

# Terms and Conditions

## 1. Terms and Conditions

As part of AA House Checks Ltd, ("we", "our", "us") compliance with New Zealand Property Inspection Standards NZS 4306:2005 (the "Standards"), we are required to outline:

- a. The scope of our Inspection and report.
- b. Any limitations to our Property Inspection Report; and
- c. Our Terms and Conditions, which must be accepted by the client ("you" "your").
- d. Prior to any Inspection being carried out, we will send you an email containing our Letter of Engagement which will detail the following:
  - i. Your name and the property address
  - ii. The Inspectors name / qualifications and Inspection Company
  - iii. Date the report is due by
  - iv. Scope of report
  - v. Any special-purpose property inspection items
  - vi. Our fee
  - vii. Limitations and conditions
  - viii. Professional liability cover

## 2. Inspection and Report prepared in accordance with the Standards

- a. For the purpose of inspections, the inspection process will be carried out in accordance with the Standards. You agree to be bound by the Standards.
- b. A copy of the Standards is available, or alternatively you may contact Standards New Zealand and purchase a copy.
- c. A qualified person with relevant technical qualifications and building inspection experience ("Inspector") will carry out the Inspection in accordance with the Standards.
- d. We will certify that the Inspection has been carried in accordance with the Standards and the Inspector meets the competences of that standard.
- e. We will consider Weather Tightness, regardless of age, however it will not be measured against appendix A of the Standards or to E2/AS1 of the Building Code, Matrix and Evaluation, as this would be subject to a specialist report.

## 3. Scope of Inspection – Non-Invasive Visual Inspection Only

Under the Standards, the scope of the Inspection is limited to a visual inspection of the components of the buildings, which the Inspector has reasonable access to, and which is in their clear line of sight (the "Premises").

A non-intrusive moisture meter will be used around accessible joinery or identified risk areas; however, these are an aid only and their results are not conclusive. **Please Note:** Invasive moisture testing is the only means of determining the true extent of moisture in the timber framing where above normal non-invasive readings occur. We can only detect the full extent of rotting of framing by removing wall linings or exterior claddings. This would not be done without the written consent of the vendors / property owners and will be subject to a specialist Inspection. We will consider Weather Tightness, regardless of age; however, it will not be measured against appendix A of the Standards or to E2/AS1 of the Building Code, Matrix and Evaluation, as this would be subject to a specialist report.

## 4. Scope of Inspection and Property Inspection Report

- a. You have retained our services and instructed us to complete an inspection of the Premises (the "Inspection") and provide you with a Property Inspection Report (the "Report").
- b. The Report should be seen as a reasonable attempt to identify any Significant Fault or Defect visible at the time of the visual Inspection, which the Inspector has reasonable access to, and which is in their clear line of sight, rather than an all-encompassing report dealing with the Premises from every aspect. The reporting of any Significant Fault or Defect is on an exceptional basis, rather than reporting on items, which are in acceptable condition for their age.
- c. "Significant Fault or Defect" is defined in the Standards as – "A matter which requires substantial repairs or urgent attention and rectification."
- d. A Significant Fault or Defect will be addressed throughout the Report in **Red** wording.

## 5. Reasonable Access to be provided

“Reasonable access” means access that is safe, unobstructed and which has the minimum clearance specified in Table 1 of the Standards. If the minimum clearance is not available, the Inspection will be limited to the area within the Inspector’s unobstructed line of vision.

- a. You agree to ensure that Reasonable Access can be gained to the Premises, including but not limited to, the roof space and subfloor spaces, and that any such spaces are clear to enable the Inspection to be undertaken. Our Inspector reserves the right at their discretion to remove or not to remove the occupant’s belongings to gain access, to comply with our insurance obligations. Our Inspector reserves the right at their discretion to not to undertake an inspection in the subfloor or in the roof space for health and safety considerations and our obligations under the Health and Safety at Work Act 2015 (the “Act”). A reason as to why and a photo if possible, will be provided.

**Roof space** - A minimum opening clearance (access hole) of 450 x 400 mm that can be safely accessed from a 3.6 metre ladder. A minimum crawl space of 610 x 610 mm in the Roof Space.

**Subfloor** - A minimum opening clearance (access hole) of 500 x 400 mm and a minimum crawl space of 400mm vertical clearance between the ground and floor bearer. **Please Note:** Under the Act, if the underside of floors has been retro fitted with insulation foil, the power to the dwelling requires to be turned off for our Inspector to safely undertake a subfloor inspection.

