

How to buy Strata Property effectively

the 4 most important tips

buyer's checklist

buying off the plan



HOWTO BUY STRATA PROPERTY EFFECTIVELY

Many people are attracted to the lifestyle factors of strata living such as minimal maintenance time and shared facilities such as pools and common areas. These features are attractive however sometimes there are key factors that are overlooked. Here are some tips to avoid some of the pitfalls:

The 4 most important tips

1. First thing always – **location, location and location**
2. The **condition of the strata building** and its surrounds.
Buying into a scheme that has outstanding repair and maintenance issues can create a nightmare.
3. **Talk to the people who occupy the building.**
Ask questions about the other occupiers, what are the current outstanding issues, what is the attitude to upgrading, have repairs and maintenance been carried out in a timely manner?
4. Engage a solicitor who is an **expert in strata title conveyancing** and related issues.

The checklist

1. Is the building adequately insured?
2. Is there a recent building valuation to support the amount of insurance?
Does the strata scheme have an adequate sinking fund, taking into account the age of the building, the state of repair and the type of construction?
3. Can I afford the quarterly levies?
4. Are any special levies planned?
5. Are there any outstanding building works, unpaid invoices or anything else that could result in a special levy?
6. What are the current balances in the administrative and sinking funds?
7. Are there any current or proposed litigation matters involving the owners' corporation?
8. Are there any limitations or restrictions on the use of common property that may affect you?
9. Are there any outstanding public liability claims involving the owners' corporation?
10. Are animals permitted?
11. Have any alterations to the unit been approved by the owners' corporation?
12. Engage a solicitor with strata experience
13. Engage a specialist search firm to inspect the books and records of the strata scheme and provide a comprehensive report

When buying off the plan

1. Obtain as much information as possible from the real estate marketing company about estimated completion date, specific details of included fittings and fixtures in the unit and those in any recreation areas (gym, sauna, etc).
2. What are the proposed levies?
3. Is it expected they will increase by the time the building is completed?
4. How much variation in the size of the unit (as shown on the floor plan compared with the final size) has the vendor nominated in the contract for sale?
5. Is this acceptable? For example, the floor plan may show a total unit area of 110 square metres, but the final size may be only 98 sq m.

Questions or help?

Contact us on 1300 301 068 or visit
www.stratafinance.com.au