



Home
Construction
Regulatory
Authority



BUSINESS PLAN

2022-2023

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INTRODUCTION

The Home Construction Regulatory Authority, launched in February 2021, is responsible for regulating and licensing new home builders and vendors in Ontario.

The HCRA enforces high professional standards for competence and conduct in the home building industry, giving new home buyers confidence in one of the biggest purchases of their lives. The HCRA also ensures a fair marketplace by deterring unethical and illegal builders.

In addition to licensing, the HCRA provides educational information for consumers on their home buying journey and hosts the Ontario Builder Directory (OBD), which provides background information about each of Ontario's more than 6,500 builders and vendors. The HCRA has also implemented a new complaints system, providing a clear, straightforward process for voicing concerns about a builder or vendor's conduct.

The HCRA is fully independent of government and industry. As an organization, the HCRA is committed to regulatory excellence and using best practices for industry oversight and consumer engagement.

This Business Plan outlines key priorities for the HCRA during the 2022/2023 fiscal year.



CORPORATE OVERVIEW

The HCRA is committed to sound business planning and reporting so that it can deliver on its consumer protection mandate. As part of its commitment to transparency, the HCRA publishes annually its Business Plan and Annual Report. The Business Plan details the HCRA's priorities for the upcoming fiscal year, while the [Annual Report](#) outlines the achievements of the HCRA in the preceding fiscal year.

The HCRA's Business Plan aims to implement the organization's strategic vision. In December 2021, the Board of Directors approved the HCRA's first three-year [Strategic Plan](#), for the period 2022-2025. The Strategic Plan is focused on three core strategic objectives:

- The HCRA will deliver and enhance service excellence with the best people and systems.
- The HCRA will operate a financially sustainable regulatory model that supports the comprehensive and proactive accomplishment of the HCRA's mandate.
- The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education.

The Board also confirmed the HCRA's vision, mission and values, which will guide HCRA staff and help strengthen the linkages between strategic planning, business planning, and annual reporting.

Mandate

The HCRA is responsible for licensing new home builders and vendors in Ontario. It enforces professional standards for competence, good conduct and financial responsibility while promoting the protection of the public interest and maintaining a fair, safe and informed marketplace. It provides educational information and resources for consumers, including the Ontario Builder Directory, the official source of information about Ontario's home builders and vendors. The HCRA serves to enhance consumer confidence in one of the biggest purchases of their lives – a new home.

Vision

Fostering a professional new home building industry that Ontarians can trust.

Mission

A fair, effective, and proactive regulator of new home builders and vendors that ensures a positive consumer experience.

Values

- Service Excellence
- Respectfulness
- Learning & Innovating
- Continuous Improvement
- Fairness
- Integrity
- Diversity & Inclusion
- Openness & Accountability



Corporate Structure

The HCRA's [Board of Directors](#) is responsible for providing strategic leadership and oversight of the operations of the HCRA. Directors bring a wide range of expertise in areas of established competency criteria to ensure that the Board has a strong blend of skills, experience, and qualifications. Diversity and regional representation are also important considerations when the HCRA recruits directors.

The nine-person Board is comprised of six elected members and three members appointed by the Minister of Government and Consumer Services. Current Directors are:

- Virginia West, Chair
- Marg Rappolt, Vice-Chair
- Eric DenOuden
- Rinku Deswal
- Hugh Heron
- Mary Kardos Burton
- Av Maharaj
- David Stimac
- Terence Young

HCRA Corporate Policies

Corporate policies are used to guide the organization's decision-making. The following policies are Board-approved and are required to be publicly available as set out in the Administrative Agreement between the HCRA and the Minister of Government and Consumer Services.

Expense Policy

Sets out the principles, accountability framework and rules for reimbursing all travel, meal and hospitality expenses while undertaking business on behalf of the HCRA.

Procurement Policy

Sets out the principles the HCRA will follow for the acquisition of goods and services and the approval of expenditures.



STAKEHOLDERS

The HCRA is committed to ongoing engagement with stakeholders across the new home building sector, the broader regulatory community, and the general public. Regular engagement with these stakeholders underpins its commitment to transparency and accountability.

The HCRA's stakeholders include:

Consumers

The HCRA's mandate focuses on enhancing consumer confidence in the new home buying and ownership experience in Ontario through effective licensing, compliance, enforcement, and education. The HCRA is committed to ongoing dialogue with new home buyers and home owners to learn about their experiences and seek feedback on the HCRA's work.