**Roofs** - Able to be safely viewed from a 3.6 metre ladder leaning against the building/spouting only. Work Safe New Zealand Best Practice Guidelines state that working at heights over 3 metres must be undertaken safely. If climbing over 3 metres then Work Safe New Zealand state that guarding, safety nets or fall arrest systems should be in place. This is impracticable in the situation of house inspections; therefore, our policy is, that our Inspector may only climb as high as safely possible, keeping their own personal safety paramount.

## 6. Inspection and Property Inspection Report Limitations

- a. The Inspection and Report is intended only as a general guide to help you make your own evaluation of the overall condition of the Premises and is not intended to reflect the value of the Premises, nor make any representation as to the advisability of purchase or suitability of the Premises to you.
- b. The Report expresses the opinions of the Inspector, based upon their visual impressions of the conditions that existed at the time of the Inspection only.
- c. The Inspection and Report are not intended to be technically exhaustive, or to imply that every component was inspected, or that every possible defect was discovered.
- d. No disassembly of equipment, intrusive / invasive testing, destructive inspection, moving of furniture, appliances or stored items, or excavation will be performed.
- e. All components and conditions which by the nature of their location are concealed, deliberately hidden, camouflaged, or difficult to inspect are excluded from the report.
- f. Any suggestions or recommendations contained in the report are suggestions only and it shall be the responsibility of the person or persons carrying out the work to ensure the most appropriate remedy is carried out in conjunction with any further discoveries, warranty’s or manufacturers recommendation and warranty’s, and any necessary local authority consents obtained prior to proceeding with remedial work. We do not provide quotes for the repair of any faults, comments or defects identified in the report, or during verbal communications with our Inspector. Should you require quotes, or a more intrusive investigation of the property, we recommend that you obtain quotes or advice from a Licenced Building Practitioner (LBP) or qualified contractor.
- g. It is not our policy to give oral advice; we will provide a written Report. If you do require us to give you oral advice, we shall not be held responsible for that advice.
- h. Matters which are not within the scope of the Inspection under the Standards include, but are not limited to: the existence of formaldehyde, lead paint, toxic or flammable materials, and other health or environmental hazards; the condition of playground equipment; any internal or underground drainage or plumbing; any services which are shut down or otherwise secured; bores/water wells (water quality and quantity); zoning ordinances; cosmetics or building code conformity; fire detection systems, heat sensors. Any general comments about these services and conditions are informational only and do not represent an Inspection or form part of the Report.
- i. The Report will not provide information on, and specifically excludes the following: Building Code or Act compliance, zoning ordinance, violations, geological stability, soil conditions, structural stability, engineering analysis, termites or other infestations, formaldehyde, water or air contaminants of any kind, toxic moulds, rotting (non-visual), electromagnetic radiation, environmental hazards, appraisal of property value, repair estimates, saunas, swimming pools or spas and related piping, private water systems, specialized electronic controls of any kind, elevators, dumb waiters, water softener and purification systems, internal system components, system adequacy or efficiency, prediction of life expectancy of any item or system, minor and / or cosmetic problems, latent or concealed defects, and items marked as not inspected in the Report. You agree to assume all the risk for any condition or problems that may be concealed at the time of the Inspection.

