



Annual Report

2024
2025

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INTRODUCTION

Confidence and Protection in Ontario's Homebuilding Sector

The Home Construction Regulatory Authority (HCRA) licenses the people and companies who build and sell new homes in Ontario. By holding builders and sellers to professional standards for competence and conduct, the HCRA helps protect new homebuyers, giving them confidence when making one of the biggest purchases of their lives – a new home.

To help consumers make informed decisions and guide them in the home-buying journey, the HCRA provides information and educational resources and tools, including hosting the [Ontario Builder Directory](#), the authoritative source of background information about each of Ontario's 7,000+ new home builders and sellers.

While enforcing high standards, the HCRA also manages a fair, transparent complaints process, giving consumers opportunities to voice their complaints, added protection and informing future improvements in the homebuilding sector.

The HCRA is a not-for-profit corporation designated by the Government of Ontario to administer and enforce the *New Home Construction Licensing Act (NHCLA)*, 2017 and associated regulations. As an administrative authority, the HCRA operates independently of government and the industry and is committed to overseeing a well-managed and thriving new home sector.

The HCRA set out its strategic priorities, objectives and performance measures in its annual [Business Plan](#) and [Strategic Plan](#). This Annual Report outlines HCRA activities from April 1, 2024, to March 31, 2025.

The Year in Numbers

April 1, 2024 - March 31, 2025



7,338

Licence applications received

690

New licence applications received

6,648

Renewal applications received



7,232

number of licensees
as of Mar 31, 2025



8,735

inbound phone calls



422,724

Ontario Builder Directory
searches (Total licensee
and warranty searches)



655,448

website views



1,117

Complaints received

803

complaints against
licensees

314

complaints against illegal
builders and sellers



About the HCRA

Mandate

To protect consumers, the HCRA regulates new home builders and sellers in Ontario. In addition to licensing, it enforces professional standards for competence, good conduct and financial responsibility, protecting consumers through a fair, safe, informed marketplace. The HCRA also provides new home buyers with educational tools and resources in their home-buying journey, including the Ontario Builder Directory, the authoritative source of information about Ontario's 7,000+ home builders and sellers.

Vision

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

Mission

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

Values



**Service
excellence**



Respectfulness



**Learning &
innovating**



**Continuous
improvement**



Fairness



Integrity



**Diversity &
inclusion**



Accountability

Core Services

Licensing

- Setting professional standards and monitoring professional conduct
- Processing applications and renewals for licences to build and sell new homes
- Managing the Builder Portal – an online resource for licensing applications and renewals

Complaints and Professional Conduct

- Addressing inquiries, concerns and complaints about licensee conduct
- Managing a fair, thorough, evidence-based process
 - Conducting inspections, referring matters to the discipline process and taking corrective action or licensing measures

Compliance and Enforcement

- Using the appropriate legal and regulatory tools to investigate, promote compliance and, if necessary, follow up with enforcement measures
- Action, including prosecution, to curb illegal building and selling in Ontario's new home building sector

Technical Research & Education

- In cooperation with stakeholders, researching and developing educational resources that prepare builders for upcoming technical trends and identifying best practices in home construction — resulting in a growing collection of materials in the HCRA's [Technical Research & Education Resource Hub](#)

Consumer Education

- In cooperation with consumers and consumer organizations, developing, publicizing and promoting educational resources that support consumer protection, education and awareness regarding home buying and home ownership
- Managing the Ontario Builder Directory – a searchable database with information about each of Ontario's licensed builders and sellers and newly built homes enrolled in Tarion's warranty guarantee program

Accessible Services

The HCRA is committed to ensuring all its services are accessible in ways that are respectful of people with different abilities, identifying and removing barriers where possible. The HCRA's website is designed with accessibility features, and all services are offered over the phone and online. Currently, the HCRA offers its services as a fully virtual organization. In 2024-2025, the HCRA received three requests for accessible services in addition to the services already provided, including accommodating paper-based licensing requests.



