



Owner Builder Home Warranty Inspection: All You Need to Know

Building your own home can be one of the most rewarding projects you'll ever take on. But when it comes time to sell, there's a key step every owner builder needs to complete — the owner builder home warranty inspection.

This inspection ensures that the property meets quality and compliance standards and allows you to secure home warranty insurance for owner builders, a requirement before selling within the statutory warranty period in most Australian states.

Whether you're in Victoria preparing a 137B inspection report, or in New South Wales applying for home building compensation insurance, this guide explains everything you need to know to stay compliant and protect your investment.

What Is an Owner Builder Home Warranty Inspection?

An [owner builder home warranty inspection](#) is an independent assessment of the work completed by an owner builder. It ensures that the construction is structurally sound, compliant with regulations, and free of major defects.

This inspection is typically required before selling an owner-built property that's less than 6–6.5 years old, depending on the state. It's also a key step in obtaining home warranty or indemnity insurance, which protects the buyer if defects or incomplete work are discovered after the sale.

In Victoria, this inspection results in a Section 137B owner builder defects report, which must be provided to potential buyers before the contract of sale. Other states have similar obligations, even if they go by different names.

Why Owner Builder Warranty Inspections Are Important

A building warranty inspection isn't just a formality — it's a legal and financial safeguard.

Here's why it matters:

- **Legal compliance:** Selling within 6–6.5 years of completion usually requires an inspection and warranty insurance.
- **Buyer protection:** Buyers gain peace of mind that the home meets construction standards.
- **Insurance eligibility:** Warranty or indemnity insurance cannot be issued without an inspection report.
- **Property value:** A clear report builds buyer confidence and supports stronger resale value.

Failing to obtain an owner builder warranty report can delay settlement or even breach sale conditions.



Who Needs an Owner Builder Warranty Inspection?

You'll need an owner builder home warranty inspection if you:

- Built your own home and plan to sell within the statutory warranty period (typically 6–6.5 years after completion).
- Are you a real estate agent managing the sale of an owner-built property?
- Is a buyer wanting independent assurance about the quality and compliance of an owner-built home?

Even if the inspection isn't mandatory in your state, it's a smart move to protect both parties in the sale process.

What Does an Owner Builder Warranty Inspection Include?

A qualified inspector examines the property to identify defects, incomplete work, or non-compliance. The owner builder defects report includes:

- **Major structural defects:** Cracks, foundation issues, or framing failures.
- **Incomplete works:** Unfinished painting, flooring, or exterior areas.
- **Safety and compliance issues:** Faulty wiring, plumbing issues, or missing certifications.
- **Photographic and written documentation:** Evidence of condition and findings.

- **Preparation of the official Owner Builder Warranty Report.**

This report helps determine eligibility for home warranty insurance for owner builders, which is required before sale in many states.



State-by-State Requirements for Owner Builder Warranty Inspections in Australia

The rules and terminology differ across Australia. Below is an overview of what each state and territory requires.

Victoria (VIC)

In Victoria, the 137B inspection report is mandatory before selling an owner-built home within 6.5 years of completion.

Key points:

- Required under Section 137B of the Building Act 1993.
- Must be carried out by a registered building inspector or surveyor.
- The report must be provided to the buyer before signing the contract of sale.
- Enables the owner builder to obtain home warranty insurance for properties valued over \$16,000.

New South Wales (NSW)

In NSW, the owner builder inspection before sale is linked to the Home Building Compensation Fund (HBCF).

- Applies to work over \$20,000.
- The report must be completed by a licensed builder, engineer, or inspector.
- Essential for obtaining home warranty insurance for owner builders.
- Protects buyers for up to 6 years for structural defects and 2 years for non-structural defects.

Queensland (QLD)

Queensland requires a Form 21 Final Inspection Certificate for owner-built properties.

- Overseen by the Queensland Building and Construction Commission (QBCC).
- Inspections ensure work complies with building approval and code.
- Recommended before applying for insurance or resale.

Western Australia (WA)

Known as a Defects Liability Inspection, this process is required before applying for home indemnity insurance when reselling a property.

- Applies to residential and commercial building work valued over \$20,000.
- Conducted by a registered building practitioner.

South Australia (SA)

Under the Building Work Contractors Act 1995, an inspection is required when selling owner-built homes where the work exceeds \$12,000.

