



# EYEON STRATA REPORT

## 1/1 Sample Street Sydney NSW 2000

LOT 1      SP11111

DATE OF ASSESSMENT: 11 MAY 2022



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# INTRODUCTION AND CONTENTS

## Important information regarding this report

Thank you for downloading the **EYEON Strata Report**. This Report summarises information gathered during an inspection of the records of the Owners Corporation by a trained inspector.

The Report represents the information made available to the inspector by the Strata Manager on the date of inspection. Some Strata Management companies scan the Strata Records onto a computer storage system. In these instances, inspectors are required to inspect computer systems as well as the loose copies provided by the Strata Management. In some cases, access to our inspectors is provided remotely. Therefore, we cannot guarantee that what was sighted as part of this inspection is all that the Strata Management had in their possession. Some information may also be withheld from the inspection, including documents under legal privilege, exempt from access, unable to be released, pending, or subject to the *Privacy Act 1988*.

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## CONTACT EYEON

Please feel free to contact EYEON regarding this report. Should you have any difficulty in understanding anything contained within this report then you should immediately contact EYEON and have the matter explained to you. If you have any questions at all or require any clarification then contact EYEON prior to acting on this report.

Contact details:

Phone: 1300 798 274

Email: [info@eyeon.com.au](mailto:info@eyeon.com.au)

The Strata Records were inspected by John Smith on 11 May 2022.





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## PROPERTY INVESTORS

Please contact EYEON for information about obtaining a **Schedule of Depreciation and Capital Allowances** for taxation purposes. A further property inspection may be necessary before completing this report. Please contact EYEON on 1300 798 274 to obtain more information about this report or visit [www.eyeon.com.au](http://www.eyeon.com.au).

## USEFUL TIPS WHEN YOU PURCHASE A PROPERTY

If you are successful in purchasing a property in a Strata Scheme the following information may be useful:

1. Confirm your legal representative has provided all relevant information to the Strata Managing Agent or the Owners Corporation.
2. If you will be living in the property you will need to organise contents insurance for the property. The Owners Corporation insurance policy will cover the building, including the common areas, only.
3. If the property is to be rented, you or your Property Manager, need to provide the Strata Managing Agent or the Owners Corporation with the tenant's details. It is also strongly recommended you take out Landlords Insurance. You also need to provide your tenant with a copy of the current By-Laws.



# LIST OF INSPECTED DOCUMENTS

Listed are documents that are normally made available by Strata Management Companies during an inspection of the Strata Records.

## DOCUMENT

## AVAILABLE FOR INSPECTION

Strata Roll	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Strata Plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Certificate of Title	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Financial Accounts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Capital Works Fund Forecast	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Insurance Valuation / Replacement Cost Estimate (RCE)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Building Insurance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
AGM Minutes for previous 3-5 years	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
EGM / Strata Committee Minutes (if applicable)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Correspondence File	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Fire Safety Certificate	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Workplace Health and Safety Report	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Asbestos Report	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
By-Laws	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

## NOTES AND COMMENTS

Records for this inspection were provided to us electronically via an online remote searching system. We have no way of knowing whether all of the existing records have been uploaded.

We note that this is a relatively young plan. The first AGM was held in November 2019.

We also note that this strata plan forms part of a Building Management Committee (BMC), a separate entity which looks after the agreed shared facilities. The BMC records were not provided for the purpose of this report.



# ANNUAL LEVIES

THE BUDGET PASSED AT THE LAST ANNUAL GENERAL MEETING IS AS FOLLOWS:

**Date of the last AGM held:** 26 November 2021  
**Date of next expected AGM:** Not Set

## **Administrative Fund:**

Total Building: \$863,500.00 incl GST  
The Subject Lot:  
Annually: \$3,799.40  
Per Quarter: \$949.85

## **Capital Works Fund:**

Total Building: \$187,000.00 incl GST  
The Subject Lot:  
Annually: \$822.80  
Per Quarter: \$205.70

## **Effective from:**

1 January 2022

## **Unpaid Levies:**

Subject Lot: \$0.00

## **PREVIOUS YEAR'S LEVIES:**

### **Administrative Fund:**

Total Building: \$962,500.00 incl GST

### **Capital Works Fund:**

Total Building: \$129,882.00 incl GST





## SPECIAL LEVIES

### CURRENT

There are no current special levies.

### POSSIBLE/PROPOSED SPECIAL LEVIES

No proposed special levies.

### PAST SPECIAL LEVIES

There have been no special levies raised in the period covered by this inspection.

## CAPITAL WORKS FUND

The Owners Corporation is required to prepare a plan of expected major expenditure to be met from the capital works fund. The plan is for a 10 year period and must be reviewed at least every 5 years. Items of major expenditure could include, for example, to replace the roof on a building. As far as practicable, the Owners Corporation is to implement each plan as prepared.

