



Tips on how to inspect a property and avoid buying a lemon

BY SHAWN NG

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One man's meat is another man's poison. The overcast economic climate may have caused property prices that have seen steep hikes in the past to moderate but this could mean greater opportunities to pick up good bargains.

However, remembering that good things usually don't come cheap, industry experts are cautioning buyers against jumping into a deal without proper inspection.

According to Architect Centre Sdn Bhd, one in every five newly completed properties has some kind of major faults such as in plumbing, roofing or water-proofing. This could consequently lead to extra expenses for repairs and maintenance.

Architect Centre is a joint venture between the Malaysian Institute of Architects and Australian service provider Archcentre Ltd. It provides property inspection and building advisory services to the Malaysian public.

The figure was reported in 2009 but it still applies to the industry today, Architect Centre accredited building inspector and trainer Anthony Lee Tee tells TheEdgeProperty.com, citing the rapid pace of property development as one of the factors affecting the quality of construction work.

"The quality of properties sold by some developers have improved significantly but the majority of developers are still delivering substandard properties. Overall, we still see the same statistics of one in every five," he says, adding that there are some unscrupulous developers out there who use low-quality materials to profiteer.

"Today, some properties are built very quickly but you have to know that speed can kill quality. So if you want good quality, you cannot rush it," he continues.

The intense competition in tendering for construction jobs and the increase in cost of construction materials have also contributed to the current situation, he says. "This is why some quality of properties falls short of the price demanded."

Nevertheless, most developers and contractors would not want to become the black sheep in the industry, notes Lee. "On the bright side, quality is getting better today as good developers and contractors continue to improve their work."

Defects liability period

After being handed over the keys to a new property, the first thing the owner should do is to check for defects during the defects liability period, which is governed by the Sale and Purchase Agreement.

The defects liability period for residential property is usually 18 months after vacant possession whereas for other types of property it is usually 12 months, Lee says.

"The defects liability period covers defects due to shrinkage, leaks, cracks and workmanship. However, for stratified properties, the huge issue is defects in common areas which are usually not reported or identified within this period," he notes.

Lee points out that there are also a rising number of old properties on the secondary market and if they are not well-maintained, defects in older properties could pose serious problems as the safety of owners could be at stake.

"Sometimes people know there is a defect or some things need to be repaired but they just ignore it and when something happens they give all kinds of excuses," he says. For instance, he has seen a strata property management with limited maintenance funds place a Milo tin under a leaking ceiling to collect water.

"It may seem like a small leak but it could be a very serious problem. I'm seeing a lot of this kind of things in my work inspecting properties," he shares.

Based on his observation, the most common defects are cracks and leaks on walls, floors and roofs. "There are also issues with electrical safety, which is the most serious problem we are currently seeing."

He says that the electricity regulations in Malaysia are very good but there is a lot of shoddy workmanship when it comes to electrical installations, which will result in incidents of breakdowns and short circuits.

Buying a property is usually the largest investment one would ever make, so it is crucial for buyers to be informed before buying into the asset, Lee counsels. "Property defects will kill the value of a property, not to mention the fact that they could cost people's lives as well," he says.

Hence, homebuyers are advised to do their research and homework by checking out and surveying every aspect of the property before they purchase or right after vacant possession of a new property, he concludes.