



ADVANTAGES - BUYING A HOME BUILT BY A LICENSED CONTRACTOR

LICENSED CONTRACTOR

Contractor Licensing Law:	<i>Must be licensed and bonded under CSLB (Contractors State License Board)</i>
Implied Warranty:	Legally obligated to provide a 1-year warranty on workmanship and 10 years on structural (per CA Civil Code § 896 et seq.)
Liability Insurance:	<i>Required to carry general liability and workers' comp insurance</i>
Contract Requirements:	Must provide a detailed contract outlining the scope, cost, and completion
Builder Accountability:	<i>Subject to discipline by CSLB for poor workmanship or fraud</i>
Disclosures & Permits:	Must disclose all known material facts, including code violations and permit history
Mechanic's Lien Risk:	<i>Contractors manage subs and are more likely to release lien rights</i>

OWNER-BUILDER

Contractor Licensing Law:	<i>Not held to the same licensing standards or regulatory oversight</i>
Implied Warranty:	No statutory obligation to provide a warranty unless agreed to in writing
Liability Insurance:	<i>May not have insurance—buyer assumes more risk</i>
Contract Requirements:	May not provide a formal contract or use vague documentation
Builder Accountability:	<i>Not regulated by licensing authority, disputes may require civil litigation</i>
Disclosures & Permits:	May omit or be unaware of disclosure requirements
Mechanic's Lien Risk:	<i>Owner-builders may not collect lien releases—risk of post-sale liens</i>



**BUILDING RESILIENCY
CENTER**

6295 Skyway Paradise, CA

More Information:

530-872-6291 x411 townofparadise.com/building



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