

Home Buyers Beware - Australia's Top Ten Cover Ups

With a booming property market and a further interest rate rise tipped, home buyers are at an increased financial risk as a number of people who have problems with their houses undertake cover ups and then put the property on the market, according to Archicentre, the building advisory service of the Royal Australian Institute of Architects.

Launching the 'Buyer Beware Campaign' Robert Caulfield, Managing Director of Archicentre said, "Many of the cover ups are effective because prospective home buyers do not know what to look for and fail to understand the cost of the hidden problems."

Archicentre inspectors say that new DIY products that fill gaps and cracks are perfect weapons of mass deception which cause trouble for purchasers when buying properties.

"Typical weapons of mass deception include the use of gap filling products, wall panelling, strategically placed furniture, pot plants or rugs and newly painted surfaces".

"In a booming market Archicentre has received an increase in calls from concerned home buyers after they have already signed the contract of sale."

Archicentre carries out over 20,000 pre-purchase inspections and design reports for home buyers annually on property valued at \$7 billion.

Mr Caulfield said that often the decision not to carry out an inspection can make a major financial and social impact on buyers who in some cases run into serious debt problems with unbudgeted repairs or maintenance being added to the mortgage compounding the affordability problem with a \$30,000 repair cost turning into \$50,000 over the life of a normal loan.

The following list of cover ups and estimated costs to repair is based on the findings of Archicentre architects conducting pre-purchase housing inspections across Australia and the Archicentre Cost Guide.

Archicentre Top Ten Cover Ups:

1. Illegal building. Up to \$100,000.
2. Cracking up to \$50,000. Average \$3,000. Internal walls patched and painted, external walls concealed behind plants or trellis.
3. Termites, borers, and timber rot up to \$20,000. Average \$5,000. Floor damage patched and concealed under carpets.
4. Roof problems up to \$20,000. Rusty metal roofs painted, tile roofs patched with lead. Damaged roof framing propped up in roof space.
5. Rotten weatherboards and windows up to \$10,000. Rot patched with filler or covered with tin and painted.
6. Rotten stumps \$8,000 average. Floors temporarily propped to prevent bouncing.
7. Faulty or illegal wiring \$6,000 average to repair.
8. Faulty or illegal plumbing \$6,000 average to repair.
9. Damp \$5,000 average. Walls painted or furniture placed against damaged walls.
10. Guttering and downpipes \$3,000 average. Rusty gutters patched and painted.
11. Mr Caulfield said that in many cases where funds are not available people just put up with living with the faults. Where the faults are structural or life threatening and must be fixed the new home owner is faced with borrowing more money which can lead to over capitalisation of the property.

Pre-Purchase Inspections; House Inspections; Home Renovations; New Home Design Reports;

Pest Inspections; Building Progress Reports; House Cracking; Structural Reports.

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