



The HCRA's Licensing and Compliance Guideline

Introduction to the Home Construction Regulatory Authority

On February 1, 2021, the Home Construction Regulatory Authority (HCRA) will become the regulator of new home builders and vendors in Ontario. The HCRA will be responsible for licensing the people and companies who build and sell new homes in the province.

Once the HCRA launches its operations, it will be accountable to enforce professional standards for competence and good conduct while promoting and supporting a fair, safe and informed marketplace. In this role, the HCRA will serve to enhance consumer confidence in one of the biggest purchases of their lives – a new home. It will also provide educational information and resources for consumers, including an enhanced Ontario Builder Directory, the official source of information about Ontario's more than 5,000 builders and vendors.

The HCRA will take over Tarion Warranty Corporation's registration function. It will now become a licensing function by the HCRA under the [New Home Construction Licensing Act \(NHCLA\)](#). Currently, Tarion is responsible for both registration of builders and warranty administration. Tarion will continue to deliver Ontario's new home warranty and protection program, backstopping the statutory warranty coverage provided to purchasers of new homes under the [Ontario New Home Warranties Plan Act \(ONHWPA\)](#).

For additional information about the HCRA, visit the interim website at <http://hcraontario.ca/>. As the HCRA's launch date of February 1, 2021 approaches, updates about the HCRA's services and processes will be posted on the interim website.

HCRA Permanent Website - Explanatory Note

As part of the HCRA's preparation for designation and the launch of operations, the HCRA is developing content for a permanent website that will guide home builders and vendors and assist them in understanding their obligations under the NHCLA. The information will be accessible on the new website via menu choices and will link to related sections/materials. Other sections will be added over time to enhance the information available to builders and to consumers.

The HCRA website is provided on an "as is" basis. Although the HCRA makes every effort to ensure that all information posted on the website is accurate and complete, the HCRA does not make any representations or warranties that the information is free from error. The HCRA accepts no liability for the accuracy or completeness of the information on the website.

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- A yellow highlight indicates a hyperlink that will be added at a later date
- A green highlight indicates glossary items, which can be found on page 23

Common Definitions

What is a New Home?

A new home is a self-contained single-family dwelling. The home can be detached, semi-detached, a townhome or a rowhouse. It can also be a unit in a duplex or high-rise condominium if the unit is a self-contained, single-family unit.

A new home may be a home in a new subdivision, or one constructed on a vacant or cleared lot. For purposes of the New Home Construction Licensing Act (NHCLA) and the Ontario New Home Warranties Plan Act (ONHWPA) a new home does not include a home that is built for occupancy for temporary periods and does not include a home that is built for seasonal purposes. A home built for seasonal purposes is one that does not meet the year-round occupancy requirements of Part 9 of the Ontario Building Code Act.

A “home” is additionally defined by the type of ownership which can be either a freehold home (i.e. the home and the land are owned outright) or a condominium unit (i.e. the individual unit is owned, with shared ownership of the common elements). A home that is a condominium unit (low-rise or high-rise) includes the common elements.

For a more detailed interpretation see [hyperlink to 'Home' guide](#)

Who is a Builder?

A builder must be a licensed person or company who will build a home not previously occupied (a new home). It is the builder who undertakes performance of the work including the supply of materials necessary to construct and warranty a completed home. This may include a project manager depending on the level of control over the project, determined by the contract or evidenced in the completed home.

A builder may be responsible for both building and selling a new home. A builder may also build a new home under an agreement with a vendor or under an agreement with a landowner.

For a more detailed interpretation see [hyperlink to 'Builder' guide](#)

Who is a Vendor?

A vendor must be a licensed person or company who will sell a home not previously occupied (a new home). It is the vendor who sells and transfers title to the new home to a purchaser.

For a new home that is not a home built under contract with a landowner, a vendor must have an agreement with, or otherwise employ a licensed builder in the construction of the new home.

For a more detailed interpretation see [hyperlink to 'Vendor' guide](#)

Who is a Vendor/Builder?

A vendor/builder must be a licensed person or company who will both build and sell a home not previously occupied (a new home). As a result, the person must be licensed as both a builder and a vendor.

The builder of a home built under contract with a landowner (a contract home) is deemed to be a vendor. Consequently, the builder will also be the vendor for purposes of statutory warranty.

For a more detailed interpretation see [hyperlink to the 'Vendor' guide and the 'Builder' guide](#)

Who is an Owner?

An owner, for purposes of the NHCLA and the ONHWPA, is a person who first acquires a new home for occupancy from its vendor. If the home is sold or transferred during the statutory warranty period, a successor in title is the owner for purposes of the statutory warranty. Most new homes built in Ontario will be covered by the ONHWPA warranty that is backed by Tarion and the first owner and successors in title will benefit from the warranty.

For a more detailed interpretation see [hyperlink to 'Owner' guide](#)

Who is an Owner-Builder?

An owner-builder is an individual who is building a home for their own use, on land they own. An owner-built home is not eligible for warranty coverage under the Ontario New Home Warranties Plan Act and will not have statutory warranty coverage under the Act.