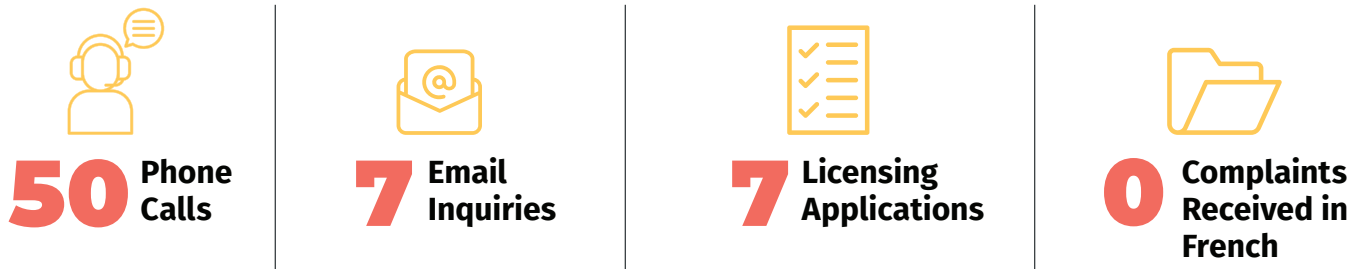
**Paper-based licensing
application requests**

French Language Services

The HCRA is committed to providing French language services to the public and the industry in accordance with Section 28 of the NHCLA. Calls to the HCRA contact centre, licensing applications and complaints can be addressed in French by bilingual staff members. For new home builders and sellers, all licensing applications can be submitted and processed in French. The HCRA's website in 2024-2025 offered bilingual content including:

- Directives and Advisories
- Annual Reports
- Code of Professionalism for Compliance and Enforcement Staff
- Expense Policy
- Procurement Policy
- Business Plans
- 2022-2025 Strategic Plan
- New and renewal licence instructions and application forms
- Complaint forms

In 2024-2025, the HCRA provided French-language service for:



Message from the Chair of the Board



“At the HCRA, we are proud to be the people who oversee home construction and business practices to protect home buyers and support good builders, to help ensure that your home buying experience is a good one, and your home is a source of delight.”

The people of Ontario benefit from a dynamic homebuilding industry, including the developers who plan our communities of the future, and thousands of licensed home builders who build a variety of single-family dwellings, multi-family houses, town homes and condominiums.

And home builders are a key contributor to our economy, employing thousands of carpenters, plumbers, brick layers and electricians who build the homes, and others who manufacture building materials like concrete and steel.

The Canadian dream includes a home that is safe and sound, in a secure community, but also dry and comfortable through hot summers and fierce winters. That’s why buying a new home is a joyful time for families, especially a first home, and for most people is the largest purchase of their life. But unscrupulous home builders can turn that dream into a nightmare.

At the Home Construction Regulatory Authority (HCRA) we are proud to be the people who oversee home construction and business practices to protect home buyers and support good builders, to help ensure that your home buying experience is a good one, and your home is a source of delight. We address any builder misconduct or violations of the rules,

and any unethical behavior that could mislead buyers or treat them unfairly. We do not tolerate violations of the rules.

I have served on the Board of Directors for the HCRA since 2021, and as Chair I can say that the vast majority of home builders and sellers in Ontario conduct business with fairness and integrity. Our focus is to protect home buyers by regulating those who don’t. I am pleased to report that during the past year our team was very successful in achieving those objectives, as outlined in this report.

Buyers should contact us before they sign any contract to buy a new home, and check our website for the [Ontario Builder Directory](#) to make sure their builder is licensed by us to build and sell new homes. Our website has a variety of resources to help buyers through their new home buying journey and a complaints process to address any concerns about builders’ conduct or competency. Our business plan demands continuous improvement in everything we do, so next year you will see more innovations in how we protect new home buyers.

Terence Young

Chair of the Board of Directors

Message from the CEO and Registrar



“Moving forward with a new Strategic Plan approved by the HCRA Board of Directors in 2024-25, **our focus is on economic recovery, while continuing to improve service delivery** – with new and better ways to do our work, protecting Ontario new home buyers and supporting good builders.”