New Home Building Sector

The new home building sector in Ontario is made up of thousands of businesses engaged in the building and/or selling of new homes. As part of its mandate to uphold the public interest, the HCRA is committed to advancing the professionalism of the industry by developing and enforcing licensing standards. The HCRA will continue engaging with new home building industry stakeholders to ensure that its regulatory framework and actions support a fair, competitive environment with consideration for reducing administrative burden.

Ontario Ministry of Government and Consumer Services (MGCS)

The HCRA is an administrative authority governed by a Board of Directors operating within an administrative agreement with the Minister of Government and Consumer Services. The Board of Directors is accountable to the Minister – through the Board Chair – for the performance of the regulatory authority in administering the [New Home Construction Licensing Act, 2017 \(NHCLA\)](#) and the regulations made under it. The HCRA is committed to transparency and accountability in fulfilling its mandate and its obligations under the administrative agreement.



Tarion

Tarion administers Ontario's new home warranty and protection program. Tarion's role includes educating new home buyers and new home owners about their warranty rights and responsibilities; assessing new home warranty claims; resolving warranty disputes between new home owners and builders; and managing its Guarantee Fund, an important financial reserve to help protect Ontario consumers.

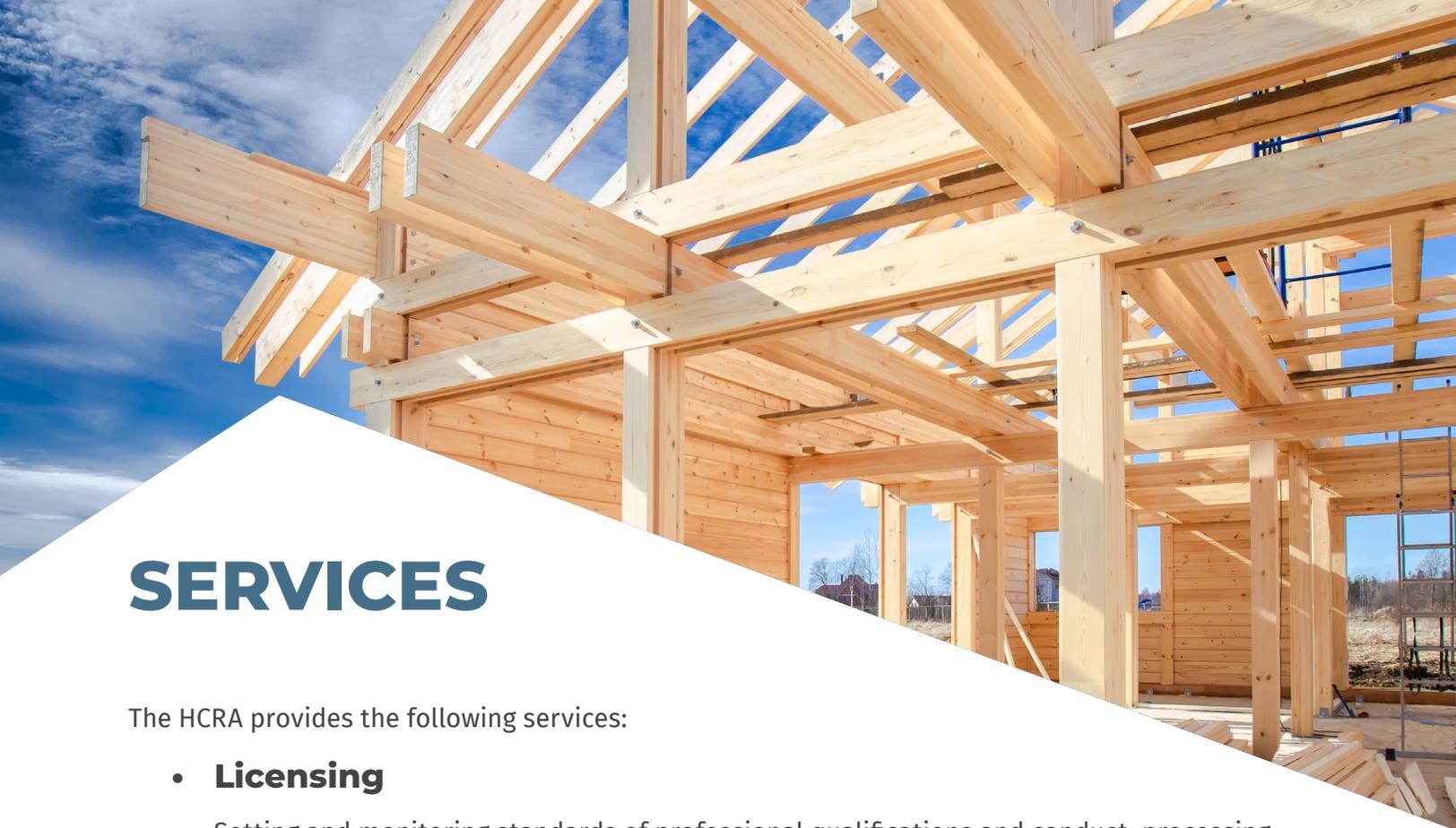
The Information Sharing Agreement between the HCRA and Tarion ensures that Tarion warranty history and other relevant information inform HCRA licensing, compliance, and enforcement decisions. It also ensures that information about warranty history, enrolments, and cancellations appears on the Ontario Builder Directory.

