



# EYEON STRATA REPORT

THE ULTIMATE STRATA INSPECTION SERVICE

## 1/2 Smith Street Perth WA 6000

LOT 1 SP2

DATE OF ASSESSMENT: 13 JANUARY 2023



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# INTRODUCTION AND CONTENTS

## Important information regarding this report

Thank you for downloading the **EYEON Strata Report – The Ultimate Strata Inspection Service**. 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 holder of the strata records (usually, a Strata Manager) on the date of inspection. **Please note, the quality of strata records can vary significantly between different schemes.** 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 many 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 Kylie Nelson on 13 January 2023.





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## 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.
4. If you are planning to renovate the property, review relevant By-Laws and obtain a written approval of the Owners Corporation where required prior to commencing any work. If unsure, contact your Strata Manager for clarification.





## LIST OF INSPECTED DOCUMENTS

Listed are documents that are normally made available by the Strata Management 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"/>
10 Year Maintenance Plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Insurance Valuation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Building Insurance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
AGM Minutes for previous 5 years	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
EGM minutes (if applicable)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Correspondence File	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
By-Laws	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

### NOTES AND COMMENTS

Strata scheme is a 123 lot multi-level mixed commercial and residential apartment complex registered on 15 May 2020 with common property amenities such as pool, alfresco, common gardens, shared games/lounge area, sauna and gym facilities with lift access.

Records for this inspection were provided to us electronically via Google Teams and appear to be in good order. We have no way of knowing whether all the existing records have been uploaded.



# ANNUAL LEVIES

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

**Date of the last AGM held:** 20 July 2022

**Date of next expected AGM:** Not Set

## **Administrative Fund – General:**

Total Building: \$292,619.20 incl GST

The Subject Lot:

Annually: \$2,282.40

Per Quarter: \$570.60

## **Administrative Fund – Residential:**

Total Building: \$29,146.47 incl GST

The Subject Lot:

Annually: \$231.00

Per Quarter: \$57.75

## **Reserve Fund – General:**

Total Building: \$16,573.33 incl GST

The Subject Lot:

Annually: \$129.40

Per Quarter: \$32.35

## **Effective from:**

1 May 2022

## **Unpaid Levies:**

Subject Lot: \$0.00

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

### **Administrative Fund:**

Total Building - General: \$266,017.40 incl GST

Total Building - Residential: \$23,506.47 incl GST

### **10 Year Maintenance Reserve:**

Total Building: \$11,307.06 incl GST



# SPECIAL LEVIES

## CURRENT

There are no current special levies.

## POSSIBLE/PROPOSED SPECIAL LEVIES

None proposed.

We note that the owners are currently levying below the 10-year maintenance plan recommendation of \$22,642. The overall reserve fund balance of \$7,540.11 is also below the recommended \$45,207.00 at the end of 2022.

We note that some of the capital repairs/maintenance in OBAN report are still covered under builders warranty.

## PAST SPECIAL LEVIES

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

# 10 YEAR MAINTENANCE RESERVE

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 10 Year Maintenance Plan sighted?

Yes  No  Not applicable as a forecast does not exist

Is the Strata Company following the recommended plan?

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 10-year maintenance plan prepared by OBAN is attached. The forecast is for 10 years commencing in 2021.

It's important to note that some of the capital repairs/maintenance in OBAN report are still covered under builders warranty.





## NOTABLE MATTERS

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

- It appears from the regular COO meetings and minutes (which are enclosed) that the strata scheme is well-managed with effective COO members. COO minutes provide great insight into current matters affecting the complex.
- We note that electricity usage charge appears on the owner ledger along with the strata levies outlined on p. 7. Amounts vary each quarter. Please see the attached ledger for details.
- AGM 2022 indicated there is interest for solar panels and EV chargers to be possibly purchased in future. At this stage, both projects are under consideration/research phase.

- **10-year Maintenance Plan**

The extract of the 10-year maintenance plan prepared by OBAN in 2021 is attached. It identifies the overall complex as being in good condition, rating many areas highly.

