

STRATA INSPECTION REPORT

Inspection of the records of the Owners Corporation

Strata Plan	SP 88214
Scheme name	Marlowe Gardens
Property	Lot 12 (Unit 7), 148 Marlowe Street, Ashfield NSW 2131
Lots in scheme	24 residential, 2 utility
Date of inspection	3 September 2025
Records held by	Corven Strata Management Pty Ltd
Inspection carried out for	Prospective purchaser
Report reference	CSR-2025-4471

This report is a record of documents made available for inspection under section 182 of the Strata Schemes Management Act 2015 (NSW). It is not a building inspection and no opinion is expressed on the physical condition of the property.

SPECIMEN DOCUMENT — this is a fictional strata report created to demonstrate document analysis. The scheme, the address, the people and the figures do not exist.

1. SUMMARY OF FINDINGS

The following is a summary only. Purchasers should read the whole report and the attached financial statements before making an offer.

Administrative fund balance	\$3,241.88 Dr (overdrawn)
Capital works fund balance	\$41,300.00
Total levy arrears across scheme	\$18,742.10
Levies for subject lot (per quarter)	\$1,184.00
Special levy struck	Yes - see section 4
Current litigation	None recorded
Building defect claims on foot	Yes - see section 6
Combustible cladding registered	Yes - see section 7

Matters we draw to your attention

- The administrative fund is overdrawn. The scheme has been meeting day-to-day expenses from the capital works fund since March 2025.
- A special levy of \$186,000 was struck on 14 May 2025 and is being raised over eight quarters.
- The building is listed on the NSW Cladding Register.
- The insurance valuation on file was carried out in 2019.

2. THE SUBJECT LOT

Lot number	12
Unit number	7
Unit entitlement	42 of 1,000
Car space	Lot 12 includes car space 12 on title
Storage	Storage cage S7 - exclusive use by-law 14

Levies payable on the subject lot

Administrative fund contribution	\$742.00 per quarter
Capital works fund contribution	\$442.00 per quarter
Total ordinary levies	\$1,184.00 per quarter
Special levy instalment	\$976.50 per quarter to Q2 2027
Total payable per quarter	\$2,160.50

Arrears on the subject lot

The ledger for lot 12 shows the account paid to 30 June 2025. No arrears are recorded against the subject lot as at the date of inspection.

| *Purchasers should note that the special levy instalments continue after settlement and are the responsibility of the registered owner at the time each instalment falls due.*

3. FINANCIAL POSITION

Administrative fund

The administrative fund has been in deficit since March 2025. The statement of accounts provided at inspection records the following.

Opening balance 1 July 2024	\$22,910.44
Levies received	\$71,208.00
Expenditure	\$97,360.32
Approximate cash at bank balance	\$3,241.88 Dr

Expenditure exceeded levy income by \$26,152.32 for the year. The principal drivers recorded in the accounts were emergency plumbing works to the basement (\$31,447.00) and legal fees relating to the defect claim (\$14,980.00), neither of which was budgeted.

Transfers between funds

A transfer of \$18,000.00 from the capital works fund to the administrative fund was recorded on 2 March 2025. The minutes do not record a resolution authorising the transfer, and no repayment schedule was sighted.

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Section 76 of the Strata Schemes Management Act 2015 requires that money transferred from the capital works fund be repaid within three months, or such later time as determined by the owners corporation.

4. SPECIAL LEVY

At an extraordinary general meeting held on 14 May 2025 the owners corporation resolved to raise a special levy.

