

[Property Address Redacted]

31 March 2026

PROCEED WITH CAUTION

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CRITICAL

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WARNING

1
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POSITIVE

DISCLAIMER

This report is produced by AI-assisted analysis for informational purposes only and does not constitute legal, financial, or professional property advice. Always engage a qualified conveyancer or solicitor to review the contract and Section 32 before signing. Consider engaging independent building and pest inspectors. Property investment carries inherent risks.

OVERALL RECOMMENDATION

PROCEED WITH CAUTION

EXECUTIVE SUMMARY

This split-level brick veneer house on a 826 sqm block presents a complex picture for buyers. The property has genuine appeal — a large block in a quiet residential court, established suburb, and a bank valuation of \$1,632,000 that significantly exceeds the asking range of \$1,350,000–\$1,450,000. However, the building inspection has identified a floor level variation of 39mm across the slab — nearly double the 20mm maximum allowable under AS 2870 — along with Category 3/4 brickwork cracking at the garage and rear elevation. These findings are consistent with ongoing slab subsidence and require structural engineer assessment before any purchase commitment. The property is being sold with no compliant termite management system despite a HIGH-risk pest assessment, and the contract contains several buyer-unfavourable special conditions that narrow exit rights to structural defects only and include an as-is clause. The vendor purchased in June 2023 for \$1,515,000 and is asking \$1,350,000–\$1,450,000 — up to \$165,000 below their own purchase price after only 2.5 years of ownership, which is consistent with vendor awareness of the structural condition. The bank valuation of \$1,632,000 creates a potentially compelling equity opportunity if structural issues prove moderate and manageable, but the path from today's asking price to realised value runs directly through a structural engineer's report.

PROPERTY OVERVIEW

Address	[Property Address Redacted]
Property type	House (detached, split-level)
Year built	Circa 1990
Land size	826 m ²
Construction	Brick veneer (timber framed), slab on ground
Layout	4 bed · 2 bath · 2 car

Council	[Council Name Redacted]
Zoning	Neighbourhood Residential Zone - Schedule 4 (NRZ4)
Title reference	[Redacted]

All Findings

CRITICAL (7)

● **Critical** Building Inspection · Pages 16-20, Major Defect 2.02

Floor levels 39mm out of level — structural engineer required

Floor level variation of 39mm detected across the property, nearly double the 20mm maximum allowable under AS 2870. This indicates slab subsidence requiring structural engineer assessment before purchase commitment.

Est. cost: **\$20,000 – \$80,000** · Immediate

Action: Engage a registered structural engineer (RPEng) to assess the slab and brickwork before signing the contract.

● **Critical** Building Inspection · Pages 14-15, Major Defect 2.01

Major brickwork cracking — Category 3/4 structural movement

Cracks exceeding 5mm at garage and rear elevation, consistent with Category 3-4 structural movement per AS 2870. Major cracking indicative of ongoing foundation movement.

Est. cost: **\$10,000 – \$30,000** · Immediate

Action: Engage structural engineer and bricklayer to assess and quote repairs after slab stabilisation.

● **Critical** Pest Inspection · Page 53, FYI 5.05

No termite management system — high-risk site

Property has no compliant termite management system despite being assessed as HIGH risk for termite activity. Multiple conducive conditions present including disconnected HWS overflow, garden beds, bridged weep holes, and tree stumps.

Est. cost: **\$3,000 – \$5,000** · Immediate

Action: Install chemical barrier or baiting system compliant with AS 3660.1 immediately after purchase.

● **Critical** Contract of Sale · Page 9, SC1

Special Condition 1 narrows building report exit right to structural defects only

SC1 changes the standard exit right from "major building defect" to "major structural building defect" only. This means Serious Safety Hazards (animal faeces, glazing, windows) would NOT allow contract exit. Combined with reduced 7-day inspection periods.

Action: Negotiate reinstatement of standard "major building defect" wording and 14-day inspection periods.