I write this report as we close out the last year of the HCRA’s first Strategic Plan during uncertain economic times. What is certain is the continued importance of maintaining professional standards and ensuring that buyers of new homes have the information and support they need to confidently buy a new home from a builder licensed by the HCRA.

Moving forward with a new Strategic Plan approved by the HCRA Board of Directors in 2024-25, our focus is on economic recovery, while continuing to improve service delivery – with new and better ways to do our work, protecting Ontario new home buyers and supporting good builders.

This past year marked the maturity of the HCRA as an operationally stable organization, with the people and processes in place to deliver on our mandate. This includes dedicated and diligent board members, our insightful consumer and industry advisory councils, and our committed and talented staff team.

Building on foundational work done during our start up period, in 2024-25 we continued to refine our regulatory model. This included developing and implementing a quality

assurance process, an important accountability mechanism that enables the HCRA to monitor decision making and processes, provide feedback and training, and make adjustments where necessary.

We also focused on increasing awareness, so consumers understand their rights and the resources available to them, including the Ontario Builder Directory. We expanded our digital and social media presence. The HCRA was featured in key consumer publications. We published the Home Front blog for homebuyers, and spoke to thousands of consumers at events. We also strengthened our relationships with stakeholders, including building officials and real estate professionals, who we know are a vital source of information for consumers.

This was the first full year of implementing our new Research and Education program, supporting the educational needs of homeowners and licensees. I want to thank each member of the Building Research & Collaboration Council and its working groups for continuing to work with our research team – identifying consumer and licensee needs, developing pilot projects, and contributing to

the digital Resource Hub. The HCRA plays a key role in facilitating the sharing of information about construction practices between builders, building officials, and other technical experts involved in the homebuilding process, to promote good building practices across the province.

I am also pleased to report on operational success: we answered enquiries efficiently, consistently processed licence applications faster than our target, and inspected builders who were the subject of complaints. We investigated suspected illegal building and selling with impactful consequences. We used our regulatory tools more often, and earlier in the process. Numerous consumers were helped through the HCRA's intervention.

Throughout 2024-2025 we continued to take serious action against builders when our investigations found improper conduct, including revoking and refusing licenses – and even laying charges against builders for breaking the law. For example, following the largest HCRA investigation to date, 124 charges were laid against one builder for illegal building. We also referred several cases to the Discipline Committee, including matters involving unethical price escalations.

Other notable trends included:

- **Addressing receiverships.** In a year that saw a volatile marketplace, with increased building costs and a higher than usual number of insolvencies, we were vigilant in holding builders and sellers to account. In particular,

the HCRA adapted its operations to protect consumers by working directly with receivers to maintain purchase agreements where possible – helping buyers receive their homes and supporting the completion of eight projects involving insolvent builders. We also enhanced the Builder Directory to show which licensees are involved in insolvency proceedings.

- **Amping up penalties.** One of the major initiatives for the HCRA in 2024-2025 was utilizing Administrative Penalties, a relatively new enforcement tool. We issued 10 such penalties during the year, amounting to nearly \$17.6 million for illegal activity with \$1.1 million earmarked for impacted consumers as a result of illegal price increases.
- **Responding to increased complaints.** The HCRA received a record number of complaints against licensees for conduct matters or alleged illegal building or selling – over 1,100 – an increase of 32% from the previous year. This increase was larger due to increased consumer awareness, as well as the HCRA initiating more inspections and investigations initiated by the HCRA without an external complaint. Improvements to our database and integration with the HCRA's regulatory risk framework enabled us to now have a clearer picture of the complaints workload in terms of the turnaround time and risk. This data will be used moving forward to prioritize resources to keep improving outcomes.



Message from the CEO and Registrar

Strategic investment in technology, including the careful use of Artificial Intelligence will be an ongoing focus as we continue to hone our operations. This year the HCRA embarked on its AI journey, with the development of an AI use policy, staff training, and select pilots – aiming to enhance and streamline the work of our staff while maintaining transparency and proper review. As we find ourselves needing to do more with less, a robust technology strategy will be key to our future success.

The HCRA team continues to talk to stakeholders about how to make compliance and enforcement work even more effectively, enhancing consumer protection and maintaining the overall sustainability of the regulatory system. We are also keeping our sights on stopping illegal building, through increased enforcement against bad actors and closing loopholes that make illegal activity possible.