- j.** The Report is not a compliance inspection of any building, legal or territory authority standards, codes, or regulations. The report is not intended to be a warranty or guarantee of the present or future weather tightness, adequacy or performance of the structure, its systems, or their component parts. The Report does not constitute any express or implied warranty of merchantability or fitness for use regarding the condition of the Premises and it should not be relied upon as such. Any opinions expressed regarding adequacy, capacity, or expected life of components are general statements based on information about similar components and occasional variations are to be expected between such estimates and actual experience.
- k.** You accept that the Inspector will not detect some faults because:
- i.** The fault only occurs intermittently.
  - ii.** Part of the home has not been used for a while and the fault usually occurs after regular use (or detection of the fault would only occur after regular use).
  - iii.** The type of weather that would normally reveal the fault is not prevailing at, or around, the time of the inspection.
  - iv.** The fault has been deliberately concealed.
  - v.** Furnishings are obscuring the fault (see clause 6d).
  - vi.** We have been given incorrect information by you, the vendor (if any), the real estate consultant, or any other person.
  - vii.** The fault is/was not apparent on a visual Inspection.
- l.** The Report is not a guarantee, warranty, or any form of insurance, and is not to be used as a substitute for a final walk-through inspection or the need for other specialist reports such as an electrician, plumber, drain layer or an engineer.
- m.** Inspection of some services at the Premises are outside of the scope of the Report. The Inspector will conduct a cursory inspection of the hot water, plumbing and electrical services only. You should note that this will only be the opinion of the Inspector, who is not a qualified plumber, gas fitter or an electrician. Appliances and services are not tested. Fire boxes are not inspected, the wood burner should be inspected by a Solid Fuel Appliance Servicing Technician (SFAST), we recommend prior to confirmation. We recommend testing all services such as, but not limited to (electrical appliances, heating systems, security alarm systems, ventilation systems, swimming pools or spas) prior to confirmation of the Premises or obtaining written confirmation all services are in good working order from the vendors.
- n.** We may make general comments about any of the exceptions and limitations contained herein, but our comments are for your information purposes and do not represent an inspection or form part of the Report. You should use these as warnings and indicators to make further investigations which may include retaining specialists to complete more detailed investigations.
- Electrical** – In the event that Tough rubber-sheathed (TRS), old Conduit or old ceramic fuses are present, we recommend an electrical inspection by a registered electrician. Please note, your insurance company may require this to be undertaken.
- Stormwater Drains and Wastewater Gully Traps / Drains** – Visually inspected and gully traps are tested via water flow from sinks and the shower etc. The type and condition of pipes below ground is unknown, a camera inspection could be undertaken by an LBP drain layer to establish the condition and performance of the stormwater and wastewater systems.
- Floors** – Floor levels are outside of the scope of inspection are not undertaken unless requested. Floor levels are only undertaken using a laser level which requires a straight line of sight to provide a basic analysis of the floor levels in each room. If you have any concerns regarding the floor levels, we recommend contracting a qualified floor level surveyor for an accurate analysis of the floor levels throughout the dwelling. The Inspector will comment the on the floor levels under “Floors” within the Report.
- Water Pressure** – Our opinion of the shower and tap water pressure maybe different to yours, you should test the water pressure for your own reference and satisfaction. The water pressure may vary at outlets due to filters and fixture quality.

## 7. Limitation of Liability

- a.** The Report is valid for 30 days from the date of the Inspection.
- b.** The Report is prepared solely for you and is and remains confidential between you and us. This obligation of confidentiality continues after the Report validity cessation date referred to in clause 6(a) above. Accordingly, our responsibility in connection with the Report is limited to the person(s) to whom the report is addressed and to that person(s) only. This reservation does not prevent you / the client from disclosing the report to other persons / parties who may have an interest in the subject property or who are advisers to the client. We accept no responsibility for anything done or not done by any third party in reliance, whether wholly or partially, on any of the contents of the report. All commercially sensitive information obtained by either party during the preparation of the Report shall remain confidential.
- c.** We shall not be liable for advice given or documents prepared relating to particular circumstances or for a particular transaction or purpose if such advice or documents are used without our express consent in other circumstances or for another transaction.
- d.** Subject to any statutory provisions, if we become liable to you, for any reason, for any loss, damage, harm or injury in any way connected with the completion of the Inspection and / or Report, you agree our liability shall be limited to a sum not exceeding the price of the Report. We will not be liable to you for any consequential loss or injury of whatever nature suffered by you or any other person and you indemnify us in respect of any claims concerning any such loss.

- e.** You agree to indemnify and keep indemnified the Inspector and AA House Checks Ltd from all claims by the vendors / property owners or any third party arising from the release of all or part of the Report and / or Report Summary. Further, you shall pay all legal costs incurred by the Inspector and / or AA House Checks Ltd arising from such claims.
- f.** Any person using the Report agrees that AA House Checks Ltd or its employees or contractors are not liable for any defect identified or un-identified in the Report or any report prepared by us.
- g.** Any person using the Report agrees that AA House Checks Ltd or its employees or contractors are not liable for any claim, defence or any other legal cost which is directly or indirectly caused by, or contributed to, or arises directly or indirectly out of the actions or effects of mould, fungi, mildew, rot, decay, gradual degradation, micro-organisms, bacteria, protozoa or any similar or like forms in any building or structure or the failure of the building/s or structure to meet or conform to the requirements of the Building Act or Code or any amendments in relation to external water or moisture or either durability or protection from external water or moisture entering the building or structure, or the effects thereof. Except as expressly set out in this document, all representations, conditions, and warranties (express or implied) applying between us and you, whether statutory or otherwise are excluded as far as the law allows. The entire liability of us to you, or any other person, whether statutory, contractual, tortious, or otherwise, is limited to the price of the Report.
- h.** Any areas that are concealed, contained, inaccessible, or cannot be seen, due to walls, ceilings, floors, insulation, soils, vegetation, personal property / occupant's belongings, furniture, blinds / curtains, stored items, systems, appliances, vehicles, or any other object, will not be inspected or included in the report. You agree to assume all the risk, for any condition or problems that may be concealed at the time of the Inspection.
- i.** You may not assign all or any of your rights or obligations under the contract/in this document without the prior written consent of us.
- j.** We do not accept liability or responsibility for any information supplied to us by third parties.