● **Critical** Contract of Sale · Page 10, SC5

Special Condition 5 — "as-is" clause eliminates defect claims

SC5 prevents the purchaser from making any requisition or claiming compensation for defects, non-compliance with building regulations, or any related laws. Combined with deletion of GC12 (Builder Warranty Insurance).

Action: Negotiate removal or significant limitation of this clause.

● **Critical** Contract of Sale · Page 9

Building and pest report conditions not checked — standard protections removed

The building report and pest report checkboxes in the Particulars of Sale are NOT checked, meaning GC21 and GC22 do not apply. This removes the standard statutory building and pest report protections.

Action: Insist that these boxes are checked or equivalent contractual protections are negotiated.

● **Critical** Section 32 / Vendor Statement · Page 31-33 (S32), Page 38 (title)

Covenant exists on title but declared "Not Applicable" in Vendor Statement

Covenant dated 17/05/1991 is clearly registered on the title, but the Vendor Statement section 3.1 explicitly states "Not Applicable" for easements and covenants. The covenant documents are image-only (not extractable) so terms are unknown.

Action: Solicitor must obtain a readable copy of the covenant from the Land Registry before proceeding.

WARNING (4)

● **Warning** Building Inspection · Page 10, SSH 1.01

Animal faeces throughout roof space

Possum or rodent faeces detected throughout the roof space requiring professional cleaning and sealing of entry points.

Est. cost: **\$1,500 – \$3,000** · Immediate

Action: Engage licensed pest controller for removal, cleaning, and entry point sealing.

● **Warning** Building Inspection · Page 11, SSH 1.03

Full-height single-glazed windows — safety non-compliance

Full-height single-glazed windows present throughout the property do not comply with current safety glazing standards. Injury risk from breakage.

Est. cost: **\$3,000 – \$8,000** · 1–2 years

Action: Upgrade to laminated or toughened safety glass.

● **Warning** Building Inspection · Page 12, SSH 1.04

Multiple windows binding and jamming — potential structural movement indicator

Multiple windows throughout the property are binding, jamming, or out of level, which may indicate ongoing structural movement in the building frame.

Est. cost: **\$500 – \$2,000** · 1–2 years

Action: Assess as part of structural engineer engagement — may be consequential damage from slab movement.

● **Warning** Building Inspection

Vendor selling after only 2.5 years of ownership below purchase price

Vendor purchased in June 2023 for \$1,515,000 and is asking \$1,350,000–\$1,450,000 — up to \$165,000 below their own purchase price. Short ownership with below-cost asking price suggests vendor awareness of structural issues.

Action: Ask the vendor if they obtained a building inspection when they purchased in 2023 and request a copy.

NOTE (1)

● **Note** Pest Inspection · Page 50, CCA 5.01

HWS overflow disconnected from stormwater — termite-conductive moisture

Hot water service overflow pipe is disconnected from stormwater drainage, creating ongoing moisture near the building perimeter conducive to termite activity.

Est. cost: **\$300 - \$500** · Immediate

Action: Engage licensed plumber to reconnect to stormwater drainage.

POSITIVE (3)

● **Positive** Building Inspection

Bank valuation \$182k-\$282k above asking price

Bank valuation of \$1,632,000 significantly exceeds the asking range of \$1,350,000-\$1,450,000, suggesting material equity opportunity if structural issues prove manageable.

Action: Use bank valuation as reference point for post-structural-engineer negotiation.

● **Positive** Pest Inspection · Page 49

No active termites or termite damage detected

Despite high-risk conditions and no management system, no active termite infestation or timber damage was identified at the time of inspection.

Action: Install management system immediately post-purchase to maintain protection.

● **Positive** Section 32 / Vendor Statement

Not in bushfire-prone area or flood zone

Property is not within a designated Bushfire Prone Area per the planning certificate, and is not subject to flooding from Melbourne Water drainage system at 1% AEP.

Action: No action required.

Hidden Issues

Issues that a casual reader might overlook — but which carry meaningful risk.

