

Do I need a defects report and insurance when selling?

To avoid any confusion on what needs Owner Builder Warranty and what does not.

1. 1378 Offence for owner builder to sell building without report or Insurance.
2. The Building Act relates to a Registered Builder and an Owner Builder.
These are the ONLY two classifications of builder, so a homeowner, renovator, DIYer becomes as Owner Builder under the legislation, so when selling, it refers to 1378 requirements.
3. While homeowners may do a makeover before selling whether it is non-structural (or structural) cosmetic, still requires a defects report and Owner Builder Warranty (over \$16 000)
4. Any work 1378 (2)(a)(i) requires a defects report and work over \$16 000 Owner Builder Warranty!
Just because the homeowner and his friends do the work for 'free' it is the value of that work that needs to be taken into consideration (What a builder/tradie would charge) Whether Insurance is required as well.
5. Whether there is a permit or not is irrelevant, a defect report and Owner Builder Warranty (over \$16 000) is required.
6. The standard cry is 'it was only maintenance' - Please refer to 1378!

As a Conveyancer, you need to be aware of 1378 (3)

- (3) A contract entered into in contravention of subsection (2) is not void by reason only of the contravention but is voidable at the option of the purchaser at any time before completion of the contract.

So your client could have the contract voided because of non compliance with 137B
Big price to pay for not complying.