### CAPITAL WORKS FUND FORECAST

Was an extract of the Capital Works Fund forecast sighted?

Yes  No  Not applicable as a forecast does not exist

Is the Strata Scheme following the recommended contribution forecasts?

Yes  No  Not known

If the Scheme is not following the forecast are the current contributions higher or lower?

Higher  Lower  Not known

The extract of the Capital Works Fund forecast prepared by QS Solutions is attached.

The forecast is for 10 years commencing in 2021.







## NOTABLE MATTERS

Particulars of issues or building matters found in the books and records which may be of interest to the purchaser.

- SCM is scheduled for 17 May 2022. Agenda is attached for your record.

- **Building Defects**

We note a recently resolved building defects claim. A Deed of Settlement has been executed (attached) in March, and NCAT proceedings dismissed as per the attached letter.

We have attached the following documentation for your information

- Defect letter from owner's corporation
- Defect report (SDSS – September 2021)
- Email containing meeting summary between Owner's Corp secretary and builder
- Updated defects as of June 2021
- Legal advice from appointed legal firm

The remedial works are yet to be completed.





## STRATA ROLL

**Owner:**

Haijun Zhang & Shumin Lan

The details above reflect the information available in the Strata records. Current ownership details can be confirmed with your legal adviser from the title search included as part of the sale contract for this property.

**Unit Entitlement: (Aggregate Entitlement)**

The unit entitlement is 44 of an aggregate of 10,000. Therefore, the subject lot carries rights and responsibilities equivalent to 0.44% of the strata plan. The owners of the subject lot may cast votes equivalent to their percentage ownership of the strata plan and are responsible for the expenditure of the building to the same extent.

## STRATA PLAN

**Number of lots in Strata Plan:**

169

**Number of Units:**

169

**Lot and Unit number correspond:**

No

**Date Strata Plan registered:**

22 May 2019

## MANAGING AGENT / SECRETARY

**Name:**

Strata Choice

**Address:**

92 Chandos St, St Leonards NSW 2065

**Telephone Number:**

1300 322 213

**Date of Appointment:**

Since Inception of the plan

**Assigned Manager:**

Lauren Clark



# INSURANCES

**Company:**

CHUBB

**Policy No:**

SP: 01GS548288 BMC: 01GS545366

**Due Date:**

10 July 2022

Building: \$166,811,600

Public Liability: \$20,000,000

Voluntary Workers: Insured

Workers Compensation: As per the Act

Please Note: Only required where wages are paid in excess of \$7,500 per annum

Loss of Rent: \$24,774,000

Please Note: Coverage for situations where the building becomes uninhabitable.

Office Bearers Liability: \$5,000,000

Fidelity Guarantee: \$100,000

Machinery Breakdown: \$200,000

Common Contents: Included in building insurance.

Building Catastrophe: Not Insured

**Total Premium Cost:**

\$3,363.10 (SP)

\$126,746.09 (BMC)

**Documents sighted:**

Certificate of Currency

**All insurances held in the name of the Owners Corporation.**

Yes  No

**The Strata Schemes Management Act 2015 requires the Owners Corporation to have the following:**

- Building insurance for at least the amount determined in accordance with the Strata Schemes Management Regulations. A Replacement Cost Estimate/ Insurance Valuation to estimate the total building replacement cost is not compulsory but is recommended to be carried out at least every 3 years;
- Public Liability cover to a minimum of \$20,000,000;
- Workers' Compensation insurance; and
- Voluntary Workers insurance.



# INSURANCE VALUATION / REPLACEMENT COST ESTIMATE (RCE)

## Valuer / Estimator:

Not available. We note that the owners have agreed to engage a valuer upon the next insurance policy renewal.

## OWNERS FUNDS

AS AT 11 MAY 2022, THE FINANCIAL POSITION OF THE OWNERS CORPORATION (ASSETS MINUS LIABILITIES) WAS AS FOLLOWS:

### Administrative Fund:

(This fund covers the day to day expenditure of the building)

\$193,353.25

### Capital Works Fund:

(This fund is intended to cover long term maintenance of the building)

\$181,356.01

### Owners Funds:

\$374,709.26

### Total Unpaid Levies:

\$8,333.63

### Account Keeping Requirements:

Accounting records are kept as per the Act	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Annual Budgets have been prepared	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Accounts are audited	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>





## CERTIFICATE OF TITLE

The Certificate of Title is not normally found in the strata records. A Title Search is normally conducted and included as part of the sale contract documentation. Please liaise with your legal adviser on this issue.

A search should be made at NSW Land and Property Information regarding registers dealings. The Strata Schemes Management Act 2015 requires that a change of By-Laws must be registered within six (6) months of a resolution being passed.

## LITIGATION

Any evidence of current or proposed litigation involving the Owners Corporation?