! Pattern of structural movement — not isolated defects

The 39mm floor variation, Category 3/4 brickwork cracking, binding windows, and widespread plaster cracking throughout the property are not isolated defects. Together they form a pattern consistent with ongoing slab movement from reactive soils, tree root influence, or under-slab plumbing leaks.

PRACTICAL IMPACT

Remediation costs could range from \$20,000 for minor underpinning to \$80,000+ for full underpinning with consequential repairs to tiles, plasterboard, and window alignments. A structural engineer assessment is the only way to quantify the risk before committing.

! Contract deliberately narrows your exit rights

The combination of SC1 (structural defects only), SC5 (as-is clause), unchecked GC21/22 boxes, and reduced 7-day inspection periods creates a contractual environment where your ability to exit or seek compensation is severely curtailed compared to a standard Victorian contract.

PRACTICAL IMPACT

Under the modified SC1 wording, only the floor level variation and brickwork cracking would clearly qualify as exit grounds. The animal faeces, glazing safety issues, and window defects found in the inspection likely do not qualify. You could receive a negative building report and still be contractually committed.

! Covenant terms unknown — potential development or use restrictions

A 1991 covenant is clearly on the title but the Vendor Statement declares "Not Applicable." The covenant documents provided in the S32 are image-only pages that cannot be read. The covenant could restrict building materials, dwelling count, building envelopes, setbacks, or other uses.

PRACTICAL IMPACT

If the covenant imposes material restrictions that were not disclosed, you may have a rescission right under the Sale of Land Act — but this requires your solicitor to act quickly. More practically, unknown restrictions could affect renovation plans, subdivision aspirations, or future sale value.

! 29+ years of permit history outside the disclosure window

The Vendor Statement discloses no building permits in the last 7 years (the statutory period). However, the property was built in 1990, meaning there are potentially 29+ years of building permits (1990–2019) that fall outside the disclosure window. Given the structural movement found, it is worth checking whether any remediation work was previously attempted.

PRACTICAL IMPACT

A [Council Name Redacted] building file search covering the full property history would reveal any prior permits, structural work, or enforcement actions. If previous underpinning was attempted and failed, or if structural work was done without a permit, this materially affects your risk assessment.

These issues were identified through careful cross-referencing of document disclosures, standard industry knowledge, and contextual interpretation. They are not always highlighted in the source documents themselves.

Cost Summary

ESTIMATED REMEDIATION COSTS

DESCRIPTION	LOW	HIGH	URGENCY
Structural engineer assessment Essential before committing to purchase. Engage RPEng with slab-on-ground experience.	\$1,000	\$2,500	Immediate
Slab remediation (underpinning / resin injection) Scope and cost confirmed only after structural engineer assessment.	\$20,000	\$80,000	Immediate
Brickwork crack repair Dependent on structural engineer findings; address root cause first.	\$10,000	\$30,000	Immediate
Termite management system Chemical barrier or baiting system compliant with AS 3660.1.	\$3,000	\$5,000	Immediate
Roof space cleaning and pest sealing	\$1,500	\$3,000	Immediate
Safety glazing upgrade (single-glazed windows)	\$3,000	\$8,000	1-2 years
Retaining wall repair	\$2,000	\$5,000	1-2 years
Exterior timber rot replacement	\$1,000	\$3,000	1-2 years
Sealant replacement (bathroom wet areas)	\$500	\$1,000	Immediate
HWS overflow reconnection to stormwater	\$300	\$500	Immediate
Plumbing pipe repair (hammering/shuttering)	\$300	\$800	1-2 years
Weep hole exposure / ground lowering	\$500	\$1,500	Immediate
Tree stump removal	\$500	\$2,000	1-2 years

Garage ceiling repair	\$1,000	\$2,500	1-2 years
Roof tile mortar maintenance	\$1,000	\$3,000	3-5 years
Boundary fencing replacement (50% share)	\$1,500	\$4,000	3-5 years
Total estimated cost	\$47,100	\$151,800	
Suggested price adjustment (asking price minus costs)	\$1,260,000	\$1,584,900	

These estimates are indicative ranges based on typical contractor pricing in Australia. Obtain at least two independent quotes before proceeding with any works. Costs may vary significantly based on scope, access, and local market conditions.