As an owner-builder, the individual takes on the role of a builder. This means the individual will be in control of the project and will be ultimately responsible for the project. For example, an owner-builder will be responsible for obtaining and managing aspects such as workplace safety and insurance, obtaining the necessary municipal permits for different stages of construction, and selecting and contracting directly with subcontractors, trades and suppliers. Where an owner-builder is in control of their own project, they may utilize or otherwise employ a construction manager to assist them and provide additional expertise or experience.

Related information: [Owner-builder Explanatory Bulletin](#)

[Tarion "Builder brochure" Building your own home in Ontario.](#)

Licensing

The New Role of the HCRA and Tarion

About the HCRA

The Home Construction Regulatory Authority (HCRA) licenses the people and companies who build and sell new homes in Ontario. The HCRA enforces high professional standards for competence and good conduct while supporting and promoting a fair marketplace. In this role, the HCRA will give new home buyers confidence when making one of the biggest purchases of their lives – a new home. The HCRA also provides educational information and resources for consumers, including the Ontario Builder Directory, the official source of information about Ontario's 5000+ licensed builders and vendors.

About Tarion

[Tarion](#) Warranty Corporation administers Ontario's new home warranty and protection program, backstopping the statutory warranty coverage provided to purchasers by the builder of their new home. Almost every new home in the province is covered by a new home warranty. Tarion's role includes investigating new home owner warranty claims, resolving warranty disputes between new home owners and builders, and managing the Guarantee Fund, an important financial reserve to help protect Ontario consumers.

Tarion was previously responsible for registering Ontario's new home builders and vendors. On February 1, 2021, the registration function will move to the HCRA and will be replaced with licensing. The HCRA will be responsible for licensing and regulating new home builders and vendors, while Tarion will continue to provide warranty protection for homeowners.

Learn more about the [HCRA's role](#).

Who is required to be licensed as a builder or vendor?

All builders and vendors of new homes must hold a valid licence with the HCRA.

- Builders of new homes must be licensed as a builder
- Vendors of new homes must be licensed as a vendor
- Builders who build and sell new homes must be licensed as a builder/vendor
- Builders who build contract or custom homes on land owned by the owner of the home, must be licensed as a builder
- A person planning to build their own home may be an owner-builder and may not need to be licensed as a builder provided that they do not sell the home once they have completed construction. (When in doubt, please contact the HCRA. If a person who plans to have a builder build their home for them, they should confirm the builder is licensed by the HCRA and that their new home is enrolled with Tarion prior to signing a contract.)

Before Applying for a Licence

Competency requirements

Builders and vendors applying for a licence as a first-time applicant must meet the competency requirements put in place under [section 38 of the New Home Construction Licensing Act, 2017 \(NHCLA\)](#).

All first-time applicants for a licence must demonstrate the following technical and business competencies as a pre-requisite for licensing. The required competencies may be held by one person, or collectively held by a group of people such as principals, directors or officers, or employees within the organization.

1. Business Planning and Management
2. Financial Planning and Management
3. Project Management and Supervision
4. Legal Issues in Housing
5. Customer Service and Tarion Requirements
6. Building Codes*
7. Construction Technology*

*Not required for vendor-only licence applications

Competency Requirements for Type C or D Condominium Builders and Vendors

Builders and vendors of Type C/D condominiums may be exempt from completing six of the seven competency courses provided the required competencies are held by one or more consultants or contractors with professional qualifications in the area of the competency. These consultants must be on retainer or otherwise under contract with the vendor or builder for the duration of the condominium project. Type C condominiums have construction elements built to both Parts 3 and 9 of the Ontario Building Code (e.g. Part 9 condominium townhomes built over a concrete parking garage) while Type D projects are complex buildings built only to Part 3 of the Ontario Building Code (e.g. mid-rise and high-rise buildings).

All builders and vendor-builders must possess the Customer Service and Tarion Requirements competency regardless of project type. Customer service is fundamental to all interactions with new home buyers throughout the new home customer journey. This competency must be held by at least one person who is an owner, principal, officer, director or employee of the applicant .

Meeting competency requirements

Competency requirements can be met in two ways:

1. Course Completion

A person or group of people (principals, directors, officers or employee) within the organization must successfully complete HCRA-approved course(s), achieving a passing grade of at least 70% for each required competency. Before submitting the application for licensing, applicants need to contact the course provider(s) and ask them to forward their statement of achievement (or similar verification of successful course completion) directly to the HCRA.

2. Course Exemptions and Equivalencies

The HCRA Registrar may exempt an applicant from having to complete courses based on one or more of: the applicant's experience in the industry, a professional designation, or completion of similar education.

Education Providers for Approved Courses

The following courses and providers are approved by the Registrar as meeting competency requirements. These same education providers support qualification requirements under the ONHWPA.

	Training Ontario	MMI Professional Services	buildABILITY
Business Planning & Management	✓	✓	✓
Financial Planning & Management	✓	✓	✓
Project Management & Supervision	✓		✓
Legal Issues in Housing	✓		✓
Building Codes in Ontario	✓		✓
Construction Technology	✓		✓
Customer Service & Tarion Requirements	✓	✓	✓

*Due to COVID-19, all courses are conducted online with online assessments.

