

Media Release

For immediate release

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Landmark fine for kit home builder

A Magistrate has found a kit home supplier and its director guilty of building a kit home on a Bendigo property without being a registered builder.

The company agreed to build a pre-fabricated kit home on the property in 2011, entering into a contract with the property owner for \$37,900. The owner obtained a building permit for the work as an owner-builder.

The director argued that the company was not the builder for the project, but that the company supplied the materials and was subcontracted to the homeowner. However, the Magistrate said that once the company agreed to install the house, they became the builder.

The company and director were each fined more than \$11,000 for carrying out building work when the director was not a registered builder, for not having a proper contract or the required insurance, and for asking a deposit of more than 5 percent.

The Victorian Building Authority's Chief Executive Officer, Prue Digby, said this acts as an important reminder for all Victorians thinking of buying a kit home.

"If you are planning on hiring someone to install your kit home for you and the installation costs more than \$5000, you need to make sure they are a registered builder," Ms Digby said.

If the work is over \$12,000, the builder also needs to have domestic building insurance.

"The company that supplies your kit home may also install it for you, but regardless of how much the installation costs, they need to be a registered builder with the appropriate insurance. This is because the cost of the building material is included in the total cost of the building work."

For information about using a registered builder, visit www.vba.vic.gov.au

ENDS

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