

Timber pest inspections and reports

A guide for home buyers

February 2009

Before you buy a home, it is recommended that you have a timber pest inspection report prepared to make sure the property is not infested by termites or other timber pests.

Including a timber pest inspection condition on your offer

The standard buying/selling contract for the transfer of property has two sections, the:

- *Contract for Sale of Land or Strata Title by Offer and Acceptance* (the 'O&A'); and
- *Joint Form of General Conditions for the Sale of Land* (the 'General Conditions').

The General Conditions cover important contractual obligations for both buyer and seller. It is a formal printed document and not usually varied. The O&A, however, may be varied. You can add extra clauses to the O&A as special conditions to meet the needs of both the buyer and the seller by documenting specific points of agreement over and above the standard general conditions. Special conditions may cover issues about property inspections such as building or pest inspections, who pays for necessary repairs, or anything else important for either the buyer or the seller.

Any special conditions made to the O&A should be worded as precisely as possible and you may wish to seek expert advice from a lawyer to ensure this. If the offer is accepted, these conditions must be satisfied, or the sale may not be completed.

Timber pests can cause costly damage to a property and it is recommended that as a buyer you include a special condition (commonly referred to as 'white ant condition') in the contract. Rather than relying on verbal agreements with the seller, including a white ant condition should make the terms of the timber pest inspection clear and verifiable. The special condition should state that if termite activity is sufficient to cause, or has caused, damage then the contract of sale can be cancelled or the seller made liable for the cost of treatment and repair work.

The REBA publication *Sale by offer and acceptance* can provide you with further information on the offer and acceptance process.

Content of your timber pest special condition

Your special condition should identify the standard to which the timber pest inspection should be carried out and the inspection report prepared. For instance, you can specify in the O&A that the timber pest inspection is carried out in accordance with Australian Standard 4349.3-1998.

Australian Standard 4349.3-1998 is a nationally accepted standard for timber pest inspections and reports. This type of inspection includes roof and floor timbers, outbuildings and fencing. Timber pests can travel 50 metres underground, so fencing checks are necessary in a thorough inspection.

An inspection and report prepared to Australian Standard 4349.3 will inform you about any current infestation, previous damage, areas likely to be infested in the future, and areas where additional inspections are recommended to maintain effective physical and chemical timber pest barriers.

For the special conditions to be effective it is recommended that they:

- identify who is responsible for obtaining the timber pest inspection report and paying for it;

Timber pests can cause costly damage if allowed to go unchecked and can reduce the value of a property.

This fact sheet contains general information on how to arrange a thorough timber pest inspection.

- include a statement allowing you to choose to terminate the sales contract if the report identifies timber pest activity or damage you are not prepared to accept, or request the seller to pay for the treatment and repair work to a standard to your satisfaction;
- set a reasonable timeframe for the inspection, and treatment, repair work and re-inspection if necessary, to be carried out and a report provided; and
- include a statement allowing you to choose to terminate the sales contract if the treatment and repair work are not of a standard to your satisfaction.

The seller may offer to pay for your timber pest inspection. Although this option may seem cheaper, there are strong reasons for you to engage your own timber pest inspector.

If you hire your own timber pest inspector, the report will be independent and not affected by a seller's interests. In addition, if you engage the timber pest inspector then not only will the person contracted provide advice directly to you, but you will also be in a position to ensure that the quality of the inspection and report meets your expectations. This will enable you to enforce the contractual obligations.

Getting the best deal from the timber pest inspector

Naturally you will want to hire a timber pest inspector who will provide you with the most thorough and professional service at the best price. Factors such as the price, terms of the contract and the extent of the inspection may form the basis for your decision.

To get the best deal it is a good idea to shop around before you make your choice. You may ask several timber pest inspectors for written quotations for a timber pest inspection, then compare the quotations and the terms of the warranties. In Western Australia these are usually carried out by, but are not restricted to, professional building inspection services and licensed pest control operators.

Timber pest inspectors offer a range of levels of property inspection. You will need to decide how detailed and thorough you wish the inspection of the property to be and advise the timber pest inspector accordingly. A thorough inspection of an average sized home should take at least one hour.

When a timber pest inspection has been agreed to in the O&A, the timber pest inspector must be allowed full access to the premises. If a seller or their agent restricts the inspection in any way, or there are any areas that are inaccessible at the time of inspection, then a thorough report will note these facts.

If timber pest problems are discovered

If your timber pest inspection report indicates timber pest activity, your options will to some extent depend

on the wording of the timber pest special condition in the O&A. By including your timber pest inspection as a special condition in the O&A you will more likely be able to solve the matter with the seller before settlement.

If you decide to continue with the purchase, and the special condition requires that the seller pay for timber pest damage and treatment, then it is recommended that you immediately write to the seller or the seller's agent outlining the expected repairs and treatment. Make sure that it is understood that a further inspection will take place prior to settlement to confirm that proper treatment or repairs have been carried out.

If the special condition allows you to terminate the contract, you may decide to give written notice of termination to the seller or the seller's agent according to the terms of the special condition.

If there is any ambiguity in the timber pest condition, you may need to see a lawyer for a legal interpretation of your position. In addition, if pest damage is discovered and there is no special condition in your contract covering this situation, it is suggested that you seek legal advice.

Further advice about timber pests

If you are building your own home or you want general information about protecting your home from termites, the Department of Commerce produces a fact sheet entitled *Termites and your home* that may assist you further. The publication can be downloaded from the Commerce website at www.commerce.wa.gov.au. The Consumer Protection Advice Line number is 1300 30 40 54.

Pest control operators

A pest control operator's licence indicates a level of training, experience and adherence to Australian standards in relation to the application of termiticides. To check if a pest control operator is licensed, or to obtain information and advice about all types of chemical treatments, contact the Pesticides Safety Section of the Health Department of Western Australia on 08 9383 4244.

We are available

You are welcome to visit one of our offices or telephone the Real Estate and Settlement Advice Line on 1300 30 40 64 for the cost of a local call from anywhere in the State.

This fact sheet contains general information that was current at the time of publication. If you have specific inquiries about matters relating to your situation then you are strongly urged to seek independent professional advice. The producers of this publication expressly disclaim any liability arising out of a reader's reliance on this publication.

This publication was produced by the Real Estate and Business Agents Supervisory Board.

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