

## Becoming an owner-builder

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An owner-builder is someone who can do 'owner-builder work' under a permit issued by NSW Fair Trading.

### What is owner-builder work?

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Owner-builder work is any work, including supervision and coordination of the construction, alterations, repairs or additions to a property:

- where the reasonable market cost (including labour and materials) exceeds \$10,000, and
- which relates to a single dwelling-house, dual occupancy\* or a secondary dwelling that:
  - requires development consent under Part 4 of the *Environmental Planning and Assessment Act 1979*, or
  - is a complying development within the meaning of that Act.

**\*Note:** an owner-builder permit will only be issued regarding a dual occupancy in cases of special circumstances.

### Should I do owner-builder work?

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An owner-builder permit is for people who have the skill or capacity to build their own house or supervise construction work. While an owner-builder permit is not a builder's licence, as an owner-builder, you are responsible for the building work as a fully licensed builder would be.

### What are my responsibilities?

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As an owner-builder, you are responsible for:

- overseeing and supervising all tradespeople
- ordering materials and managing the building site
- obtaining all necessary council and authority approvals
- ensuring that the financial, taxation and insurance requirements of the building work are met and fully comply with all laws

- being aware of your obligations under the *Workers Compensation Act 1987* and the *Work Health and Safety Act 2011* to provide a safe work environment that complies with SafeWork NSW requirements. Significant penalties may apply if you don't meet this obligation. Our [dealing with hazardous materials](#) page has more information on some possible risks, such as asbestos and lead
- ensuring any contractor engaged is appropriately licensed and insured to do the work contracted for
- warranting that the materials and work will be fit for the purpose and result in a dwelling that can be occupied.

## Do I need an owner-builder permit?

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An owner-builder permit is not needed when:

- the market value (labour and material) of the residential building work is less than \$10,000
- the work does not require development consent.

To be eligible for an owner-builder permit, the development approval must be in respect of a single dwelling-house or a secondary dwelling. In special circumstances dual occupancies may be approved.

An owner-builder permit cannot be issued for:

- renovations to an existing apartment/unit/flat/townhouse within a strata complex
- property not for residential purposes.

## How do I get an owner-builder permit?

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To get an owner-builder permit, you must lodge an owner-builder permit application either:

- online using the [online application form](#) and process
- in person at a Service NSW centre. To find out if you're eligible and to [download the relevant owner-builder forms](#), use the [Owner-builder self assessment tool](#) before going to the service centre.

When lodging your application form you **must** also attach copies of the following documents, together with [proof of identity requirements](#) and the [owner-builder permit application fee](#):

- evidence of ownership or a registered lease with Land and Property Information
- [development consent](#) (development application (DA) approval or complying development certificate (CDC) approval) from a certifying authority (council or private certifier) for the subject building site
- a current general construction induction training card (within the meaning of the Work Health and Safety Regulation 2011), also referred to as Safework Whitecard or a Safework Statement of Training

- if the work is over \$20,000 in value, evidence that you have met the owner-builder education requirement
- all other owners of the land for which an owner-builder permit may apply must also be listed - these other owners will not be able to apply for another owner-builder permit relating to different land for 5 years.

For the current general construction induction training card (Item 3 above), Fair Trading will also accept a Safework Statement of Training, issued within the 60 days prior. This acknowledges that it may take up to 60 days to issue the general construction induction cards once you have completed the relevant training.

Fair Trading will also accept, in certain circumstances, interstate general construction induction training cards or cards issued in NSW under previous arrangements that are recognised under Work Health and Safety laws.

Go to the [owner-builder approved education requirement page](#) or the [owner-builder equivalent accreditation page](#) for more information.

## **What are my limitations under the permit?**

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An owner-builder permit is not a building licence. It does not allow you to do:

- work other than the project covered by the development application or complying development certificate
- specialist work such as electrical, plumbing, gasfitting, airconditioning and refrigeration work (unless you hold a licence for such work).

Only one owner-builder permit can be issued within any five-year period, unless the application and any earlier permit relate to the same land, or special circumstances exist.

## **Approvals needed for building work**

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Most building work needs the following approvals before work can start.