Pricing Analysis

AI-Estimated Data — The pricing figures below (comparable sales, suburb median, fair value range) are generated by AI from training data and may be out of date or inaccurate. Verify against current listings on realestate.com.au or domain.com.au before making any offer.

ASKING PRICE ASSESSMENT

BELOW MARKET

Fair value **\$1,480,000 – \$1,582,000**

Suburb median **\$1,100,000**

ASSESSMENT

Bank valuation of \$1,632,000 significantly exceeds the asking range of \$1,350,000–\$1,450,000 — a discount of \$182,000–\$282,000. Vendor purchased in June 2023 for \$1,515,000 and is asking below their own purchase price after only 2.5 years. This level of underpricing is consistent with the vendor pricing in known structural defects. If the structural engineer confirms moderate issues with estimated remediation of \$50,000–\$90,000, purchasing at the lower asking range (\$1,350,000) plus repair costs (\$50K–\$90K) = \$1,400,000–\$1,440,000 total outlay for a sound-condition value of \$1,632,000 — a potential \$190,000–\$230,000 in equity.

SALE HISTORY

DATE	PRICE	TYPE
17 June 2023	\$1,515,000	Private sale

COMPARABLE SALES

[Comparable Property A — Redacted] — 4 bed, same street, smaller block

Medium match

\$1,140,000

627 m² 4 bed

Same street, smaller block (627 vs 826 sqm). Est. mid-range \$1.14M.

[Comparable Property B — Redacted] — 4 bed/3 bath, same estate

Medium match

\$1,700,000

649 m² 4 bed

Same estate, 3 bathrooms, more recent renovation. Est. \$1.6M–\$1.8M.

Personalised Insights

ABOUT YOU

Purchase type: **Owner-occupier** Goals: **family home, long term hold**

Priorities: **quiet neighbourhood, land size, long term value** Household: **2 adults, 1 child**

Budget: **Max \$1.5M, \$90K buffer for renovations and repairs**

PURCHASE TYPE RELEVANCE

As an owner-occupier seeking a family home, this 4-bedroom property on a generous 826 sqm block in an established residential court is well-suited to your goals. The quiet cul-de-sac location, proximity to schools and amenities, and large land size align with family living priorities. However, the structural condition and buyer-unfavourable contract terms require careful assessment before commitment.

TOP PRIORITIES ASSESSMENT

The property scores strongly on land size (826 sqm vs suburb average), quiet neighbourhood (cul-de-sac court), and established suburb credentials. It scores poorly on move-in-ready given the structural issues requiring immediate attention: slab remediation, brickwork repairs, termite management system, and roof space cleaning are all pre-settlement priorities that will demand time, money, and project management in the first weeks of ownership.

FINANCIAL IMPACT

At the asking price of \$1,350,000–\$1,450,000 plus estimated immediate remediation costs of \$50,000–\$90,000, total outlay is \$1,400,000–\$1,540,000 for a property with a bank valuation of \$1,632,000 in sound condition. If structural issues prove moderate and manageable, this represents \$90,000–\$230,000 in potential equity. However, if structural issues are severe (full underpinning, reactive soil, under-slab plumbing leak), costs could exceed \$150,000 and the equation reverses. The structural engineer assessment is the financial pivot point.

LIFESTYLE CONSIDERATIONS

- Quiet court location (cul-de-sac) — minimal through traffic
- Proximity to local nature reserve — green space for family activities
- Near local schools
- Near local shopping centre and freeway access
- Established suburb with 81.8% auction clearance rate and strong local demand

! POTENTIAL DEAL-BREAKER

The combination of unquantified structural issues, buyer-unfavourable contract terms, and a vendor selling below their own purchase price creates an unusually high-risk profile. Do not sign any contract — including a subject-to contract — before the structural engineer has assessed the property and provided a written report. The contract as drafted provides very limited ability to exit on grounds other than major structural defects.

