

Are you an owner-builder? Understand the risks and responsibilities.

What does it mean to be an owner-builder?

An owner-builder is not involved in the building industry but takes on the responsibility for building works or renovations carried out on their own property.

There are both pros and cons to being an owner-builder, and it is important that you understand all of them before making a decision.

Completing a building project as an owner-builder can give you greater control over a project, save on the cost of the builder's margin and give you a higher degree of flexibility.

This can be a highly attractive proposition, whether you are building a veranda, or subdividing your land to build a townhouse.

On the flipside, being an owner-builder also carries greater risks. You take responsibility for the work (both while it is underway and for six and a half years after it is completed) and the related financing, and you may end up spending more money or time on the project than expected.

If you are considering undertaking a project as an owner-builder, it's important to be prepared.

Things to think about before becoming an owner-builder:

- In Victoria, an owner-builder can only build or renovate one property every five years and must intend to live in the property once completed
- If the value of the proposed domestic building work is more than \$16,000 (including labour costs and materials), you must apply for a certificate of consent from the VBA to become an owner-builder
- If you sell your home after carrying out building work valued at more than \$16,000, you continue to be liable for any defective works for six-and-a-half years from the completion of the work
- You must purchase domestic building insurance before entering into a contract to sell your property. This insurance covers future owners for defective works if you die, disappear or become insolvent
- You must get relevant planning permits from your local council, and be named as the owner-builder on permits
- It is your responsibility to ensure that the work meets building regulations, standards and other laws

- You must arrange for building inspections as required by law at particular stages of the building work.

There are several government departments that can provide further assistance.

For guidance on becoming an owner-builder, head to

<http://www.vba.vic.gov.au/consumers/owner-builders>

For information on insurance requirements, visit dbi.vmia.vic.gov.au

For general owner-builder advice, go to consumer.vic.gov.au/ownerbuilders