Total special levy	\$186,000.00
Purpose	Remediation of basement waterproofing and fire door replacement
Raised over	8 quarterly instalments
First instalment due	1 August 2025
Final instalment due	1 May 2027
Share attributable to lot 12	\$7,812.00
Instalments remaining as at inspection	7 of 8

Quotations for the basement waterproofing works were tabled at the meeting in the range \$164,000 to \$211,000. The resolution was passed on the basis of the middle quotation. Work had not commenced as at the date of inspection.

| *The special levy as struck does not include the fire door replacement costed at the March 2025 meeting at \$48,000. The minutes do not record how that work is to be funded.*

5. STATEMENT OF ACCOUNTS

For the year ended 30 June 2025

Capital works fund

Opening balance	\$63,880.00
Levies received	\$42,120.00
Transfer to administrative fund	(\$18,000.00)
Expenditure - roof membrane	(\$52,300.00)
Expenditure - lift compliance	(\$21,400.00)
Closing balance 30 June 2025	\$14,300.00

Administrative fund

Opening balance	\$22,910.44
Levies received	\$71,208.00
Total expenditure	(\$97,360.32)
Closing balance 30 June 2025	(\$3,241.88)

Levy arrears by age

Current to 30 days	\$4,118.00
31 to 90 days	\$5,904.10
Over 90 days	\$8,720.00
Total arrears	\$18,742.10

| Two lots account for \$8,720.00 of the arrears over 90 days. Recovery action has been commenced against one lot.

6. BUILDING DEFECTS

The scheme has an open defect claim against the original builder. The following documents were sighted.

- Engineer's report by Halvard Consulting dated 11 October 2024.
- Correspondence with the builder dated between November 2024 and June 2025.
- Advice from the owners corporation's solicitor dated 3 February 2025.

Defects identified in the engineer's report

- Water ingress to basement car park at the eastern retaining wall.
- Inadequate falls to balcony slabs on the northern elevation, lots 3, 7, 11, 15 and 19.
- Fire doors to levels 1 and 2 not compliant with AS 1905.1.
- Cracking to the eastern facade above the line of the basement wall.

The engineer's report estimates the cost of rectification at between \$240,000 and \$310,000. The solicitor's advice notes that the statutory warranty period for major defects expires in March 2026 and recommends that proceedings be commenced before that date if the builder does not agree to rectify.

| Lot 12 is unit 7, which is one of the lots identified in the engineer's report as having inadequate falls to the balcony slab.

7. CLADDING

The building is recorded on the NSW Cladding Register. A combustible cladding assessment by Farrow Fire Engineering dated 22 August 2023 was sighted.

Registered	14 February 2019
Cladding type	Aluminium composite panel, polyethylene core
Extent	Approximately 180 square metres to the northern and eastern elevations
Fire engineering assessment	Risk rated MODERATE
Rectification order issued	No order sighted as at date of inspection
Estimated rectification cost	Not costed in any document sighted

The assessment recommends replacement of the panels to the northern elevation within five years and interim measures comprising quarterly inspection of the panel fixings and maintenance of the existing sprinkler coverage.

| No provision for cladding rectification appears in the capital works fund forecast sighted at inspection.

8. INSURANCE

Insurer	Brightwell Underwriting
Policy number	SR-2210-88214
Period of cover	1 July 2025 to 30 June 2026
Building sum insured	\$14,200,000
Public liability	\$20,000,000
Office bearers liability	\$1,000,000
Loss of rent	\$1,420,000
Catastrophe cover	Nil
Date of last valuation	16 April 2019

The valuation on file was carried out on 16 April 2019 by Ashgrove Valuers and assessed the reinstatement cost at \$14,200,000. The sum insured has not been adjusted since that valuation.

| *Section 166 of the Strata Schemes Management Act 2015 requires a building valuation at least every five years. The valuation on file is six years old at the date of inspection.*

Claims history

One claim was recorded in the period reviewed: water damage to lots 3 and 7 in February 2024, settled at \$18,400 with an excess of \$2,500 borne by the owners corporation.

9. MINUTES - ANNUAL GENERAL MEETING

Held 27 November 2024 at 6:30pm

Present: 11 lots in person, 4 by proxy. Quorum confirmed.

Motion 4 - Adoption of financial statements

THAT the financial statements for the year ended 30 June 2024 be adopted. Motion CARRIED.

