

Building inspectors take on 'cheap and nasties'

By John Thistleton
Property Reporter

Unqualified inspectors providing building and pest reports for home buyers in Canberra are giving the building certification industry a bad name, according to their qualified colleagues.

The Master Builders Association and qualified inspectors blame changes to the Civil Law Act last year for a conflict of interest and double standards across the Canberra property market.

The new legislation is aimed at speeding up the sale of homes and reducing the chance of gazumping: sellers accepting an offer, only to reject it later in favour of a higher one.

A trend is emerging in which home sellers are engaging inspectors who issue favourable reports in preference to qualified inspectors, who often reveal defects in a home, making the property more difficult to sell.

Before the new legislation, introduced in July last year, the onus was on buyers to get building and pest inspection reports.

While the prospective buyers were waiting for those reports, and especially in a rising real estate market, gazumping occurred.

To make it harder for gazumping, the ACT Government shifted the responsibility of building and pest inspection reports on to home sellers. The reports must be completed before putting a property on the market.

Licensed builder and qualified surveyor Tony Gray used to field up to 70 calls a day from people wanting property inspections. Now he received about 10 calls a day.

He said real estate agents had advised vendors not to use him, or qualified inspectors like him, because he reported on defects.

Another inspector, Lawrie Paul, said there was a double standard among people selling and buying homes in Canberra. They wanted an unqualified inspector to report on their home and overlook any faults, and a qualified inspector to tell them about any defects in the home they intended to buy.

"A man wanted me to look at a property at Royalla and was selling his own home. He said blatantly to me, 'Look I have been asked to get you. You are supposed to be very good. My solicitor told me to get you'.

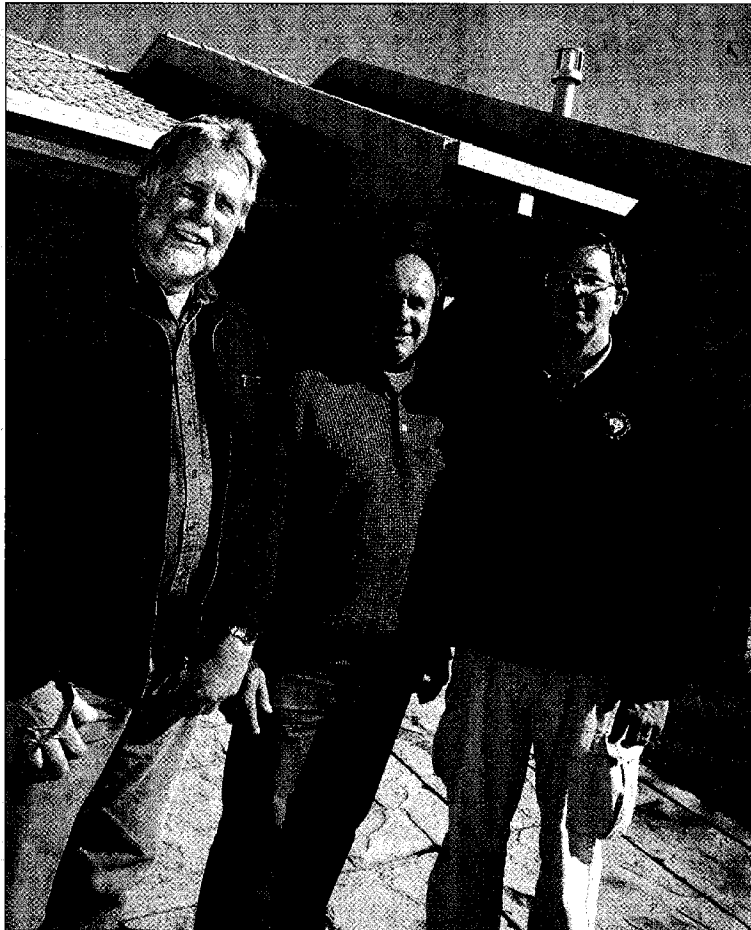
"But he laughed and chuckled and said, 'But I am not going to use you to do my home, you are too thorough'. He is going to go to the cheap and nasties and the purchaser of that property is going to wear the brunt of that."

Some inspection reports were so blatantly wrong solicitors were advising their clients to get a second opinion.

When asked once to provide a second opinion, Mr Gray checked out a solid cavity brick home in Garran, built in the late 1960s, which had been described in a previous report as having a roof in sound overall condition.

Among numerous defects, he found overflowing box gutters, no weep holes for water to escape in the brickwork and evidence of water entering the home through the power points. Up to \$18,000 worth of repairs were needed.

Master Builders Association



REAL DEAL: Building surveyors Glenn Chambers, left, and Tony Gray with structural engineer Ian Hooley. Such qualified professionals blame changes to the Civil Law Act last year for the rise of double standards in the industry. Picture: VIKKY WILKES

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- A handy search engine for finding all the information about Canberra's real estate market can be found on Canberraproperty.com.au. The Canberra Times online web site which has more than 17,000 properties listed in the ACT and NSW.
- Updated weekly, information, including median house prices and history of land values is gathered from the ACT Planning and Land Authority.
- Canberraproperty.com.au has online rentals and information on buying and renting and an e-mail alert system on property listings.

deputy executive director Jerry Howard said the legislation didn't give any security to home buyers.

"You are making the greatest investment of your life, you should be satisfied the building has no defects. If you are aware of defects

you realise you have to spend money."

The MBA had appealed to the Government for inspectors to be qualified.

"The unqualified cause so much grief for our members, they do not know what they are looking at it."

"They are making outlandish statements on minor matters which have nothing whatsoever to do with the structure of the building."

The Civil Law Act is administered by the ACT Office of Fair Trading.

Commissioner Don Bilby said that inspectors had to comply with Australian Building Standards and have professional indemnity insurance.

"... if you as a purchaser were going to rely on the report and it turns out the report is inaccurate or defective, you need to be able to sue someone and they must have some money," he said.

The threat of legal action and public appearance in court was sufficient remedy against unscrupulous practices.

He was unaware of any court cases and said that questions regarding certification systems were not unusual in any regulated industry. Those questioning the system could be motivated by commercial or altruistic reasons.

He was satisfied the new legislation was effective.

ACT Law Society president Greg Walker said the new Act had delivered more positive outcomes than negative ones.

Early disclosure of the building report had led to quicker buying of homes.

Among the kinks to be ironed out was the comprehensiveness of reports. Insurers did not want inspectors to go beyond the bare minimum of reports, to limit the potential for litigation.

Before the changes, one property at auction could generate up to 10 separate building inspection reports, commissioned by prospective purchasers. Now there was one report, commissioned by the vendor.