We note that the owners are currently levying below the 10-year maintenance plan recommendation of \$22,642. The overall reserve fund balance of \$7,540.11 is also below the recommended \$45,207.00 at the end of 2022.

It's important to note that some of the capital repairs/maintenance in OBAN report are still covered under builders warranty.

- **Building Defects**

The scheme is a new development with Finbar (built by Hanssen) and is still within the structural warranty period to approximately 2026.

A copy of the defects register has been provided and is attached; however, we note that it was last updated in November 2021 and is no longer current. Several formal defects reports have also been arranged (all attached for your record), with the latest being by BEC Westphal from Nov 2022.

The attached COO minutes provide a good insight into the defects rectification progress, indicating that the builder has so far been responsive. The COO appears to be heavily involved in the process of managing defects rectification.

Upon enquiry, the strata manager also advised as follows in relation to defects: *"The builder is continually onsite addressing the defects that was reported to them prior to the defects liability period lapsing - and they will be addressing all structural issues as well in accordance with their structural warranty liability. We have a brilliant relationship with the builders and have had no push back on any reported defect to date."*

- **Smoking in the Complex**

By-law 20 outlines that smoking is not permitted anywhere at the complex other than within a unit internally. It's not permitted on balconies or courtyards of lot owners.





## STRATA ROLL

**Owner:**

John Smith

**Address:**

PO Box, East Perth WA 6892

**Unit Entitlement: (Aggregate Entitlement)**

The unit entitlement is 78 of an aggregate of 10,000 for General Fund and 78 of an aggregate of 9,847 for Residential Fund. Therefore, the subject lot carries rights and responsibilities equivalent to approx. 0.78% of the strata company with both funds. The owners of the subject lot may cast votes equivalent to their percentage ownership of the strata company and are responsible for the expenditure of the building to the same extent.

## STRATA PLAN

**Number of lots in Strata Company:**

123

**Number of Units:**

123

**Lot and Unit number correspond:**

Yes

**Date Strata Company registered:**

15 May 2020

## MANAGING AGENT / SECRETARY

**Name:**

Strata Elite

**Telephone Number:**

9361 3209

**Date of Appointment:**

2<sup>nd</sup> June 2020

**Assigned Manager:**

Elizna Pelser



# INSURANCES

**Company:**

CHU RESIDENTIAL STRATA INSURANCE PLAN

**Policy No:**

HU0006044011

**Due Date:**

1 September 2023

Building: \$42,436,000

Public Liability: \$50,000,000

Voluntary Workers: \$200,000

Workers Compensation: As per the Act

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

Loss of Rent: \$6,365,400

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

Office Bearers Liability: \$1,000,000

Fidelity Guarantee: \$100,000

Machinery Breakdown: \$100,000

Common Contents: \$424,360

Building Catastrophe: \$12,730,800

**Total Premium Cost:**

\$50,005.22

**Documents sighted:**

Certificate of Currency

**All insurances held in the name of the Strata Company.**

Yes  No





# INSURANCE VALUATION

**Valuer:**

N/A – new development – 2 years old

# OWNERS FUNDS

AS AT 13 JANUARY 2023, THE FINANCIAL POSITION OF THE OWNERS CORPORATION (ASSETS MINUS LIABILITIES) WAS AS FOLLOWS:

**Administrative Fund – General:**

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

\$166,650.06

**Administrative Fund – Residential:**

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

\$4,182.48

**10 Year Maintenance Reserve – General:**

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

\$7,540.11

**Combined:**

**Owners Funds:**

\$178,372.65

**Total Unpaid Levies:**

None Noted

**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 always 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.

## LITIGATION

Any evidence of current or proposed litigation involving the Strata Company?

Yes  No

## TAXATION

### TAX RETURNS

Expenditure for tax preparation in financial accounts? Yes  No

### GST

The Strata Company 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:

20<sup>th</sup> July 2022

Last Minutes in Book:

10<sup>th</sup> Oct 2022 – COO minutes

Date of the first AGM:

2<sup>nd</sup> June 2020

Missing Minutes:

Nil apparent

Missing Financial Statements:

Nil

Strata Council Members:

John Smith – Lot 1

Jane Smith – Lot 2

## NOTICES AND ORDERS

Do the records contain Notices or Orders adversely affecting the Strata Company?