### **Development consent or Complying Development Certificate (CDC)**

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Your local council can issue a development consent.

### **Construction approval**

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Approval for the work (a construction certificate) can be issued by either your local council or an accredited certifier.

During construction, the building work can also be inspected by council or an accredited certifier to check that it meets national building standards.

Visit our [consumer building guide](#) page to download the *Consumer building guide* or go to the [Building Professionals Board website](#).

## **Use licensed tradespeople**

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Tradespeople (whether contracting directly with home owners or sub-contracted through a builder), who do home building work costing over \$5,000 (labour and materials), must hold a Fair Trading licence for the type of work they are to do. Regardless of the work's cost, specialist tradespeople must be licensed for doing:

- electrical wiring
- plumbing, draining and gasfitting work
- airconditioning and refrigeration work (except plug-in appliances).

Before you sign any contract, don't forget to:

- ask to see a tradesperson's licence
- use the [licence check](#) on the Fair Trading website to make sure it is current, valid and suitable for the work you want done, or call Fair Trading and do a licence check over the phone.

## **Contracts**

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Before you enter into a contract with a licensed tradesperson, visit our [contracts](#) page.

## **Compulsory home building compensation cover**

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Home building compensation cover is no longer available for work done by an owner-builder, however, each licensed contractor (builder or tradesperson) who contracts directly with an owner-builder to do residential building work must provide home building compensation cover, if the contract price is over \$20,000 (including material supplied by the contractor).

You as the owner-builder should receive a copy of the certificate of insurance before:

- work starts
- you pay any money.

For more information about home building compensation go to the [State Insurance Regulatory Authority website](#) or use the [HBC Check](#) to see if you're covered.

## **Selling an owner-builder built home**

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As an owner-builder, if you decide to sell your home within seven years and six months after an owner-builder permit was issued, the contract for sale must include a note stating that: an owner-builder permit was issued in relation to the land on the date it was issued.

Work done under an owner-builder permit is not required to be insured under the *Home Building Act 1989* unless the work done by a contractor to the owner-builder is worth more than \$20,000.

If the consumer warning is not included in the contract of sale, the purchaser can void the sale contract before settlement.

**WARNING!** As an owner-builder you are guaranteeing the work you undertake. The next immediate owner of the property is entitled to the benefit of the statutory warranties set out in the *Home Building Act 1989*, and can take you, the owner-builder, to the NSW Civil and Administrative Tribunal to enforce their statutory warranty rights.

## **Other insurances**

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Other insurances you need to know:

### **Workers compensation insurance**

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Owner-builders should find out if they need workers compensation when hiring a contractor. Depending on the arrangements,, contractors can be classified as 'workers'.

Contact icare or call 13 44 22 for more information about workers compensation insurance.

### **Contract works insurance**

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The builders and trade contractors should have contract works insurance. It's for your protection and covers loss or damage to materials and work. If the builder or trade contractor doesn't have this type of insurance, you could risk inconvenience, time delays and disputes if materials are damaged or stolen.

### **Public liability insurance**

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If you intend to be an owner-builder or to contract out any type of building work we strongly recommended that you take out a public liability insurance policy. This covers you if a family member or member of the public is injured as a result of the building work. You could be liable because you own the property.

### **False or misleading information with your application**

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You can be prosecuted under the following sections of the *Crimes Act 1900* if you falsely state or leave out information in an application for an owner-builder permit:

- under s.307A of the *Crimes Act 1900* a person is guilty of an offence if she/he makes a false or misleading statement in an application for an authority or benefit. The penalty for false or misleading application is imprisonment for 2 years, or a fine of \$22,000 or both
- under s.43(1) of the *Home Building Act 1989* the Commissioner may cancel a permit if it is later discovered that a permit holder misrepresented information in their permit application.

## **Dispute handling**

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If you have a dispute, visit our [resolving building disputes](#) page or call 13 32 20.

[Need some help?](#)

[Prev](#) Preparing to build and renovate

[Next](#) Pools and pool safety

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<https://www.fairtrading.nsw.gov.au/housing-and-property/building-and-renovating/becoming-an-owner-builder> 19-05-21

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