[Competency Course Exemption Process](#)

As noted above, the Registrar may exempt a potential applicant from having to complete some of the mandatory courses based on experience, designation or similar education. Alternatively, the Registrar may grant an exemption from having to complete one or more of the required courses based on an assessment of previous work experience or education. In order to achieve an exemption from the Registrar, the potential applicant must apply to the HCRA. Details on how to apply are outlined below.

Unless a course has been completed within the past five years, there is no exemption or equivalency available for the 'Customer Service and Tarion Requirements' competency.

Pathways for Exemption:

1. Course Equivalency

The potential applicant demonstrates successful completion of at least one of the following:

- a. A substantially similar course recognized by another Canadian regulator or warranty authority which meets the same learning objectives and substantive content as the mandatory courses in Ontario
- b. A challenge exam to a required course
- c. Another course that is assessed by the HCRA Registrar as meeting the same learning objectives and substantive content as the mandatory courses in Ontario

2. Prior Learning Assessment

The potential applicant demonstrates meeting the learning objectives and substantive content of the mandatory courses through five or more years of work experience, courses, workshops or other modes of learning.

3. Exemption for Certain Professionals

An exemption may be granted to a potential applicant with a professional designation or who has completed a program of study in the area of the competency from a recognized Canadian post-secondary education provider, association or institute. This exemption would typically be considered for individuals who have completed degrees or diplomas in business and finance, law, building sciences, engineering and architecture.

Where the competency involves technical expertise in residential construction, the person must satisfy the Registrar that their field of practice or study is comparable to the technical aspects of the Ontario new home construction industry.

Examples of fields of practice or study that may satisfy one or more competency include: a Master of Business Administration (MBA), Chartered Professional Accountant (CPA), Licensed Engineer or Architect, registered with the Ontario Association of Certified Engineering Technicians and Technologists (OACETT), Project Management Professional Certification (PMP), Bachelor of Technology (BTech), Lawyer, Building Code Designer qualification (BCIN - Building Code Identification Number).

Pre-qualification Survey

To assist new applicants in determining what competency courses may be required, the first step in the process is to complete the **Pre-qualification Survey** and submit it to the HCRA, by email or by mail, along with the applicant's resume. There is no fee for this service.

Email: info@hcraontario.ca

Mail:
Home Construction Regulatory Authority
Licence & Compliance Department
40 Sheppard Avenue West, Fourth Floor, Suite 400
Toronto, ON, M2N 6K9

HCRA staff will advise the potential applicant what additional information is required in order to assess experience or course equivalencies and will provide any required forms that need to be completed.

Criminal Record and Judicial Matters Check

First-time applicants are responsible for providing the results of a Criminal Record and Judicial Matter check as part of the licensing application process with the HCRA. Applicants may choose to use the HCRA's third-party provider or provide the results of a check completed by a municipal police service or the Ontario Provincial Police.

If the applicant is a corporation or partnership, the corporation or partnership is responsible for providing the results of a Criminal Record and Judicial Matter check for each of their directors and officers and partners, as applicable.

The HCRA will not accept Criminal Record and Judicial Matter checks that are more than 6-months old. If the third-party provider is not used, the report must be included for an application to be complete and must be the original copy, stamped and signed.

If an applicant has a criminal record, it does not mean the application will be refused. The Registrar will consider a range of factors including how much time has passed since the conduct, whether the conduct is part of a pattern of behaviour and steps taken to redress the impact of the conduct. The Registrar will also consider the circumstances of each individual matter in assessing the results of a Criminal Record and Judicial Matter check.



- *Providing a false statement in an application is an offence under the New Home Construction Licensing Act, 2017.*
- *Failure to submit a completed application (fees and supporting documents included) will result in delays. Applications will not be assessed until complete.*

New Applicants for Licences

How to Apply

To begin a licence application, go to the **Builder Portal** and create an account. The Builder Portal is an online service for builders and vendors to manage and submit forms electronically and pay fees. The HCRA is committed to making the application process fair and efficient, and will only be accepting applications, supporting documents and fee payments through the Builder Portal. Those unable to apply through the Builder Portal and requiring an accommodation should contact the HCRA Licensing Department at [\[..@hcraontario.ca\]](mailto:..@hcraontario.ca).

What is needed to apply

Before starting a licence application, the following information needs to be ready. This list applies to the primary contact and any **principals, officers, directors, partners** and **interested persons** in the business.

- Date of Birth
- Social Insurance Number
- Drivers Licence Number

Reminder – before applying make sure to have:

- Statements of achievement (or other confirmation of successful completion) of required competencies **submitted to the HCRA by the education provider** and/or notification from the HCRA that any required equivalencies or exemptions have been granted
- Criminal Record check results

Fees for New Applicants

As part of the application for a licence, applicants will be required to pay a licensing fee to the HCRA. The required fee will be different depending on whether the applicant is part of an umbrella group or not. An umbrella group means that the applicant shares at least one common **principal, director, officer** or **partner** with another licensed vendor/builder.

New licence fee – **Umbrella**

- This is a one-time, new licence fee of \$750 for those applying as part of an umbrella group. This fee is lower than non-umbrella applicants based in part on administrative efficiencies in the review of historical records of the shared principal(s), director(s), officer(s) or partner(s).