- The report is used to obtain warranty insurance.
- Must be completed by a licensed building inspector or surveyor.

Tasmania (TAS)

While there's no statutory requirement, a building warranty inspection is recommended for owner builders selling within 6 years of completion.

- Ensures compliance and helps secure buyer confidence.
- Often requested voluntarily by solicitors or real estate agents.

Australian Capital Territory (ACT)

Owner builders must provide documentation showing building approval and inspection certifications.

- Similar to NSW requirements.
- Used to demonstrate compliance during resale.

Northern Territory (NT)

Inspections are required under the Building Act 1993 (NT) before resale of owner-built homes.

- Confirms completion and compliance.
- Needed for warranty insurance and certification.

How to Obtain an Owner Builder Warranty Report

Getting your [owner builder home warranty inspection](#) is straightforward when you work with a professional inspector.

Steps:

1. **Book your inspection** with a professional and qualified building inspector.
2. **Provide documents** such as building permits, approvals, and completion certificates.
3. **Inspection visit:** The inspector reviews all accessible areas for defects or incomplete work.
4. **Receive your report:** Usually delivered within 2–5 business days.
5. **Use the report** to apply for warranty insurance or disclose to potential buyers.

A qualified inspector will also guide you through any corrective actions if defects are identified.

Benefits of an Owner Builder Warranty Inspection

Ordering an owner builder warranty inspection before selling offers several advantages:

-  **Legal protection** – Meet your obligations and avoid settlement issues.
-  **Increased property value** – A clean report reassures buyers.
-  **Insurance compliance** – Required for home warranty coverage.
-  **Peace of mind** – Know your home meets safety and quality standards.

A professional inspection gives you confidence and transparency when selling your home.

Common Defects Found During Owner Builder Warranty Inspections

Some of the most frequent issues found in owner builder defects reports include:

- Waterproofing failures in bathrooms or balconies.
- Cracks in slabs, walls, or ceilings.
- Poorly installed roofing or flashings.
- Plumbing and electrical non-compliance.
- Incomplete finishes or painting defects.

Addressing these issues before listing your property can make the inspection — and sale — much smoother.

How to Prepare for Your Inspection

To ensure your owner's building warranty inspection goes smoothly:

- Provide all construction documents and approvals.
- Ensure access to all rooms, roof spaces, and subfloors.
- Complete any minor repairs ahead of time.
- Remove obstructions for clear inspection access.

Preparation helps the inspector perform a thorough review and may reduce turnaround time.

FAQs

Is a 137B report the same as an owner builder warranty inspection?

Yes — in Victoria, the 137B report is the formal term for the owner builder warranty inspection, required before selling within 6.5 years of completion.

How long is an owner builder warranty report valid for?

Typically 6 months, but this can vary. It should reflect the current condition of the property at the time of sale.

Who can conduct an owner builder warranty inspection?

Only a registered building inspector, surveyor, or licensed builder (depending on the state) can conduct this inspection.

Is the inspection mandatory in all Australian states and territories?

It's mandatory in VIC, NSW, SA, and WA, and strongly recommended in all others.

How much does it cost?

The average owner builder home warranty inspection costs between \$350 and \$700, depending on property size and document complexity.

Can I sell my owner-built home without an inspection?

In states like VIC and NSW, you must provide an inspection report and obtain warranty insurance first.

What happens if defects are found?

You'll need to rectify them before insurance can be issued or the property is listed for sale.

Conclusion

An owner builder home warranty inspection is a crucial step when selling an owner-built home. It ensures compliance with state laws, provides peace of mind for both buyer and seller, and enables access to essential warranty insurance.

From Section 137B inspection reports in Victoria to Home Building Compensation Fund requirements in NSW, every state has its own rules, but the goal remains the same: protecting homeowners and maintaining construction quality across Australia.

If you're preparing to sell an owner-built property, [contact Jim's Building Inspections](#) today to book your [owner builder warranty report](#) and ensure a smooth, compliant sale.

Disclaimer:

The information provided in this blog is for general guidance only and may not reflect current legislative requirements in all Australian states and territories. Some services, including owner builder inspections, may only be available in certain licensed areas. Please contact Jim's Building Inspections to confirm service availability and advice relevant to your location.