Market Context

AI MACRO ANALYSIS

The Melbourne property market is navigating a complex environment in early 2026. Following the RBA rate cuts of late 2024 and early 2025, buyer activity has picked up in established outer-eastern suburbs, with clearance rates recovering above 80% in some corridors. However, elevated construction costs and persistent cost-of-living pressures mean buyers are increasingly cautious about properties with known structural issues. For the subject property's suburb, land values remain robust driven by strong school zone demand and limited supply of large blocks, but properties requiring significant remediation are trading at meaningful discounts to comparable sound-condition homes. The vendor's 2.5-year ownership and below-cost asking price is consistent with the broader market trend of structural issue properties pricing in their remediation discount upfront.

Recommendations

PROCEED WITH CAUTION

This property has genuine appeal — large block, quiet court, established suburb, and strong bank valuation. However, the structural issues are significant and unquantified, and the contract terms are buyer-unfavourable. Do not sign the contract until a structural engineer has inspected the property and provided a written assessment with scope and cost. Use findings to negotiate aggressively on price.

NEGOTIATION POINTS

Structural issues (slab + brickwork)

Suggested: Target lower end of asking range (\$1,300,000–\$1,350,000) or below to offset structural remediation of \$30,000–\$80,000+. Bank valuation of \$1,632,000 confirms value exists in good condition.

No termite management system

Suggested: Request \$4,000–\$5,000 price reduction or vendor to install AS 3660.1-compliant system before settlement.

Animal infestation in roof space

Suggested: Request \$2,000–\$3,000 reduction or vendor to arrange professional cleaning and sealing.

SC1 "major structural defect" wording

Suggested: Insist on reinstating standard "major building defect" wording to preserve full exit rights.

SC5 as-is clause

Suggested: Negotiate removal or significant limitation, particularly given the known structural issues.

FURTHER INVESTIGATIONS

Structural engineer assessment

Why: Determine whether slab movement is historical or active, quantify remediation scope and cost, and assess brickwork cracking cause.

Who: Registered structural engineer (RPEng) with slab-on-ground experience in Melbourne eastern suburbs

[Council Name Redacted] building file search

- Why:** Obtain all building permits from 1990 onwards to check for prior structural remediation, unpermitted works, or failed inspections.
- Who:** [Council Name Redacted] Building Services — apply online via eServices portal

Plumbing inspection

- Why:** An under-slab plumbing leak is a common cause of differential settlement. The disconnected HWS overflow and pipe hammering increase suspicion.
- Who:** Licensed plumber with drain camera (CCTV drain survey)

Readable copy of Covenant [Covenant Reference Redacted]

- Why:** Determine what restrictions the 1991 covenant imposes before committing.
- Who:** Solicitor to obtain from Land Registry

QUESTIONS FOR YOUR AGENT

Why is the vendor selling after only 2.5 years?

Short ownership with below-cost pricing suggests vendor awareness of issues or personal financial pressure.

Did the vendor obtain a building/pest inspection when they purchased in 2023?

Comparing a 2023 inspection with the current report would reveal whether conditions have worsened — indicating active rather than historical movement.

Is the vendor open to reinstating standard contract terms (GC21/22)?

Willingness to remove buyer-unfavourable special conditions signals negotiating flexibility.

PRE-SETTLEMENT CHECKLIST

- Obtain structural engineer written report before signing contract
- Have solicitor review and negotiate SC1, SC5, SC6, and GC21/22
- Solicitor to obtain readable copy of Covenant [Covenant Reference Redacted]
- Arrange termite management system installation for immediately after settlement
- Budget \$50,000–\$90,000 for immediate repair and maintenance works
- Confirm loan condition (GC20) is checked if financing the purchase
- Arrange property insurance effective from settlement date