Yes  No

Defects claim has recently been resolved. Please see p. 9 for details. Defect remediation is yet to be completed.

## TAXATION

### TAX RETURNS

The Owners Corporation lodges income tax returns?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Copy of most recent Tax Return sighted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Expenditure for tax preparation in financial accounts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

### GST

The Owners Corporation is registered for and collects GST. Yes  No





## MINUTES AND RECORDS

Have the Minutes and Financial Records been retained for the prescribed period of five years?

Yes  No

Date of the last AGM:

26 Nov 2021

Last Minutes in Book:

SCM May 2022 Agenda

Date of the first AGM:

25 Nov 2019

Missing Minutes:

None apparent

Missing Financial Statements:

None

Strata Committee Members:

J Smith, K Smith, N Smith

## NOTICES AND ORDERS

Do the records contain Notices or Orders adversely affecting the Owners Corporation?

Yes  No

Please Note: Examples of reasons for notices and orders include council fire safety orders or heritage orders.





## HARMONY

We note the following By-Laws infringements and harmony issues in recent times:

U711 - noise

## RENOVATIONS

Before carrying out renovations to units or the common property owners must first request permission from the Owners Corporation.

Do the records contain any recent applications to the Strata Committee for permission to carry out alterations or additions to other units or to the subject lot.

Yes  No





## BY-LAWS

### BY-LAWS FOR THIS STRATA SCHEME

Is there any evidence of By-Laws passed during the past six (6) months that have not been registered? No.

Were the current By-Laws sighted? Yes.

It is often difficult to establish if By-Laws found in the Owners Corporation records are the most current By-Laws. It is quite likely that the current By-Laws are included in the Contract for Sale (not sighted).

## ANIMALS

### CURRENT POLICY FOR THIS STRATA SCHEME

The following Animals Policy was found in the records.

Some animals permitted, subject to conditions outlined in the attached By-Law 23.







## PAST BUILDING WORK

We refer you to the History of Expenditures below which notes major expenditure items for building works.

The following extracts concerning this work and other matters of interest are taken from the minutes, financial accounts and correspondence:

<u>Year/s</u>	<u>Major Expenditure</u>	<u>Amount</u>
	We note no major works, noting a relatively young age of this scheme.	

## FIRE SAFETY CERTIFICATE

Was the current Fire Safety Certificate sighted and attached.      Yes       No



# GLOSSARY

## **A**

### *Agenda*

A list of motions or issues to be voted upon or deliberated at a meeting.

### *Aggregate Unit Entitlement*

The total of all the individual lot unit entitlements in the Strata Scheme. See also *Total Unit Entitlement* and *Unit Entitlement*.

### *Airspace*

A lot owner effectively owns the airspace (and anything included in the airspace) inside the boundary walls, floor and ceiling of the lot. Lot airspace may include balconies and courtyards. Everything within the airspace must be maintained at the owner's cost.

### *Annual General Meeting (AGM)*

A meeting of owners and other interested parties (as noted on the *Strata Roll*) that must be convened once a year under the NSW Strata Schemes Management Act 2015. Also see *General Meeting*.

## **B**

### *Budget*

An estimation of future receipts and payments likely to occur in the coming year for a scheme. This estimate is prepared by the *Strata Committee* or the *Strata Managing Agent* and is based principally on the historical costs of the scheme.

### *Building Management Committee (BMC)*

A Committee formed to facilitate the operation of multiple strata plans that share building space and common facilities.

### *By-Laws*

A set of rules the residents (owners and tenants) in the strata or community scheme must abide by.

## **C**

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

A fund, under the control of the Owners Corporation, used to cover major renewal, repair or replacement works for the scheme including such things as window bar replacement, structural rectification, roofing replacement or repair, common property painting, stairwell carpet replacement, balcony problems, unexpected emergencies etc. Contributions are set by the Owners Corporation and are usually paid in quarterly instalments (see *Levies*).

### *Certificate of Title*

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





### *Common Property*

Common property is areas such as driveways, external walls, roofs, stairwells, foyers and gardens. Ownership is shared between Lot owners. Everything that is not defined as part of a Lot is common property.

### *Community Scheme*

Is a Scheme that differs from a Strata Scheme in that the lot owners are responsible for maintaining any structures on their lot, both inside and outside the structures. They are also responsible for the upkeep of any common (association) property.

## **E**

### *Exclusive Use*

A special right granted to an owner to use a part of the common property (e.g. exclusive use of a car space located on common property).

### *Executive Committee (see Strata Committee)*

### *Extraordinary General Meeting (EGM)*

A meeting held outside the time frame of the Annual General Meeting for the consideration of any matters that need to be addressed by all owners.

## **H**

### *Harmony*

A term used to describe the level of owner contentment that exists within a scheme. Issues that impact on the level of harmony are parking, noise, animals and disputes between neighbours, owners and the Strata Committee.