## **8. DISPUTES**

You need to be aware that it is possible for problems in dwellings to be disguised to prevent detection. If you notice anything that was not visible at the time of your visits, not mentioned in your report and or your inspection on the day you move into the property, then you should immediately contact us to discuss it.

- a.** Should any dispute arise because of the Inspection or Report, it must be submitted to us in writing immediately.
- b.** You agree that upon raising a dispute, the contents of the Report may not be used to satisfy or renegotiate any terms of an Agreement for Sale and Purchase until the disagreement/dispute has been resolved.
- c.** You agree that if, after raising a dispute, you use the Inspection or Report to make an unconditional offer or confirm or renegotiate the terms of an Agreement for Sale and Purchase, that you waive all of your rights to continue with the dispute, and/or raise any future dispute or claim against us.
- d.** In the event of a claim / dispute regarding any damage to the Premises, you will allow us to investigate the claim prior to any repairs are carried out. You agree that if you do not allow us to investigate the claims of damage before any repairs are carried out that you waive your rights to continue with and / or make any future claim against us.
- e.** In the event of any dispute, you agree not to disturb, repair, or attempt to repair anything that may constitute evidence relating to the dispute, except in the case of an emergency. Photographs must be taken to verify any evidence. If you do disturb, repair, or attempt to repair anything that may constitute evidence relating to the dispute you waive your rights to continue with and / or make any future claim against us.
- f.** Any complaints will be subject to our internal complaints process.

## **9. Disclaimer**

- a.** The Report details a visual only, non-invasive Inspection of the areas of the Premises which are readily visible at the time of inspection. The Inspection will not include any areas or components which are concealed or closed in behind finished surfaces (such as, but not limited to, plumbing, drainage, heating, framing, ventilation, insulation, wiring) or which requires the moving of anything which impedes access or causes limited visibility (such as, but not limited to, floor coverings, furniture, appliances, personal property, blinds, vehicles, vegetation, debris, soil). Curtains will be pulled back and blinds will be pulled up if possible.
- b.** The Inspection does not assess compliance with the NZ Building Code including the Code's weathertightness requirements, or structural aspects. On request, specialist inspections can be arranged to assess weather tightness or structure or of any systems including electrical, plumbing, gas, or heating.
- c.** As the purpose of the Inspection is to assess the general condition of the building based on the limited visual inspection described in 9(a), the Report may not identify all past, present, or future defects. Descriptions in Report of systems or appliances relate to existence only and not adequacy or life expectancy. Any area or component of the Premises or any item or system not specifically identified in the Report as having been inspected, has been excluded from the scope of the Inspection.

## 10. Privacy

- a. The information we collect and hold about you will be kept at our offices and / or in secure online data storage sites. If you require further copies of the Report, please contact us.
- b. Where the content of the Report is relied upon for industry research or evaluation purposes, any information that may allow for the identification of any property or any personal information will not be included in the report in any way.

## 11. Inspectors Have No Personal Interest

- a. We certify that our Inspectors have no personal interest, present or contemplated, in the property or its improvements, and no involvement with trades people or benefits derived from any sales or improvements. To the best of our knowledge and belief, all statements and information included in the Report is true and correct.

## 12. Terms of Trade

In consideration for us undertaking the Inspection and providing you with the Report, you agree:

- a. To our Terms and Conditions via email or on our website.
- b. If, after a subsequent quote, the number of rooms varies significantly from the information supplied to us via you / or a third party, you will be contacted for your approval before the Inspection is undertaken. If you are unable to be contacted via the contact details provided, we will proceed with the Inspection and the inspection price increases \$75 per half hour.
- c. We have no responsibility or liability for any cost, loss or damage arising from:
  - i. Any errors or omissions from information, data or documents not prepared by us, our employees, or other persons under the direct control of us.
  - ii. Any act or omission, lack of performance, negligent or fraudulent act by you.
  - iii. Any act or omission, lack of performance, negligence or fraud by any consultant, contractor, or supplier to you / the client, or any of your employees or agents.
- d. The Report remains the property of AA House Checks Ltd. This reservation does not prevent you from disclosing the report to other persons / parties who may have an interest in the subject property or who are advisers to the client. You agree that the report provided to you shall not be given or sold to any other party who is not directly involved with the process of the selling / purchasing of the property transaction. Copies will not be issued to any parties without the permission of you/client. All commercially sensitive information obtained by either party during the preparation of the inspection report shall remain confidential.
- e. You shall pay all costs and expenses (including legal costs on a lawyer / client basis) resulting from any breach of this document by you or the enforcement by us of the Terms and Conditions.
- f. The parties agree that the Laws of New Zealand govern the contents in these Terms and Conditions, and proceedings taken by the other party shall be heard in the District or High Court at Christchurch, New Zealand, regardless of the location of your place of business / residence.
- g. **If you choose not to proceed with the purchase** of the Premises based on / due to information in the Report, you must advise AA House Checks Ltd as soon as possible in writing / via email of the reason why; please be specific as possible with your reasoning for our reference with dealing with this Premises in the future. AA House Checks Ltd has the right to contact you regarding this if further information is required.

## 13. Cancellation Policy

- a. A phone call or voice message of cancellation of the Inspection left on the business phone number (**03 963 5780**) answering machine is accepted. **An email confirming the cancellation is required** prior to twenty-four hours of the scheduled date of the Inspection. A cancellation fee applies as detailed in 13(b).
- b. If you cancel the Inspection after confirming you have accepted our Terms and Conditions, you agree to pay us a **cancellation fee of \$25.00 (including gst)** for our time arranging the inspection for you and with all parties concerned ie; (Real estate agents, property managers or vendors). We reserve the right to apply this policy at our discretion.
- c. **You are responsible** for notifying all parties concerned of the cancellation of the Inspection. ie; (Real estate agents, property managers or vendors).
- d. If you cancel the Inspection within twenty-four hours (**24 hours**) of the date and time of the Inspection, **you agree to pay us a cancellation fee equal to the full cost of the property inspection invoice**, for the loss of potential income and our administration time. We reserve the right to apply this policy at our discretion.
- e. All costs associated with cancellations including debt collection costs will be added to the value of the invoice. We reserve the right to apply this policy at our discretion.

**14. Payment Policy**

- a.** An Invoice, Letter of Engagement and our Terms and Conditions will be emailed to you. **Payment is required prior to the release of the Report.** No statement or receipt will be issued unless otherwise arranged. We will notify you via email your Report has been completed.
- b.** Invoices not paid 5 business days after notification your Report has been completed shall incur a late payment fee of \$50.00 plus \$25 per working day thereafter.
- c.** It is our policy to hand the debt over to a debt collection agency if the invoice is not paid within 10 business days from the date of Inspection. All costs associated with the debt collection including all lawyer /solicitor fees and court costs will be added to the value of the invoice.
- d.** **Payment is required prior to the Inspection** if you or a nominated third party wishes to attend the property inspection.
- e.** Unless stated, prices exclude gst.

**15. EQC (Earthquake Commission) - Scope of Works**

- a.** Where an EQC scope of works has been provided to AA House Checks Ltd / the Inspector prior to (or at the time of) the inspection of the property, the scope of works may be reviewed and commented on in the Report. However, the building inspection is a visual non-invasive inspection of the property as at the time of the inspection. The Inspector cannot comment on the reasonableness of any repairs that have been carried out in accordance with the EQC Scope of Works nor whether any repairs have been carried out that would not be obvious on a visual and non-invasive inspection.
- b.** The Inspector relies on the information provided by you. The Inspector takes no responsibility for ensuring that all EQC scope of works for the property have been reviewed.
- c.** Any EQC scope of works which have not been reviewed and / or any aspect of an EQC scope of works that are unable to be inspected are not referred to in the Report and you will need to carry out your own due diligence in this respect.

**16. LIM Report - Land Information Memorandum**

- a.** The Inspector has not reviewed a LIM report nor inspected the Council file in relation to the property and is unable to provide advice as to the content of any LIM report. The Inspector recommends you obtain independent legal advice in relation to all aspects of the LIM report.

**Important Note**

For AA House Checks to undertake the Inspection and meet our legal obligations, our Terms and Conditions must be accepted in writing / via email to us prior to the inspection stating, **"I have read and accept your terms and conditions"**.