While operating as a separate and independent organization, the HCRA works with Tarion for the purpose of overseeing the industry effectively and without unnecessary duplication.

Broader Regulatory Community

The HCRA is part of a regulatory community and shares best practices and consults with different organizations on licensing and regulatory matters.





SERVICES

The HCRA provides the following services:

- **Licensing**

Setting and monitoring standards of professional qualifications and conduct; processing licence applications and renewals; managing the Builder Portal – a one-stop, online resource used by new home builders and vendors for licensing applications and renewals; maintaining the Ontario Builder Directory as the authoritative source of information about licensed builders and vendors.

- **Education**

Promoting awareness of best practices for navigating the new home buying process; educating licensees and potential licensees about their professional obligations, including the HCRA's expectations regarding appropriate conduct.

- **Compliance and Enforcement**

Deterring illegal or unethical new home building and vending; making impartial decisions; investigation and prosecution of the most serious matters; issuing compliance orders.

- **Complaints about Licensees**

Review and disposition of concerns raised about builder and vendor conduct, including possible inspections.

Complaints Process

The HCRA relies on public information and feedback to understand where and when builders and vendors are violating the law, ethical requirements, or the HCRA's expectations. The HCRA also obtains information from a variety of other sources, including municipalities, law enforcement, and other regulatory agencies like Tarion or the Real Estate Council of Ontario (RECO). The HCRA evaluates the information it receives to determine the most appropriate action to address specific concerns and to ensure that consumer protection remains the highest priority. The HCRA's processes are informed by a risk management framework that evaluates the level of risk posed to the public and determines the proportionate response based on these impacts.

On July 1, 2021 a [Code of Ethics](#) under the New Home Construction Licensing Act, 2017 became effective and with it, the HCRA established both a Discipline Committee and an Appeals Committee. These committees were established to hear cases where licensees are alleged to have failed to comply with the Code of Ethics.

Under section 56 of the NHCLA, in handling complaints, the Registrar may, among other things:

- Give the licensee a written warning that if the licensee continues with the activity that led to the complaint, action may be taken against the licensee
- Require the licensee to take further educational courses
- Refer the matter to the Discipline Committee
- Revoke, suspend, or place conditions on a licence

French Language Services

The HCRA is committed to providing French language services when requested. Calls and inquiries to the HCRA contact centre can be addressed in French and the HCRA's website is fully bilingual (English/French). For new home builders and vendors, all licensing applications can be submitted and processed in French.

Accessibility

The HCRA is committed to ensuring that all services are accessible in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 and any other relevant accessibility requirements. The HCRA is respectful of people with different abilities and is committed to removing barriers wherever possible.

COVID-19 Considerations

The HCRA recognizes the exceptional circumstances created by the COVID-19 pandemic and that there are ongoing impacts on the new home building sector. The HCRA will continue to follow the guidance of federal, provincial, and local health authorities to protect the health and well-being of all Ontarians. This includes ongoing monitoring of the potential effects of COVID-19 on the building sector generally and licensees specifically.



2022-2023 STRATEGIES AND ACTIVITIES

Strategies

1. Modern Regulation

The HCRA will focus on its mandate to build a modern regulator using a risk-based approach to licensing, complaints, compliance, and education.

2. Service and Operational Excellence

The HCRA will continue establishing itself as an organization that meets high standards for service delivery.

3. High-Performance Culture

The HCRA will continue developing a high-performing organizational culture with a Board of Directors, leadership team, and staff who are committed to professionalism, innovation, and delivering results.

4. Align Technology

The HCRA will continue evolving its use of modern technologies and data to inform evidence-based decisions and support its core regulatory functions.

5. Efficiency and Value for Money

The HCRA will remain accountable and transparent for the efficient and effective use of its resources by incorporating continuous improvement into all its operations.