## **I**

### *Initial Period*

The period in which the original owner still owns strata lots in a Strata Scheme for which the sum of the unit entitlements of those lots comprises more than 2/3 of the aggregate unit entitlement of the scheme.

## **L**

### *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.

### *Lot*

A strata scheme is a building or collection of buildings that has been divided into 'lots'. Lots can be individual units/apartments, townhouses or houses. When a person buys a lot, they own the individual lot and also share the ownership of common property with other lot owners.

## **M**

### *Minutes*

A documented record of all proceedings for all meetings held by the Owners Corporation and Executive Committee.





### *Motion*

A proposal put forward for consideration at meetings held by the Owners Corporation and the Strata Committee.

### **O**

#### *Ordinary Resolution*

A resolution that requires a majority vote of eligible owners or representatives present at a general meeting. An ordinary resolution motion is resolved if the majority of the votes cast are in favour of the motion otherwise the motion is defeated. Ordinary Resolutions are proposed to deal with such things as determining levy contributions and administrative matters.

#### *Original Owner*

The owner of the entire strata titled complex when the Strata Scheme was originally registered. It is usually the developer or builder.

#### *Owners Corporation*

The legal entity consisting of all the owners of the lots in a Strata Scheme and formed when a Strata Plan is registered.

### **P**

#### *Poll*

A method of voting at meetings where each owner's vote has a value based on their lots unit entitlement.

#### *Proxy*

A person appointed, in writing, by an owner or mortgagee to attend a meeting and vote on the appointer's behalf.

### **Q**

#### *Quorum*

A quorum for a general meeting is 25% of people entitled to vote or owners who hold 25% or more of unit entitlement. A quorum for an executive committee meeting is at least 50% of the executive committee members.

### **R**

#### *Resolution*

A decision made at a meeting based on a motion raised and addressed at the meeting. There are 3 types of resolutions – Ordinary Resolutions, Special Resolutions and Unanimous Resolutions.

### **S**

#### *Sinking Fund (see Capital Works Fund)*

#### *Special Levy*

A Special Levy is raised to pay for expenses not budgeted for in either the Administrative Fund or the Capital Works Fund (previously Sinking Fund). The amount and number of payments are specified at a general meeting of the Owners Corporation where the levy is approved.



### *Special Resolution*

A Special Resolution requires a minimum 75% of the owners in favour of a motion, based on unit entitlement, when presented at a general meeting of the owners corporation. Special Resolutions are proposed to deal with such things as issues concerning common property or the amending of By-Laws.

### *Strata Committee (previously known as the Executive Committee)*

Elected representatives of the owners. The election takes place at each Annual General Meeting. The three main positions are Chairman, Secretary and Treasurer.

### *Strata Roll*

The register of the owners of all lots in the Strata Scheme including any utility lots. It also includes the names of other interested parties such as any mortgagees, covenant charges or lessees.

### *Strata Scheme*

A Strata Scheme is a building or collection of buildings that has been divided into 'lots'. Lots can be individual units/apartments, townhouses or houses. When a person buys a lot, they own the individual lot and also share the ownership of common property with other lot owners. Common property generally includes things like gardens, external walls, roofs, driveways and stairwells.

## **T**

### *Total Unit Entitlement*

The total of all the individual lot unit entitlements in the Strata Scheme.

### *Tribunal*

The NSW Civil and Administrative Tribunal (NCAT) hears and determines disputes between tenants, landlords, traders and consumers in a timely and effective manner.

## **U**

### *Unanimous Resolution*

A Unanimous Resolution requires 100% of the owners in favour of a motion when presented at a general meeting of the owners corporation. Unanimous resolutions are proposed to deal with such things as alterations to the Strata Plan or dealing with some Insurance matters.

### *Unit Entitlement*

Each lot in a strata plan is allocated a unit entitlement based upon its value relative to the other lots in the scheme. This entitlement regulates the proportion of the levies payable by the lot owners and the voting rights of the lot.

## **W**

### *WHS – Work Health & Safety*

An acronym for Work Health & Safety which is a set of rules and regulations concerned with protecting the safety, health and welfare of people engaged in work or employment. The goal of occupational safety and health programs is to foster a safe and healthy work environment.





## ATTACHMENTS

1. STRATA ROLL SUBJECT LOT
2. SUBJECT LOT LEVY PRINTOUT
3. FUNDS BALANCE SHEET
4. STATEMENT OF INCOME AND EXPENDITURE
5. CERTIFICATE OF INSURANCE
6. MINUTES OF THE LAST MEETINGS OF THE STRATA PLAN
7. ANNUAL FIRE SAFETY STATEMENT
8. CAPITAL WORKS FUND REPORT EXTRACTS
9. BY-LAWS
10. DEFECTS DOCUMENTATION

