

# Owner Builder FAQs

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This bulletin and our website are for convenience only; they do not constitute legal advice. For complete details, consult the Homeowner Protection Act and its regulations.

For more information, contact:

**Licensing and Consumer Services**

**BC Housing**

Suite 203-4555 Kingsway  
Burnaby, BC V5H 4T8

Phone: 604-646-7050

Toll-free: 1-800-407-7757

E: [licensinginfo@bchousing.org](mailto:licensinginfo@bchousing.org)

[www.bchousing.org](http://www.bchousing.org)

Twitter: @RegistrarBCH

Learn about your responsibilities as an owner builder, the law around selling an owner-built home, getting an Owner Builder Authorization, hiring sub-contractors on an owner-built project, and more.

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## **As an owner builder, am I exempt from the licensing requirements and home warranty insurance provisions of the Homeowner Protection Act?**

Owner builders are exempt from the licensing requirements, but personally assume the statutory protection for the new home. An owner builder who sells their home within the first 10 years after occupancy is obligated to subsequent purchasers for defects in the new home during that 10-year period.

The [Homeowner Protection Act](#) and regulations clarify that an owner builder's obligations under the statutory protection are similar to the obligations of a licensed residential builder under a policy of home warranty insurance. That is, two years for labour and materials, five years for defects in the building envelope and 10 years for structural defects.

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## **What are my responsibilities as an owner builder?**

If you want to be an owner builder of a new home, you must get an [Owner Builder Authorization](#) from BC Housing and pay a \$425 application fee before starting to construct that new home. You must also pass an [Owner Builder Authorization Exam](#) as part of your overall [Owner Builder Authorization](#) application. The exam will evaluate your knowledge and understanding of home-building basics.

As an owner builder, you must build or directly manage the construction of your new home yourself. If you engage a builder, construction manager, project manager or any third-party to perform these functions, both you and the hired construction manager or builder are committing an offence under the Act. You could face monetary penalties of up to \$25,000, prosecution or both.

You must not have previously been issued an Owner Builder Authorization for at least 18 months from first occupancy of your last owner-built home. This time span increases if you are a repeat owner builder. The Act's Regulation deems everyone aged 16 or above who is ordinarily resident in an owner builder's residence to be one owner builder.

Should you sell your home within the first 10 years from the date of occupancy, you must provide the purchaser with an Owner Builder Disclosure Notice. This notice will tell the purchaser that the home was built by the owner builder and if there is a policy of home warranty insurance in place for the home.

Purchasers of owner-built homes are protected by the statutory protection provisions of the Act. These provisions hold the owner builder personally responsible to subsequent purchasers for any defects in material, labour or design for a full 10 years.

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## **Do I need to take the Owner Builder Exam if I've been previously granted an Owner Builder Authorization?**

Yes. Every time you apply for an Owner Builder Authorization — and you must apply for each owner-built home you wish to build — you must take the Owner Builder Exam and get a passing grade of 70 percent or higher. You have one attempt at writing the exam per application.

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## **Do I need an Owner Builder Authorization if I'm building a home for personal use in an area that does not require building permits?**

Yes. All homes built in all areas of B.C. must be covered by a policy of home warranty insurance or have an approved Owner Builder Authorization. Even in areas where building permits are not required, you must still have an approved Owner Builder Authorization before you start to build.

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## **What if I want to sell my owner-built home?**

As an owner builder, you may not offer to sell or sell the new home during construction or until at least one year after your home is first occupied. This timeframe is based on the occupancy permit or actual occupancy date if there is no permit.

Despite the one-year occupancy requirement, an owner builder may be permitted to sell their home on the basis of undue hardship. To request permission to sell, download and submit the [Permission to Sell Application Form](#). If you sell the new home earlier than permitted, you're committing an offence under the Homeowner Protection Act and could face monetary penalties, prosecution or both. For more information, consult our regulatory bulletin, [Buying or Selling an Owner-Built Home](#).

If, as an owner builder, you offer to sell the home, you must provide an Owner Builder Disclosure Notice to any prospective buyers. Log in to your [owner builder account](#) to apply for the notice.

The notice will state that the home was built by you as owner builder and whether there is a policy of home warranty insurance in place for the home. "Prospective buyers" means anyone who expresses a serious interest in buying the home. You must give the notice to a prospective buyer before that person signs a purchase and sale agreement.

