

OWNER BUILDER OBLIGATIONS

WHO IS AN OWNER BUILDER?

Owner Builders can generally be described as people who wish to carry out building works wither themselves, or by engaging tradespeople, rather than employing a registered builder or supervisor to do the complete task for them.

If you are considering undertaking "domestic building works" as an owner builder (including new houses, alterations and/or additions, carports, garages or sheds etc) and you use tradespeople or contractors for part of the project, then you need to make sure you know your obligations.

YOUR RIGHTS & RESPONSIBILITIES

If the value of the project including labour and materials is over \$5,000.00, then you must have a written "major domestic" building contract when using certain tradespeople including:

- * Carpenters
- * Cabinet makers & Kitchen contractors
- * Bricklayers
- * Re-Stumpers
- * Concreters
- * Re-Roofers
- * Roof tilers
- * Bathroom renovators

Copies of contracts can be obtained via **this office** or **Build Safe Independent Housing Group P/L**
PO Box 2294 CARRUM DOWNS VIC 3201
Ph 9773 6777 or Fax 9773 6351

This contract must comply with current laws (Domestic Building Contracts Act 1996). These contracts must contain the specific restrictions, obligations, and warnings including a 'Cooling Off Notice' a prescribed 'Checklist' and progress payment limits as required under the Act. A domestic building contract usually comprises of several important documents. Depending on the type of works, the following documents may form part of the contract:

- * Plans
- * Specification
- * Engineering computations and drawings³
- * Foundations data (eg. Soil Test report, Footings Design, Site Plan)
- * Other documents which are agreed to form part of a contract.

Certain tradespeople must be registered with the Building Practitioners Board. Contact the Building Practitioners Board on 1300 360 320. Registered Practitioners must provide you with warranty insurance cover for their work. This warranty insurance protects you against:

- * Defective building work including breach of any implied warranties and a failure to maintain a standard or quality of work specified in the contract.
- * Non-completion of the work because of death, disappearance or insolvency of the builder or form early termination of the contract by the building owner because of the builder's failure or refusal to finish work.
- * Loss of deposit or progress payments or any part thereof
- * The builder's liability for civil damages or compensation arising from their conduct breaching certain consumer legislation.

The work will be covered by insurance from the date of the signed contract or the date of issue of the building permit (and a Final Certificate has been issued for the Building permit), or the contract terminated.

SIMILAR STRUCTURES

- * Floor & Wall Tiling
- * Plastering

TENNIS COURTS

- * Awnings & Security
- * External Fixtures

AVOID ENDING UP WITH A 'DODGY BROTHERS' JOB

Check up on who needs to engage. Make sure you check out your requirements thoroughly by contacting:

Registration Building Practitioners Board 1300 360 320
Background Office of Fair Trading 9627 6100

Insurance ask the contractor who he is insurer is Then check with the insurer

Too many building projects end up in dispute due to people just assuming their tradespeople will look after everything, or because no proper contracts exist, or the scope of the works and expectations were not clearly defined.

OWNER BUILDERS & DEMOLITION/REMOVAL WORK

The relevant building surveyor must not issue a building permit for the demolition or removal of a building unless the person nominated as the builder on the application for a building permit is a registered building partitioner in the appropriate category and /or class.

If the owner is nominated as the builder, it is the owner who must demonstrate that he or she has the necessary knowledge, experience, equipment, and storage facilities to properly conduct the demolition operations as required by regulation 2.1 (5) of the Building Regulations 1994.

SELLING AN OWNER BUILT HOME

Current legislation requires that owner builders who intend to sell their home within six (6) years and six (6) months of completion (completion being the date of the Final Inspection), must for the benefit of the purchaser:

1. Obtain an inspection report (137B Report) from a prescribed practitioner (architect, engineer, building surveyor or building inspector) that contains the matters required by the Minister (i.e. Lists the details, conditions, defects, incompleted works etc). This report must not be more than six (6) months old at the time the Contract of Sale is signed.
2. Obtain the prescribed warranty insurance cover for the works, which will cover the time remaining of the six and a half (6 ½) years, which commences from the completion date of the works.

AVOID THE COMMON HAZARDS

- ❖ Use proper contracts with the relevant tradespeople
- ❖ Engage registered tradespeople/contractors where required
- ❖ Obtain the required warranty insurance from the relevant tradespeople/contractors
- ❖ Be fully aware of the legal and construction requirements, and the time required to plan, finance, manage and supervise your project.

CALCULATING THE COST OF THE BUILDING WORK

Where building works are valued at over \$10,000.00, the Building Act 1993 (Victoria) imposes a building permit levy of 0.064 cents in every dollar. This is used to administer building controls in this state. The building permit levy is paid by the applicant and must be paid before the building permit can be issued.

Any owner builder who makes an application for a building permit is required to provide sufficient information to enable the building surveyor to estimate the cost of building work. The cost of building work includes that value of the labour and the value of the materials.

A building surveyor must refuse an application for a building permit where the building permit levy is not paid, or the application contains statements about the cost of the building work that are false or misleading.