Yes  No

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





## HARMONY

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

- AGM 2022 indicates that non-compliant visitor parking is a concern that is required to be managed by Wilson Parking in future, with fines imposed once setup.
- Unapproved renovations (lots not listed). Reminder issued to all residents that approvals are generally required.

## RENOVATIONS

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

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

Yes  No

We note several blinds applications and courtyard decking – refer to COO minutes enclosed for further detail.



# BY-LAWS

## BY-LAWS FOR THIS STRATA SCHEME

Were the current By-Laws sighted? Yes

It is often difficult to establish if By-Laws found in the Strata Company 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

Animals Are permitted, subject to a written approval. Refer by-laws relevant copied below;

### 19. Animals

- 19.1 Subject to section 42(15) of the Act a Proprietor or occupier must not bring onto or keep any animal within its Lot without the prior written consent of the Council.
- 19.2 The Council will not unreasonably withhold its consent if the animal is of a breed or size which is suitable to be kept as a domestic pet in a residential complex.
- 19.3 A Proprietor or occupier granted consent under Schedule 2 sub-bylaw 19.2:
  - (1) must not keep the animal if the keeping of the animal breaches any regulation or bylaw of the Local Government;
  - (2) may only enter upon the common property with the animal for the purposes of access and egress to its Lot;
  - (3) is responsible for the health, hygiene, control and supervision of the animal; and
  - (4) must ensure that the animal does not interfere with the quiet and peaceful enjoyment of the Scheme by other Proprietors.
- 19.4 The Strata Company may serve a notice on a Proprietor or occupier of a Lot whose animal causes a nuisance to other Proprietors requiring that Proprietor or occupier to take all reasonable actions to remedy the behaviour creating the nuisance within 14 days.
- 19.5 A Proprietor or occupier that fails to comply with a notice issued under Schedule 2 sub-bylaw 19.4 must immediately remove the animal from the Lot.







# 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 Reserve Fund expenditure to-date, noting that this is a very young plan.





# 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.

## **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 Council* 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**

### *Certificate of Title*

A title deed issued by Landgate WA to prove ownership of a lot. The Strata Company 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).

### *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 Council.

## 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 Strata Company 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 10-year Maintenance Reserve.

### *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 Strata Company and Strata Council.

### *Motion*


A proposal put forward for consideration at meetings held by the Strata Company and the Strata Council.

## 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.

### **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.

### **R**

#### *Resolution*

A decision made at a meeting based on a motion raised and addressed at the meeting.

### **S**

#### *Special Levy*

A Special Levy is raised to pay for expenses not budgeted for in either the Administrative Fund or the 10 Year Maintenance Reserve. The amount and number of payments are specified at a general meeting of the Strata Company where the levy is approved.

#### *Strata Council*

Elected representatives of the owners. The election takes place at each Annual General Meeting.

#### *Strata Company*

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

#### *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**

#### *Ten Year Maintenance Reserve Fund*

A fund, under the control of the Strata Company, 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 Strata Company and are usually paid in quarterly instalments (see *Levies*).

#### *Total Unit Entitlement*

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





### *Tribunal*

The WA Tribunal 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 Strata Company. 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.





## ATTACHMENTS

1. CERTIFICATE OF TITLE
2. STRATA PLAN
3. STRATA ROLL SUBJECT LOT
4. SUBJECT LOT LEVY PRINTOUT
5. FUNDS BALANCE SHEET
6. STATEMENT OF INCOME AND EXPENDITURE
7. CERTIFICATE OF INSURANCE
8. MINUTES OF THE LAST MEETINGS OF THE STRATA PLAN
9. 10 YEAR MAINTENACE FUND REPORT EXTRACTS
10. DEFECT REPORTS X 3
11. DEFECT REGISTER REPORTS
12. HOUSE RULES
13. BY-LAWS