Motion 5 - Levies for the coming year

THAT administrative fund contributions be increased by 9% and capital works fund contributions be held at the current level. Motion CARRIED.

Motion 6 - Termite inspection

THAT the owners corporation engage a licensed pest inspector to inspect the complex for evidence of termite activity, at an estimated cost of \$1,900, following the report of damage to the timber pergola at the rear of the common property. Motion DEFEATED.

Motion 7 - Capital works fund plan

THAT the ten year capital works fund plan be reviewed by an independent quantity surveyor. Motion DEFERRED to the next general meeting.

General business

The owner of lot 19 raised the condition of the timber pergola and asked that it be inspected. The chair noted that motion 6 had been defeated and that no funds were available in the administrative fund.

10. MINUTES - COMMITTEE MEETINGS

Held 19 March 2025

The committee noted that the administrative fund was overdrawn and resolved to meet ongoing expenses from the capital works fund pending the striking of a special levy. The strata manager was asked to obtain quotations for the basement waterproofing works.

The committee considered the fire door rectification costed at \$48,000 and resolved to defer the works to the 2026 financial year.

Held 6 August 2025

The committee noted that the first special levy instalment had been raised and that four lots had not paid by the due date.

The committee discussed the timber pergola. It was noted that visible damage had worsened since November 2024 and that a section of the handrail had been cordoned off. No resolution was passed.

The committee resolved to write to the builder's solicitor regarding the defect claim before the expiry of the statutory warranty period.

11. BY-LAWS

The scheme has adopted the model by-laws with the following additions and amendments, registered as noted.

By-law 12 - Keeping of animals

An owner or occupier must obtain the written approval of the owners corporation before keeping an animal on a lot. Approval must not be unreasonably withheld. Registered 4 June 2018.

By-law 14 - Exclusive use of storage cages

Exclusive use of the storage cages numbered S1 to S24 is conferred on the owners of the correspondingly numbered lots. The owner of the lot is responsible for maintenance of the cage. Registered 4 June 2018.

By-law 19 - Short term letting

A lot must not be used for short term rental accommodation of less than 90 consecutive days unless the lot is the principal place of residence of the owner or occupier. Registered 11 September 2021.

By-law 21 - Renovations

Minor renovations require the approval of the owners corporation by ordinary resolution. Works affecting waterproofing of a bathroom or balcony require a special resolution and a common property rights by-law. Registered 2 March 2023.

12. RECORDS NOT AVAILABLE FOR INSPECTION

The following records were requested and were not produced at the inspection. Their absence is not evidence that the matters do not exist.

- The ten year capital works fund plan. The strata manager advised it is under review.
- Fire safety statement for the 2024 calendar year.
- Minutes of the extraordinary general meeting held 14 May 2025. Only the resolution as notified was produced.
- Any tax returns or BAS lodged by the owners corporation.
- Correspondence file for the period prior to November 2024.
- Any report or costing relating to rectification of the registered cladding.

13. LIMITATIONS

This inspection was limited to the records produced by the strata manager on the date of inspection. No physical inspection of the property or the common property was carried out. No opinion is expressed on the adequacy of the capital works fund, the condition of the building, or the merits of the defect claim.

The inspector has relied on the records as produced and has not independently verified any figure, valuation or statement contained in them.

14. CERTIFICATE

This report was prepared following an inspection of the records of the owners corporation of Strata Plan 88214 carried out on 3 September 2025 at the offices of Corven Strata Management Pty Ltd.

Inspector	R. Calloway
Licence	Specimen - not a real licence number
Date of report	4 September 2025
Reference	CSR-2025-4471

SPECIMEN DOCUMENT. This is a fictional strata inspection report created solely to demonstrate automated document analysis. Strata Plan 88214, Marlowe Gardens, 148 Marlowe Street Ashfield, Corven Strata Management, Halvard Consulting, Farrow Fire Engineering, Brightwell Underwriting, Ashgrove Valuers and R. Calloway are all invented. No part of this document describes a real property, a real scheme or a real person.