New licence fee – Non-Umbrella

- This is a one-time, new licence fee of \$3,000 for a new applicant with no history as a licensee or previous registration with Tarion.

Fee payment is conveniently offered through the Builder Portal. Those unable to make a payment through the Builder Portal and requiring an accommodation should contact the HCRA Licensing Department at [...@hcraontario.ca]. Please note that HCRA reviews the application after payment has been received. If payment has not been received within 10 business days, the application will be automatically treated as withdrawn.

Renew a licence

To remain licensed as a builder or vendor, a licence must be renewed before it expires.

Most builder and vendor licences will have an expiry date that is 12 months from the date the licence is issued. The renewal due date is 30 days before the expiry date of the licence. In order to assist in meeting this 30-day renewal due date, the HCRA will send a reminder approximately 60 days before the licence is set to expire. The renewal application can begin at that time.

Continuing to build or sell new homes after a licence expires is illegal under the New Home Construction Licensing Act, 2017 (NHCLA).

As of February 1, 2021, the Home Construction Regulatory Authority (HCRA) is responsible for licensing of new home builders and vendors in Ontario. This was previously done through registration with Tarion. Registrations with Tarion transition to a licence with the HCRA.

To support a smooth transition to the new regulator, some licence expiry dates have been extended. Registrants with an expiry date of November 1, 2020 through to March 31, 2021, were advised by Tarion of up to a 150-day extension.

After this one-time extension, licences will revert to their previous expiry dates for the next renewal by the HCRA. (For example, if the expiry date was December 1, 2020 but was extended, the new licence expiry date will be December 1, 2021). For questions about expiry dates or renewal requirements, please email the HCRA Licensing Department at [...@hcraontario.ca].

How to Renew A Licence

To begin a renewal application, go to the HCRA **Builder Portal** and create an account. The Builder Portal is an online service for builders and vendors to manage and submit forms electronically and pay fees. The HCRA is committed to making the application process fair and efficient, and will only be accepting renewal applications, supporting documents and fee payments through the Builder Portal. Those unable to apply through

the Builder Portal and requiring an accommodation should contact the HCRA Licensing Department at [...@hcarontario.ca].

Part of the application renewal is a requirement to truthfully attest to additional details provided in the application such as a listing of all interested persons associated with the application, information about past conduct and criminal history, and compliance with laws. Failure to complete an honest attestation will impact the Registrar's assessment of the applicant's honesty and integrity.

An applicant may be eligible for a fast track renewal, which allows for a more streamlined and accelerated process. Fast track eligibility is determined based on the HCRA's risk-based criteria. The renewal notice sent to by the HCRA will advise whether the applicant is eligible for the fast track renewal process.

As part of the renewal application process, payment of a renewal fee of \$500 is required. Payment is conveniently offered through the Builder Portal. Those unable to make a payment through the Builder Portal and requiring an accommodation should contact the HCRA Licensing Department at [...@hcaontario.ca]. The HCRA reviews renewal application after payment has been received. If payment is not received within 10 business days, the application for renewal will be automatically treated as withdrawn.

Late Renewals

All applications submitted after the **renewal due date** (30-days before the expiry date of the licence), but before the expiry date itself, are subject to a late renewal fee. Once a licence is expired, renewal is no longer an option. A new application for a licence is required. This may include fulfillment of all requirements as a first-time applicant such as completion of education courses, a Criminal Record and Judicial Matters check and an interview. Case-by-case exceptions may be considered based on extenuating circumstances.

Late Renewals in the HCRA's first year of operations

Due to the extenuating circumstances of the transition of replacing the Tarion registration system with the HCRA licensing system, for the first year of operations the HCRA Registrar will accept renewal applications for three months after an expiry date. If a renewal application is submitted after the **renewal due date** and within three months after the **expiry date**, a late fee of \$600 will be charged in addition to the \$500 renewal fee.



If the Registrar is satisfied that there are extenuating circumstances in the transition year that will allow for late renewal applications to be accepted, the licence status will show as expired, and the builder or vendor is unlicensed, until the renewal application is submitted.

If, in the first year of operations, a renewal application is submitted more than three months after the expiry date, the renewal application will not be accepted, and a new application for a licence will be required.

As of January 31, 2022, the extenuating circumstances of the transition year will no longer apply.

After the Application is Submitted

Once the HCRA has received a licence application or licence renewal application, along with the required fees and supporting documentation, HCRA staff will review the file to ensure that the application is complete. The applicant may be contacted if additional information is required.

The HCRA strives to process applications in a timely fashion while remaining objective, fair, and consistent. The HCRA will be transparent about anticipated processing times for applications, so applicants know what to expect.

There are four key areas that form the core of an assessment based on the New Home Construction Licensing Act, 2017 (NHCLA) entitlement criteria:

- **Competency** – Does the applicant have the knowledge and skills necessary to build new homes or sell new homes and generally engage with purchasers and homeowners? Factors include completion of approved or equivalent courses and ability to apply knowledge to business and service planning and to the building of new homes.
- **Financial Responsibility** – Can the applicant be expected to be financially responsible in the conduct of business? Factors include history of bankruptcy.
- **Conduct** – Can the applicant be expected to carry on business in accordance with the law and with honesty and integrity? For more details, see the '**Guide to Good Conduct for Home Builders and Vendors**'
- **Good standing (renewal only)** – Has the applicant met the responsibilities as a licensee, including satisfying any conditions that may have been applied to the licence and all Tarion obligations related to warranty performance? Other factors include contravention of the NHCLA, the ONWHPA or their regulations, cooperating with an inspection or investigation, complying with the Registrar's request for information and paying any fines owed to the HCRA.