1. Modern Regulation

Objectives

The HCRA will focus on its mandate to build a modern regulator using a risk-based approach to licensing, complaints, compliance, and education.

Priorities for 2022-23

- Define 'risk-based' in the context of the HCRA's mandate, considering the perspectives of the HCRA's stakeholders and the broader regulatory community.
- Review and revise HCRA policies and processes to align with the new definition.
- Apply the updated risk-based approach to the HCRA's core functions: licensing, complaints, compliance, and education.

2. Service and Operational Excellence

Objectives

The HCRA will continue establishing itself as an organization that meets high standards for service delivery.

Priorities for 2022-23

- Review and revise service standards for licensing, complaints, and compliance in alignment with the HCRA's risk-based approach.
- Take action on results of ongoing consumer consultation to improve useability of the Ontario Builder Directory.
- Introduce a new 'blog' on the HCRA website to increase access and awareness of the HCRA's services and consumer protection measures.

3. High-Performance Culture

Objectives

The HCRA will continue developing a high-performing organizational culture with a Board of Directors, leadership team, and staff who are committed to professionalism, innovation, and delivering results.

Priorities for 2022-23

- Review the HCRA's performance management system to ensure alignment with Strategic Plan and Business Plan commitments.
- Implement a Board self-assessment process.
- Scoping exercise to develop a resourcing plan for the HCRA's research functions.



4. Align Technology

Objectives

The HCRA will continue evolving its use of modern technologies and data to inform evidence-based decisions and support its core regulatory functions.

Priorities for 2022-23

- Assess the current state of all technology, data, and reporting in the context of the risk-based approach.
 - Develop an IT Roadmap to align and improve technologies.
 - Develop data infrastructure and reporting to support ongoing monitoring of regulatory processes to ensure data-informed strategic oversight.
 - Enhance the HCRA's licensing and compliance tracking and reporting system.
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5. Efficiency and Value for Money

Objectives

The HCRA will remain accountable and transparent for the efficient and effective use of its resources by incorporating continuous improvement into all its operations.

Priorities for 2022-23

- Develop and implement a continuous improvement model.
 - Ensure business practices are lean and manage financial resources in a cost-effective manner.
 - Report annually on activities and operations in the annual financial statements, which are audited by external auditors.
 - Begin review of licensing fees to determine whether the existing model should continue past the current three-year commitment.
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RESOURCES

Financial Resources – Budget

The HCRA’s operations are funded by licensing and per unit oversight fees paid by new home builders and vendors.

The HCRA’s annual budget is designed so that the organization can deliver its services in an efficient, lean manner and demonstrate that the benefits of the NHCLA’s regulatory requirements justify the resulting costs.

Revenue and Expense Forecast Three-Year Financial Outlook FY 2022-2025

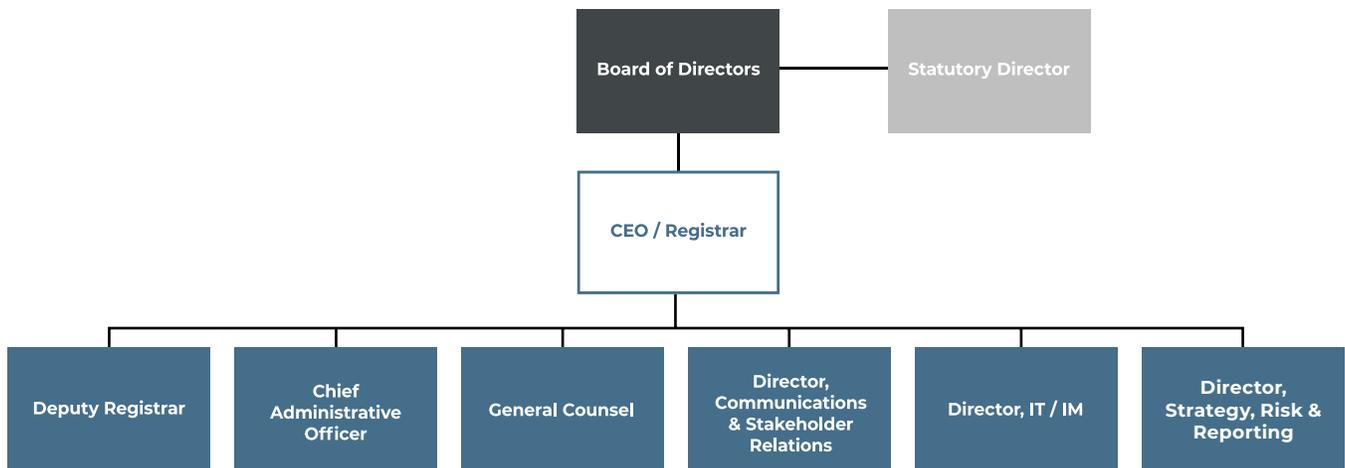
	FY 2023 (Budget) \$M	FY 2024 (Outlook) \$M	FY 2025 (Outlook) \$M
Revenues			
Licensing Fees	\$4.7	\$4.8	\$5.1
Per Unit Fees	\$9.2	\$9.2	\$9.2
Other Income	\$0.7	\$0.7	\$0.7
Total Revenues	\$14.6	\$14.7	\$15.0
Expenditures			
Human Resources/Board	\$7.3	\$7.7	\$8.0
Operating	\$6.7	\$6.8	\$6.8
Total Expenditures	\$14.0	\$14.5	\$14.8
Net Surplus / Deficit for the period	\$0.6	\$0.2	\$0.2



