the condition of the property, not just where defects are evident).
- Conduct research via google maps and real estate sites for different views and history of the property.
- Not just report by exception – paint the whole picture of seen and unseen risks.