For corporations and partnerships, the assessment will include consideration of the financial responsibility, conduct, and competency of **principals, directors, officers, partners,** and **interested persons.**

Applicant interviews

First-time applicants may be required to participate in a licensing interview, conducted in-person or virtually, as provided for in **Section 6 of O. Reg 631/20.** Should past or

present conduct suggest any consumer protection risks, renewal applicants may also be required to participate in an interview. The HCRA conducts interviews in order to:

- Assess whether new applicants can apply technical knowledge and experience gained through educational courses and experience
- Evaluate financial responsibility in the start-up or operation of an applicant's business
- Explore any potential risks related to conduct or the role of particular persons in the applicant's business, including interested persons

For corporations, one or more of the principals, officers, and directors may be asked to participate in the interview. The outcome of the interview is part of the assessment of the application to determine entitlement to a licence.

Credit checks

All new applicants and applicants for renewals, as well as any related principals, officers, directors, and partners are subject to a credit check performed by a third-party provider as a part of the application.

The results of the credit check, including bankruptcies and past judgments, will be considered as part of the assessment of financial responsibility. The credit check is an important tool that provides a consistent measure for the Registrar's assessment of financial responsibility and may also be relevant to expectations regarding compliance with the law and acting with honesty and integrity.

Potential outcomes of the application

The HCRA Registrar will take one of the following actions on the application once the assessment process is complete:

1. Grant a licence or renewal of licence
2. Grant a licence or renewal of licence with conditions the applicant has consented to
3. Issue a Notice of Proposal to grant a licence or to renew a licence with conditions if conditions are not consented to
4. Issue a Notice of Proposal to refuse to grant or refuse to renew a licence

Grant a licence or renewal of licence

If the application is successful and the licence is granted or renewed, the applicant will be notified by email.

Grant or renew a licence with conditions the applicant consents to

The purpose of applying a condition to a licence is to mitigate an identified risk and to support consumer protection. Examples of possible conditions include completion of further education, and supervision or mentorship arrangements. The HCRA will engage

with the applicant on the content of any condition on a licence the Registrar has determined is necessary.

Issue a Notice of Proposal to grant or renew a licence with conditions

If it is proposed to grant a licence subject to conditions, the Registrar may have sought the applicant's consent to the condition(s). If the applicant does not consent or if the circumstances warrant it, the Registrar may proceed with a Notice of Proposal (NOP) to grant the licence subject to the proposed condition(s). The NOP will set out the reasons for the proposed conditions and the applicant's right to ask for a hearing by the [Licence Appeal Tribunal](#).

Issue a Notice of Proposal to refuse a licence or renewal of licence

If the Registrar determines that the applicant is not entitled to a licence, the Registrar will issue a Notice of Proposal (NOP) to refuse the licence or to refuse to renew the licence. The NOP will set out the reasons for the proposed refusal and the applicant's right to ask for a hearing by the [Licence Appeal Tribunal](#).

Once the Registrar makes a final decision to refuse a person the renewal of a licence or to revoke a person's licence, the person may only reapply if **one year** has passed since the refusal or revocation as per [Section 7 of O. Reg. 631/20](#).

After Licensing

Duties as a Licensee

All licensees are obligated to conduct business in accordance with the requirements of the NHCLA and its regulations, conduct themselves with honesty and integrity, and demonstrate financial responsibility. Every licensee must take all reasonable precautions to ensure that they and their employees and agents comply with the NHCLA, the regulations, and orders made by the statutory director under NHCLA.

Licence Display Requirements

A licence certificate is an important document. [Under section 4 of O. Reg. 626/20](#), builders and vendors are required to prominently display their licence:

- At their principal place of business (office address as identified in the application)
- On their website, if any
- At any premises where business is conducted with the public

Please note that licence certificates will only be provided electronically in PDF format. Those unable to access a licence certificate online and requiring an accommodation should contact the HCRA Licensing Department at [[...@hcraontario.ca](mailto:info@hcraontario.ca)]. An electronic copy of the licence certificate can also be accessed through the Builder Portal account and is available for download.

Notice of Changes

The NHCLA, sections 49 to 52, require all licensees to notify the Registrar of changes to address for service, certain changes in control and in share ownership, and of material changes.

To submit updated information, log into the **HCRA Builder Portal** account and submit a Change Request electronically. Those unable to submit the updated information through the Builder Portal Change Request can email a completed **Change Request Form** to [...@hcraontario.ca].

Notice of Change of Address

Section 49 of the NHCLA provides that licensees must notify the Registrar **within 5 days** of a change in address. This is the address identified for purposes of service, that is, for receiving communications from the HCRA.