Organizational Structure

The HCRA operates with a lean organizational structure and service delivery model funded by licensing and per unit oversight fees. HCRA staff work full time in licensing, compliance, enforcement, and information roles or in roles that directly support the delivery of these functions. HCRA staff make up a high-performing workforce with the technical and professional skills needed to fulfill the HCRA's mandate while upholding the HCRA's values.

This allows the HCRA to deliver its regulatory mandate under the NHCLA and consistent with the best practices of a modern regulator.



Information Technology

The HCRA continues to implement the core technology tools that are required to fulfill its mandate. In its commitment to being a digital-first organization, the HCRA will continually evaluate external-facing products for their usability and make any necessary changes to improve interactions and engagement with the HCRA.

The HCRA is committed to applying best practices in cybersecurity and recognizes the importance of preparation to address emerging threats and potential cybersecurity attacks. New home builders and vendors across the province entrust the HCRA to keep their information private and secure. HCRA staff are trained continuously on identifying and mitigating potential threats, including regular assessment by third-party cybersecurity experts.

In keeping with the organization's approach to risk management, the HCRA will engage the Board and senior management on this ongoing risk.



PERFORMANCE MEASURES

The HCRA sets performance measures based on the strategic priorities and objectives of the organization. Performance outcomes will be reported in the corresponding Annual Report.

In the early stages of the organization's operations, the HCRA has placed an emphasis on the planning required to deliver services. As the HCRA matures as an organization, outcome-based indicators will be used to ensure consumer protection remains at the forefront of all decision-making.

Due to limited data, the HCRA has not yet set targets for the outcome-based indicators listed below. Rather, the HCRA will use baseline data collected in 2021-2022 and 2022-2023 to set targets in 2023-2024, including:

- Processing time for a new licence application
- Processing time for a renewal application
- Response time for inquiries
- Proportion of licensees who were the subject of complaints
- Proportion of licensees who were the subject of regulatory action
- Satisfaction with services received from the HCRA
- Awareness of the HCRA and its work

KEY RISKS

The HCRA has implemented an ongoing enterprise risk management plan to identify, assess and manage risks and optimize opportunities for the organization in service of its mandate and objectives. The plan includes reporting higher risks to the Board of Directors, along with regular review by the Board’s Finance, Audit, and Risk Committee and HCRA senior management to identify new risks and assess current risks.

The plan is designed to identify and create mitigation plans for each risk. This includes determination of the likelihood of the risk occurring and its potential impact. Generally, risks that are virtually certain to occur and/or would have a high impact are elevated to the attention of the Board of Directors along with the mitigation plan. Other risks, particularly those unlikely to occur and/or with a low potential impact on the organization, are not reported to the Board, but are mitigated and continually monitored by the HCRA.

The table below highlights the categories of risk that the HCRA monitors and mitigates:

Risk Category	Strategic Objective Threatened
Financial	<ul style="list-style-type: none"> • Service and operational excellence • High-Performance Culture • Align Technology • Efficiency and Value for Money
Legal	<ul style="list-style-type: none"> • Modern Regulator • Service and operational excellence • High-Performance Culture • Efficiency and Value for Money
Regulatory	<ul style="list-style-type: none"> • Modern Regulator • Service and operational excellence • High-Performance Culture • Align Technology • Efficiency and Value for Money
Reputational	<ul style="list-style-type: none"> • Modern Regulator • Service and operational excellence • High-Performance Culture • Efficiency and Value for Money
Business	<ul style="list-style-type: none"> • Modern Regulator • Service and operational excellence • High-Performance Culture • Align Technology • Efficiency and Value for Money





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