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WHY YOU NEED A LIM & BUILDER'S REPORT

When purchasing property we strongly advise doing your due diligence. Obtaining a builder's report and a Land Information Memorandum (LIM) is part of this due diligence exercise. Here are the reasons why both are important.

LIM REPORT

A LIM report is a full report from the Local Council detailing the records that they hold in relation to the property. It will include the following:

- (a) Whether or not the Council have any designated plans for the area such as a motorway or long term flood plan;
- (b) Any significant features of the land the Council is aware of, for example, whether the land is prone to flooding or is gradually sinking or wearing away, or at risk of possible hazardous substances or contamination;
- (c) Information on rates;
- (d) Information on storm water and sewage drains;
- (e) Details of the building permits/consents that have been issued. It is important to compare the property to the consents that the Council holds, this way you will be able to ascertain whether any work carried out to the building on the property has been done without a building consent;
- (f) Any other notifications the Council holds from network utility providers in relation to the Building Act 2004.

BUILDER'S REPORT

A builder's report will highlight any structural issues or repairs that are required. If there are repairs that need doing you could negotiate with the vendor on the purchase price or seek agreement that the vendor attend to the repairs prior to settlement.

A builder can also check the structure of the property and the plans against the LIM report and highlight work that is not included in the LIM. This way you can be sure whether all of the work on the property is consented or not.

A builder's report will also cover the following:

- (a) How well insulated the property is;
- (b) The standard of the paintwork and whether any areas need repainting;
- (c) Any indication that the property might be a leaky building, including covering off areas that are damp or show mould.

As illustrated, it is important to read a LIM and a builder's report in conjunction with one another as a LIM only includes information that the Council is aware of.

As your solicitors we are not in a position to advise you on the plans and specifications of the property you are purchasing as we have not inspected it. Therefore you need to be confident you have completed your due diligence before committing to any property purchase.

20 MINUTE FREE

WANT to review your Family Trust structure?
THEN call us and take advantage of our 20 Minute Free interview