Notice of Change of Control

Section 50 of the NHCLA, requires that licensees notify the Registrar **promptly** if any of the following events occur:

- A person ceases to have a controlling interest in a licensee
- A person acquires a controlling interest in the licensee

Notice of Issue or Transfer of Shares

Section 51 of the NHCLA requires that licensees notify the Registrar **within 30 days** if any of the following changes occur:

- A person acquires ownership of 10% or more of the total number of all shares of the corporation
- An increase in shares owned by a person who already owned at least 10% of the total number of all shares in the corporation

Notice of Material Changes

Section 52 of the NHCLA requires that licensees promptly notify the Registrar of prescribed material changes. **Section 8 of O. Reg. 631/20** specifies that a material change is a change to information provided as part of an application for a licence or for renewal of a licence, including a change to information regarding the business, operations, personnel, assets, liabilities or affairs of the licensee or applicant.

Enrol New Homes with Tarion

Once a licence has been issued and before building or offering to build, or selling or offering to sell a new home, a licensee must ensure compliance with the obligations under the Ontario New Home Warranties Plan Act. Confirmation that a new home

qualifies for enrolment with Tarion or is actually enrolled with Tarion must be obtained before certain building and selling steps can be taken.

Visit [Tarion](#) for detailed information or to begin the enrolment process.

Tarion will notify the HCRA of all new homes that have successfully qualified for enrolment or been enrolled with Tarion as well as any cancellations, suspensions or revocations of qualification for enrolment or enrolment.

HCRA Oversight Fee

Tarion will collect the HCRA oversight fee of \$145 for each home enrolled with Tarion and will submit it directly to the HCRA. The HCRA oversight fee partially funds the HCRA's operations, including the continued regulation and oversight of licensed builders and vendors, managing the complaints process, maintaining the Ontario Builder Directory, and addressing non-compliance, including illegal building activity.

Guide to Good Conduct for Home Builders and Vendors

The HCRA's role is to strengthen consumer protection for Ontario's new home buyers by ensuring that those responsible for the construction and sale of their new homes are licensed and are meeting the high standards set out in the NHCLA.

The HCRA has developed '[A Guide to Good Conduct for Home Builders and Vendors](#)'. The purpose of the guide is to help applicants for a licence, and current licensees, understand the HCRA's approach to assessing the good conduct expected of all new home builders and vendors. Applicants for licence must be able to show that they can reasonably be expected to act in accordance with the law and with honesty and integrity. The guide reviews those expectations and provides examples of potential concerns that may result in the need for further assessment by the HCRA. The assessment will determine if the applicant for a licence or renewal of a licence can reasonably be expected to perform the activities of a home builder or vendor in accordance with the law and with integrity and honesty.

Code of Ethics

Clause 84 (1)(f) of the NHCLA allows the Minister of Government and Consumer Services to establish a [Code of Ethics](#) for licensees. This process is now underway regarding new home builders and vendors in Ontario.

Before granting a licence, the Registrar must believe the applicant can reasonably be expected to comply with the law and act with honesty and integrity, which includes compliance with the *Code of Ethics*. Once the *Code of Ethics* comes into force, the HCRA Registrar will consider *the Code of Ethics* regarding a licensee's ongoing entitlement to a licence. Failure to comply with the *Code* may result in the conduct being referred to the HCRA Discipline Committee.

The Guide to Good Conduct will be amended once the Government of Ontario has passed a regulation to create the *Code of Ethics*.

Ontario Builder Directory

The Ontario Builder Directory (OBD) is a publicly accessible online registry that lists the names and information of all builders and vendors, their current licence status, and the history of any regulatory or enforcement activity. The OBD helps home buyers to confirm they are dealing with a licensed builder or vendor and make informed decisions when selecting a builder.

For more information about what the HCRA posts on the Ontario Builder Directory, see the HCRA's [Public Information Policy](#).

Complaints, Compliance and Enforcement

Type of Complaints Handled by the HCRA

Licensed builders and vendors of new homes in Ontario must follow the law. The HCRA relies on the information and feedback provided by the public as one important way to identify and address violations of the rules. Complaints highlight potential and real harms faced by consumers which may result in any number of regulatory actions available to the HCRA's licensing, compliance and enforcement teams. Reporting complaints and concerns will help the HCRA to better protect the public and to inform future improvements to competency and other requirements for builders and vendors.

Beginning on February 1, 2021, the HCRA will address inquiries, concerns and complaints about builders and vendors. There are four key areas of interest to the HCRA:

- **Licensure** – the builder or vendor is appropriately licensed with the HCRA and new homes are enrolled with Tarion
- **Competency** – the builder or vendor has the knowledge and experience necessary to build new homes or sell new homes and to generally engage with new home purchasers and owners
- **Financial Responsibility** – the builder or vendor can reasonably be expected to be financially responsible in the conduct of their business
- **Conduct** – the builder or vendor carries on business in accordance with the law and with honesty and integrity

The types of complaints that are not within the jurisdiction of the HCRA and will be handled by Tarion include:

- Resolution of a new home construction defect or problem
- The complainant seeks compensation for a new home repair they paid for
- The complainant seeks compensation for a delayed closing

- A complaint about Tarion itself

The HCRA may also redirect complaints to a municipality for building permit and building code concerns. If an inquiry is about a matter that is not within the jurisdiction of the HCRA, the HCRA's staff will provide information that will enable the complainant to take their concerns to the appropriate organization.

