

# Important Information for Owner-Builders



## CONSTRUCTING AN OWNER-BUILT HOME

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The *Homeowner Protection Act* defines an owner-builder as an individual who builds a single detached home for their own personal use. Owner-builder eligibility can only occur once in every 18 months following occupancy of a previous owner-built home.

All persons ordinarily resident in the same dwelling unit are deemed to be the same owner-builder; therefore, only one owner-builder exemption is allowed per household.

Owner-builders are defined in the *Homeowner Protection Act* as individuals, not corporations. Therefore in order to qualify for an owner-builder exemption, you must personally hold an ownership interest in the property and your personal name must appear on the Land Title record for the property.

An owner-builder does not have to be licensed or arrange for third-party home warranty insurance on their home. An owner-builder who sells the home without home warranty insurance is subject to the 10-year Statutory Protection provisions of the *Homeowner Protection Act*, and their obligation cannot be contracted away. This means that an owner-builder who sells the home within 10 years after first occupancy could face legal action and is personally liable to subsequent purchasers that the home is reasonably fit for habitation, built from materials of good quality, and designed and constructed with ordinary competence, skill and care.

An owner-builder must build or directly manage the construction of their new home; otherwise they do not qualify. If the owner-builder does not build or fully manage the construction of their new home and instead hires a builder or construction manager to perform these functions, both the owner-builder and the hired builder/construction manager could face prosecution for offences under the *Homeowner Protection Act*.

If someone other than the owner-builder performs a management or builder function, they must be a licensed residential builder and arrange for home warranty insurance for the new home.

## PENALTIES

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Every person who knowingly furnishes false or misleading information on an Owner Builder Declaration and Disclosure Notice, fails to file a declaration with the building department or the HPO, or illegally acts as an owner-builder has committed an offence under the *Homeowner Protection Act* and is liable upon conviction to

a fine of up to \$25,000, imprisonment for a term of up to one year, or both.

Convictions could result in a criminal record. Potential violations can be reported confidentially and anonymously to the HPO at 1-800-407-7757.

## SELLING AN OWNER-BUILT HOME

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An owner-builder must utilize the home for their own personal use for a reasonable and verifiable period of time before offering the home for sale.

If the home is sold within 10 years of first occupancy and does not have home warranty insurance, any seller of an owner-built home must provide the purchaser with a copy of the Owner Builder Declaration and Disclosure Notice indicating that the home is not built by a licensed builder and does not have third-party home warranty insurance.

## PURCHASING AN OWNER-BUILT HOME

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Unless home warranty insurance is provided, first and any subsequent purchasers of an owner-built home are protected by the Statutory Protection provisions of the *Homeowner Protection Act*. Any action by a purchaser under this section of the legislation must be commenced within 10 years after first occupancy.

## OBTAINING AN OWNER-BUILDER EXEMPTION

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Potential owner-builders are strongly advised to complete and submit the request for exemption at least one month in advance of the building permit process. The process for obtaining an owner-builder exemption is as follows:

1. Complete the included Request for Owner Builder Declaration and Disclosure Notice and return it to the HPO.
2. The HPO will contact you to evaluate your request. If your request is approved, the HPO will mail you an original **Owner Builder Declaration and Disclosure Notice**.
3. Complete the Owner Builder Declaration and Disclosure Notice, which must be sworn by either a commissioner for taking affidavits or a notary public in the Province of B.C. Original signatures are required. Sub-contractors must be listed.
4. Present the completed Owner Builder Declaration and Disclosure Notice at the building permit counter when applying for a building permit. Owner-builders constructing homes in unincorporated areas are required to complete the declaration and send it directly to the HPO prior to the commencement of construction. The owner-builder retains the pink copy.

**REQUEST FOR OWNER BUILDER DECLARATION AND DISCLOSURE NOTICE**

The following information will be used to evaluate your request for confirmation of an owner-builder exemption. Please provide the information requested below and send it to the HPO. The HPO Licensing Department will then contact you to confirm details about your request. Evaluations are considered in the order in which they are received and delays can occur due to seasonal demand.

1. Name (first) \_\_\_\_\_ (middle initial) \_\_\_\_\_ (last) \_\_\_\_\_  
(This must be the property owner listed on the Land Title record.)

2. Your current mailing address \_\_\_\_\_ City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

3. Your current street address \_\_\_\_\_ City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

4. Details of the location of the proposed owner-built home (the property)

Civic address (if assigned) \_\_\_\_\_ City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Legal description of lot \_\_\_\_\_

Parcel Identification Number (the nine digit number also referred to as a PID) \_\_\_\_\_

5. Phone numbers: Home (\_\_\_\_\_) \_\_\_\_\_ Work (\_\_\_\_\_) \_\_\_\_\_ Cell (\_\_\_\_\_) \_\_\_\_\_

6. List full names of everyone over the age of sixteen ordinarily resident in your current residence. (Last name, first name)

\_\_\_\_\_  
\_\_\_\_\_

7. Personal identification information (typically a B.C. driver's licence number) \_\_\_\_\_

- 8. Would you build or directly manage the construction of the proposed new home?  Yes  No
- 9. Would you hire a builder or construction manager to build the proposed home for you?  Yes  No
- 10. Are you proposing to build a single, detached home under one legal title?  Yes  No
- 11. Is the property title currently in your individual name? (Must be Yes in order to qualify.)  Yes  No
- 12. After completion, would you utilize the new home for your own personal use for a reasonable and verifiable period of time before offering the home for sale?  Yes  No
- 13. Do you understand that as an owner-builder, you would be subject to the statutory protection provisions of the *Homeowner Protection Act* if home warranty insurance is not purchased? \*  Yes  No
- 14. Do you understand your obligations to future purchasers of the home? \*  Yes  No
- 15. Are you aware that if you hire people to build a home for you, you may need to register with the Worker's Compensation Board?  Yes  No
- 16. Would this be the only home you or anyone normally resident with you has built for personal use in the last 18 months?  Yes  No
- 17. Have you included a copy of the certificate of title, a B.C. Assessment Notice or other land title documentation indicating that you own the property in your individual name? (You will not qualify for an owner-builder exemption unless you have an ownership interest in the property and your personal name appears on the Land Title record for the property.)  Yes  No

\* More information about the requirements of the Homeowner Protection Act and an owner-builder's obligations can be found on the HPO Website.

**PLEASE NOTE**

Only original Owner Builder Declaration and Disclosure Notices, which include coloured copies in triplicate, are valid. Therefore, upon approval for an owner-builder exemption, the HPO is **not** able to fax or e-mail this Notice to you. The Owner Builder Declaration and Disclosure Notice is mailed to a potential owner-builder approved by the HPO. To save time, you could arrange for a courier to pick up the Notice at the HPO once the owner-builder exemption is approved.