6. DEFECT IDENTIFICATION AND RESOLUTION PROCESS

The identification of defects and how they are resolved is important for a buyer to understand. The defect identification and resolution process should be undertaken in accordance with your Contract for Sale. This process is important and should be understood by both the Owner, and the Owners Corporation, as this will allow each Owner to know which items are classified as defects and which items are not.

6.1 Pre-Settlement Inspection

Prior to settlement Owners were given the opportunity to conduct a Pre-Settlement inspection (PSI).

A sign in occurred with the owner/owner's agent onsite at BLOC's Site Office, to meet the BLOC Site Representative, and keep a record of the date and time the inspection took place.

During the inspection a BLOC Representative and Agents Representative accompanied the Owner/Building Inspector in the inspection. The Owner/Building Inspector had the chance to thoroughly inspect the apartment to identify any works that are incomplete, items that are damaged, broken, or faulty. A record was taken of any items identified by the Owner and lodged through BLOCs document management system Procore. The Owner will receive a copy of their defect inspection upon settlement.

6.2 Ninety (90) Day Defect Liability Period

The 90-day defect liability period commences from the date of settlement, or from the date of occupation, if the Owner has taken early possession of the property under a license agreement with the Developer. The Developer will require the purchaser to lodge their 90-day defect list through Building Link.

When completed by the purchaser, the 90-day defect list will incorporate any unresolved defects disclosed in the pre-settlement inspection checklist and any new building defects. The Developer will assess each defect in accordance with the *Australian Building Code* and the *Victorian Building Authority Guide to Standards and Tolerances 2015*, the VBA being the Standard adopted by the ACT Government as referred on their website. The following will not be recognised by the developer as a defect unless reported in the pre settlement inspection as indicated in the contract of sale:

- Minor defects or irregularities in natural materials used in the construction of the Unit
- Natural shrinkage in the Unit or defects caused by natural shrinkage I the Unit or
- Chips, cracks, marks or stains in the Unit, unless they have been notified by the Buyer prior to the completion In the Pre settlement inspection

Defects submitted after the 90 days has ended will be declined automatically, unless otherwise covered by a supplier/installer warranty.

6.3 Building Link & Defect Management

Building Link will provide a secure portal for easy accessibility to all important documentation and building material ensuring adequate document storage so that nothing gets lost over time. Plans, manuals, warranties, building information and any other relevant documentation will be at your disposal.

The process of defect handling/rectification will be controlled through the Building Link platform, to control communication between all required parties (developer, builder, strata manager, purchaser).

BuildingLink is an online system that gives you easy and secure access to important building information and documents. This includes building plans, appliance manuals, warranties, and other useful records. Storing these documents in one place helps make sure nothing is lost over time and that you can easily find what you need. Download the Geo BuildingLink app to your mobile phone.

All purchasers will be emailed their login details. If you need help accessing BuildingLink, please contact BuildingLink support via email support@buildinlinkapac.com quoting the address and unit number or called Bloc on (02) 6260 6362.



Lodging a Defect is as simple as the following steps.

“Type”

Click on the Repair requests and + in the top right corner to add new item. Select the defect category and ad in a description for your problem.

“Snap”

Take photos of your issue to assist your developer/builder. the more detail you can show, the better

“Send”

Add your defect by clicking the tick in the top right corner. Your item will be submitted to the management team who will be in touch or ad updates to your request.

6.4 Emergency Defects

Emergency defects are considered any defect that directly affects the proper use and enjoyment of the unit, Such as, A loss of electricity, gas supply, sewage or drainage issue or any fault or defect that may restrict or interfere with the proper use of the unit.

In the event of an emergency first call and notify the Strata management company. Any out of hours emergency will then be transferred to the appropriate personnel to assist with the issue.

Vantage strata Office & After Hours (02) 6171 9700

6.5 Sample Contract Defect clause

Noted below:

72 DEFECTS

(a) Subject to the remainder of this Special Condition 72, the Developer will cause all defects in the Unit, as are notified in writing to it by the Buyer within the Defects Liability Period, to be made good in a proper and workmanlike manner, at no cost to the Buyer.

(b) Neither the Seller nor the Developer are required to rectify:

(i) minor defects or irregularities in natural materials used in the construction of the Unit;

(ii) natural shrinkage in the Unit or defects caused by natural shrinkage in the Unit; or

(iii) chips, cracks, marks or stains in finishes, Inclusions and appliances in the Unit, unless they have been notified by the Buyer prior to Completion.

(c) The Developer will make good defects notified during the Defects Liability Period:

(i) if to or concerning:

A. electricity or gas supplies or distribution;

B. sewerage or drainage; or

C. any portion of the Unit the fault or defect in which could materially restrict or interfere with the proper use and enjoyment of the Unit by the Buyer,

as soon as practicable after receiving the notice; and

(ii) in the case of any other defects or faults, within 90 days from the date of receiving the notice.

(d) Neither the Seller nor the Developer will be liable to make good or repair any items within the Unit which are covered by a manufacturer's warranty the benefit of which has effectively been assigned to the Buyer.

(e) Other than for matters directly covered by Special Condition 72(c)(i) the Buyer may submit only one list of defects during the Defects Liability Period.

(f) The Buyer must make the Unit available, at the time or times notified by the Developer, or the Developer's tradesmen, to permit the defect rectification work to be completed in a prompt and timely manner.

(g) It is agreed to between the parties that:

(i) the Developer will notify the Buyer in writing once the Developer has rectified the defects identified by the Buyer during the Defects Liability Period; and

(ii) the Buyer will within 14 days of receiving notification from the Developer that the defects have been rectified, provide written confirmation to the Developer that the defects have been rectified.

(h) Should the Buyer not provide written confirmation to the Developer within the time specified in Special Condition 72(g)(ii), it is agreed that it will be deemed acceptance by the Buyer that all defects have been rectified.