The Complaints Process

If the HCRA has the authority to address the matter raised in the complaint, the following minimum information is necessary for the complaint to be considered:

- Name of the licensee (person or company name) and the person within the licensed company who is the subject of the complaint
- Name of the complainant or an acknowledgement from the complainant that the HCRA may not be able to look into a matter or take action unless the name of the complainant is provided
- Description of the behaviour that resulted in the complaint (who, what, when and where)
- Acknowledgment that the complaint information may be shared with the licensee and Tarion

Following a complaint being accepted, the HCRA staff will collect sufficient information about the complaint. This may include presenting the licensee with the complaint and asking for a response in writing.

If you are the subject of a complaint

If the Registrar receives a complaint about a licensee, the HCRA will gather information to determine what, if any, action is required. Licensees will be notified of the complaint and are required to provide any information requested by the Registrar as soon as is reasonably possible.

The course of action taken will depend on the nature and severity of the complaint, performance history and past conduct of the licensee, as well as information gathered from the complainant, the licensee and other parties.

The Registrar may:

- Attempt to mediate or resolve the complaint through informal or formal processes.
- Issue a written warning advising the licensee that if the licensee continues with the activity, further action may be taken
- Require the licensee to take further educational courses or fund educational courses for employees
- Issue a Notice of Proposal to suspend, revoke or apply conditions to a licence

- Take other action as is appropriate, including referring the matter for investigation of a potential contravention of the NHCLA or the ONHWPA or closing the file without taking any action.

The Registrar will notify the licensee of the outcome of the complaint.

Licence Appeal Tribunal (LAT)

The Licence Appeal Tribunal (LAT) is an independent tribunal created under the Licence Appeal Tribunal Act, 1999 to adjudicate applications and resolve disputes concerning compensation claims and licensing activities regulated by the Ontario government. This includes activities of Administrative Authorities such as the Home Construction Regulatory Authority (HCRA).

As a result of a complaint investigation, the HCRA Registrar may issue a Notice of Proposal to apply conditions, suspend, refuse, refuse to renew, or revoke a licence. If an applicant or licensee receives a Notice of Proposal, they have the right to request a hearing before the Licence Appeal Tribunal. Requesting a hearing is in effect starting a legal proceeding. The Tribunal will hold a hearing and may direct the HCRA Registrar to carry out the proposed action or may substitute its opinion for that of the HCRA Registrar. The Tribunal may also attach conditions to its order or to a licence. Licensees have the right to legal representation throughout the Tribunal process, including at the hearing.

A request for hearing must be in writing. It must be delivered to the Licence Appeal Tribunal and to the HCRA Registrar within 15 calendar days after the Notice of Proposal is served. It can be delivered by registered mail or by email if there is proof of delivery. If a written request for hearing is not made within 15 calendar days after the Notice of Proposal is served, the Registrar may carry out the action described in the Notice of Proposal.

To request a hearing, the Tribunal has a form to be completed. The form can be found using this link: [Notice of Appeal Form](#).

There is a required fee payable to the Tribunal to complete the request for a hearing. Information on the amount of the fee and how to pay the fee is included in the form at the link above.

The email addresses and contact information for delivering a Notice of Appeal form to the HCRA Registrar and to the Tribunal are:

Licence Appeal Tribunal
LATregistrar@ontario.ca

Home Construction Regulatory Authority
Legal@hcraontario.ca

Licence Appeal Tribunal
PO Box 250

Registrar
Home Construction Regulatory Authority

Toronto, ON M7A 1N3

40 Sheppard Ave West, 4th Floor, Suite 400
Toronto, Ontario M2N 6K9

Additional information is available on the [Licence Appeal Tribunal](https://tribunalsontario.ca/lat/general-service/appeals-applications/) website. For more information about hearings before the Tribunal visit:
<https://tribunalsontario.ca/lat/general-service/appeals-applications/>.

Risk-based approach

Compliance measures will be informed by a risk management framework that develops escalating and proportionate responses to potential consumer harms. Factors that will inform risk management assessments may include:

- Risk of harm to home buyers
- Past complaints about conduct showing a lack of honesty or integrity
- Evidence of competency gaps or financial problems
- Broader risk to the public interest or public confidence
- Acknowledgment or evidence of culpability
- History of compliance with warranty obligations
- Deviation of a builder or vendor's activities from good conduct and accepted industry standards of practice

Cases that may require a compliance or enforcement escalation will be reviewed by the Registrar to determine the most appropriate path to address compliance concerns.

Inspections

Non-compliance may be detected by direct inspections conducted by the HCRA. The New Home Construction Licensing Act, 2017 (NHCLA) provides the Registrar with the authority to appoint inspectors to conduct inspections without a warrant or court order to ensure compliance with the NHCLA and its regulations. This authority includes the power to enter the business premises of licensees. Inspectors have powers of inspection set out in subsection 59 (4) that grant them clear authorities to access, among other things, documents and records, make inquiries, require the production of documents and records, access systems, remove items for examination, and other examinations related to the purposes of their inspection.