If you fail to provide a notice to prospective buyers, that's an offence under the Act. It may mean you are subject to monetary penalties, prosecution or both.

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## **What if I have limited construction experience and just want to hire trades to build my home for me?**

You are only eligible to be an owner builder if you agree to be your own general contractor. Relying on trades to perform work correctly is highly risky for owners who do not have the knowledge to adequately supervise those trades. Our regulatory bulletin, [What Builders Need to Know About Owner Builder Projects](#), has more detailed dos and don'ts for owner builders, contractors and sub-contractors.

As an owner builder, you will be personally liable for 10 years for construction defects in your home should you sell it. Research shows that owners, on average, live in their homes for four years and sell their homes during the first 10 years. This puts many owner builders at risk for liability for construction defects. Structural and building envelope defects can be particularly costly to rectify.

In addition to Part 9 of the BC Building Code, our [Residential Construction Performance Guide](#) contains information about the expected standards for new B.C. homes. Building inspectors report that inexperienced owner builders hoping to save money by building their own home often spend lots of time and money fixing costly mistakes.

If you're thinking about becoming an owner builder, review your abilities and honestly assess if you're ready to take on this responsibility. If not, it might be better to hire a licensed residential builder to manage construction of the home and provide a policy of home warranty insurance on it.

If you have limited construction knowledge and experience, you will likely need to study hard to successfully pass the Owner Builder Exam. Check our [Education Registry](#) for current course offerings or look for online materials on the topics outlined.

Our [Publications section](#) also contains many informative residential construction guides.

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## What happens if BC Housing rejects my application for an Owner Builder Authorization?

We could reject your application for failing to meet one or more of the eligibility criteria. This might include failing the Owner Builder Exam on home-building basics.

If you complete the pre-screening and appear to be ineligible, you can still proceed with the application if you give the Registrar information that explains why your circumstances are exceptional.

Of the \$425 fee application fee, \$50 is non-refundable should the Registrar reject your application. However, you can [appeal this decision](#).

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## If I've built a home as an owner builder before, how long do I have to wait to build another under an Owner Builder Authorization?

If this is the first home you've built as an owner builder, you're eligible to build a second home under a new Owner Builder Authorization no earlier than 18 months from the date of first occupancy of the first home.

If this is the second home you've built as an owner builder, you must wait three years from the date of first occupancy of the second home. The waiting period for all subsequent owner-built homes after that is five years.

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## What kind of dwelling unit can I construct as an owner builder?

Most owner builders build a single detached home under a single title. However, there are two other types of single dwelling units you can apply to build under an Owner Builder Authorization, as long as you meet all other eligibility criteria, including personal use:

- › One single dwelling unit in or attached to a pre-existing building older than 10 years (includes the addition of a unit to convert a detached home to a duplex, or conversion of a duplex to triplex, or conversion of non-residential space to a dwelling unit)
- › One single dwelling unit in or attached to a new non-residential building (one only per building, such as a caretaker suite or home built above a family-run store)

We don't issue Owner Builder Authorizations for single dwelling units that are in or attached to new, multi-unit residential buildings.

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## What public information can I access about owner builders and owner-built homes?

Our [New Homes Registry](#) is a searchable database for members of the public. Look for homes they are considering buying by civic address or legal description.

Owner-built homes are identified as such on the registry. Although the name of the owner-builder is not shown on the website, you can ask us for that information. Call 604-646-7050 or 1-800-407-7757 or email [licensinginfo@bchousing.org](mailto:licensinginfo@bchousing.org).

If an owner builder is convicted of an offence under the Homeowner Protection Act, or is subject to a compliance order or a monetary penalty, the name of the owner builder, details of contravention, as well as the conviction, [compliance order or penalty](#) are published on our website.

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## **What if I can't complete an Owner Builder Authorization application online?**

Contact us for a printed form. However, this will result in a slower processing time. We'll have to mail you your authorization once approved, rather than sending an online document for you to download and print for the building department.

We strongly encourage you to use free library facilities and Internet accounts, if possible. Online access offers other benefits, including:

- › Checking the status of your application online
- › Updating information online, including tradespeople used and occupancy date
- › Downloadable Owner Builder Disclosure Notice should you choose to sell your home