

Building report and LIM vital

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LEGAL MATTERS



Given the current property market, it is becoming more common for a vendor (or seller) to supply a LIM report (Land Information Memorandum) and a building inspection report to potential purchasers.

While this can help potential purchasers make an unconditional offer (or an offer with less conditions) they do need to be careful when relying on these reports.

LIM REPORT

As this is a government-issued report, the local council is required to include all the information they have in respect of a property in the LIM report.

You should, however, note the following three tips:

1. Check the date of the LIM report to ensure that it is current and up to date.
2. Check with the vendor (via the agent) to see if there have been any works or any new information come to light about the property since the LIM report

was issued.

3. If the property is a unit title, check that the report is for the particular unit you are looking to purchase.

BUILDING INSPECTION REPORT

A building inspection report is prepared by a building inspector for their client.

If the client is the vendor, you need to be extremely careful when relying on this report.

It is important that you understand any potential issues this could cause.

By way of example you should be aware of the following five tips:

1. The contract is between the building inspector and the vendor. This means that if the builder has made an error in this report, the builder is not liable to you for any such error.

Some building inspection companies will agree to re-address the report to you so that the builder is then liable to you for any such error.

You would need to make enquiries directly with the building inspector to see if this is possible.

If so, it is likely that there will be an additional cost involved with doing this.



General and special rules and require agree to abide by in order to use a se standards, arrangements, specificati provisions that form an integral part contract or agreement.

LIM and building reports are essential for any property purchase.

“Check the date of the building inspection report to ensure that it is current and up to date.”

the report. If not, we recommend that you check this with the building inspector directly.

3. Check the date of the building inspection report to ensure that it is current and up to date.

4. Check with the vendor (via the agent) to see if there have been any works undertaken on the property since the date of the building inspection report (including any remedial work that may have been completed).

5. Check that the building inspection report be undertaken by a builder that has professional indemnity insurance and who

carries out work in accordance with NZ Property Inspection Standards.

After taking into account these five tips, you should consider whether you are satisfied with the risks involved in relying on a building inspection report supplied by a vendor, or whether you would prefer to obtain your own building inspection report.

Column courtesy of RAINEY COLLINS LAWYERS phone 0800 733 484 or raineycollins.co.nz. If you have a legal inquiry you would like discussed in this column please email Alan on aknowsley@raineycollins.co.nz

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