Inspection powers may only be used:

- To promote and ensure compliance with the NHCLA
- To deal with complaints against licensees
- To ensure licensees remain entitled to a licence

When conducting an inspection, HCRA inspectors will identify themselves and will present a certificate of appointment upon request. If an inspection uncovers information

that leads an inspector to believe an offence may have taken place or is taking place, the matter will be referred to an investigation.

Inspectors will prepare inspection reports for the HCRA Registrar who may authorize the issuance of warnings and/or certain orders, impose educational or other conditions, or in more serious cases escalate complaints to be investigated.

Related information: [Code of Professionalism for Compliance and Enforcement Staff](#)

Investigations

The HCRA strives to protect Ontario new home buyers and homeowners by promoting and ensuring compliance with the NHCLA and its regulations. In some cases, an investigation may be required to examine if a violation occurred and what actions should be taken to correct the situation. The key difference from an inspection is that the purpose of investigation is to determine whether a person committed an offence. When conducting an investigation, HCRA investigators will identify themselves as investigators and will present their certificate of appointment upon request.

Related information: [Code of Professionalism for Compliance and Enforcement Staff](#)

Illegal Building

Illegal building is building that is done contrary to the provisions of the NHCLA and the Ontario New Home Warranties Plan Act, 1992. It includes:

- Building a new home without being a licenced builder unless the individual building the home is also the owner of the property and the home is being built for their own occupancy and not for purposes of offering it for sale
- Selling a new home that has not been previously occupied without being a licensed vendor
- Building a new home for purposes of sale or selling a new home not previously occupied where the home has not been qualified for enrolment or enrolled with Tarion for purposes of warranty protection.

Illegal building is a serious risk to the public. The HCRA will respond promptly to all illegal building complaints. The actions the HCRA takes will depend on the nature of the illegal building activity and any history of illegal building.

The HCRA will consider whether the subject of a complaint is an owner-builder as distinct from a vendor.

Compliance measures may include working with the parties concerned to bring them into compliance with the obligations under NHCLA and ONHWPA or, where appropriate, may lead to enforcement actions.

Glossary

Applicant – The person or company applying for a builder, vendor or vendor/builder licence, but who has not yet been licensed.

Builder – A person or company who will build or offer to build a new home. It is the builder who undertakes the performance of the work and the supply of the materials necessary to construct a completed home. For a more detailed interpretation see: [link](#)

Director – A member of a company's board, named in the Initial Return / Notice of Change filed with the Ministry of Government and Consumer Services.

Expiry date – The date after which a licence is no longer valid. A licence cannot be renewed after its expiry date. (A renewal due date is set 30 days prior to the expiry date. If a builder or vendor applies for renewal during this 30-day period – after the renewal due date but before the expiry date – late fees will apply. After the expiry date, renewal is no longer an option, with a new application required for licensing.)

Interested Persons – Individuals and corporations who have, or may have, influence over a person or the person's business. This includes persons who have, or may have, a beneficial interest in the business of the applicant or licensee as well as persons who control the applicant or licensee whether directly or indirectly. It also includes persons who have or may contribute financially to the business of the applicant or licensee. For a more detailed description see: [link](#)

Licensee – A person or company who has been issued a licence by the HCRA Registrar to build and/or sell new homes.

New Home – A self-contained, single-family dwelling. The home can be detached, semi-detached, a townhome or a rowhouse. It can also be a unit in a duplex or high-rise condominium if the unit is a self-contained, single-family unit. For a more detailed interpretation see: [link](#)

Notice of Proposal – A procedure under the New Home Construction Licensing Act, 2017 (NHCLA) in which the Registrar notifies an applicant or licensee in writing of the intent to refuse to grant or renew a licence, suspend or revoke a licence, apply conditions to a licence to which the licensee has or has not provided their consent.

Officer – A member of the company's operational team, named in the Initial Return / Notice of Change filed with the Ministry of Government and Consumer Services.

Owner – A person who first acquires a new home from its vendor for occupancy. For a more detailed interpretation see: [link](#)

Owner-Builder – An individual who is building a new home for their own personal use on land they own. An owner-built home is not eligible for warranty coverage under the Ontario New Home Warranties Plan Act and will not have statutory warranty coverage under that Act. For a more detailed description see: [link](#)

Partnership – A legal relationship between two or more individuals, corporations or trusts that join together to carry on a trade or business.

Principal – Any individual or company owning at least 10% of the business as per the Shareholder Register.

Renewal due date – The date by which a licence must be renewed, 30 days before its expiry date. (If a renewal application is submitted after the renewal due date – and before the expiry date – a late fee will be applied to the renewal application. After the expiry date, renewal is no longer an option, with a new application required for licensing.)

Umbrella group – A group of builders/vendors sharing at least one common officer, director, principal, partner or franchise. The umbrella group itself is not a legal entity and does not have its own licence number, but each member company of the umbrella group is a separate legal entity and has its own licence number.

Vendor – A person or company who will sell or offer to sell a new home. It is the vendor who sells and transfers title to the new home to a purchaser. For a more detailed interpretation see: [link](#)

Vendor-Builder – A person or company who will both build and sell a new home. This person will be licensed as both a builder and a vendor. For a more detailed interpretation see: [link](#)