Guided by our new five-year Strategic Plan, the HCRA remains focused on upholding strong standards and ensuring a homebuilding industry Ontarians can trust.

Wendy Moir

CEO and Registrar



Corporate Governance

The HCRA is an administrative authority governed by a Board of Directors, operating within an Administrative Agreement with the Ontario Minister of Public and Business Service Delivery and Procurement. The HCRA's Board of Directors is responsible for strategic leadership and oversight of the operations of the HCRA and is accountable to the Minister – through the Board Chair – for the performance of the HCRA.

The Board of Directors is comprised of six individuals elected by the members of the Board and three individuals appointed by the Minister of Public and Business Service Delivery and Procurement. A maximum of three of the nine Directors elected or appointed may be HCRA licensees. All Board and Committee members have obligations to maintain and uphold the Code of Conduct for Directors, as outlined in Schedule D of the Administrative Agreement.

Board Competency Criteria

Directors bring a wide range of expertise in areas of established competency criteria (found in Schedule C of the Administrative Agreement) 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. Common qualifications for the Board include:

- Financial oversight and risk management
- Governance and strategic planning
- Government, licensing, and regulatory experience
- Homebuilding sector knowledge
- Consumer protection knowledge
- Human resources, diversity, and accessibility experience
- Marketing and communications experience



Board Directors' Profiles



TERENCE YOUNG
Chair (Appointed member)

Terence Young is the President of Gravitas Strategies, a strategic communications firm. He has 30 years' experience in the private sector, including as Manager, Customer Service and Public Affairs at Bell Canada, and served as a Board Member and adjudicator for the Alcohol and Gaming Commission. Terence served as an elected Member of the Ontario Legislature from 1995 until 1999, as Parliamentary Assistant to the Minister of Finance and the Minister of Colleges and Universities, and served as a federal Member of Parliament from 2008 to 2015 where he conceived and galvanized Parliament to pass *Vanessa's Law: The Protecting Canadians from Unsafe Drugs Act*. Terence also holds an ICD.D designation and lectures at the University of Toronto.



SALVATORE "SAM" BIASUCCI
Vice Chair (Elected member)

Sam Biasucci is the President and owner of Sal-Dan Developments Limited. With over 45 years of experience in residential construction, land developments and civil construction, Sam has built homes across Sault Ste. Marie, Sudbury and the Greater Toronto Area. He is an involved member of the builder community in Northern Ontario and sits on the Board of the Northern Ontario Heritage Fund Corporation and is a past member of the Missanabie Cree First Nations Business Development Corporation. Throughout his career, Sam has received several accolades including being the recipient of the Builder of the Year in Northern Ontario, the Ernest Assaly Award, the Sault Chamber of Commerce Business Achievement Award, and recently the Best Multi Rise Residential ICF building Construction in North America award for the second time. Just recently, Sam was awarded the King Charles the Third Coronation Medal for Distinguished Community Service and Leadership, and the Royal Canadian Legion Medal of Merit.





RINKU DESWAL
(Appointed member)

Rinku Deswal is a litigation lawyer with over 20 years of experience and the owner of RD Law Professional Corporation. She also serves as VP of Legal Affairs for CanSky Aviation Inc., an aviation consultancy firm supporting both domestic and foreign air carriers as well as ground handling companies. Rinku has served as Board Chair for Peel Crime Stoppers. She has been awarded the Safe City Mississauga Bell Hero Award for her work in crime prevention in the Region of Peel. Rinku has been invited to speak at various events both locally and internationally on the issues of women leadership and women in governance, as well as diversity and inclusion. She is a member of the Peel Regional Police Chief's Resource Council and is a recurring guest lecturer at the University of New Brunswick Law School. She holds an Honours Degree from the University of Toronto, a Master's Degree from the Adler School of Professional Psychology in Chicago, Illinois, and a Bachelor of Laws from the University of New Brunswick.



HUGH HERON
(Elected member)

Hugh Heron is the Chairman of Heathwood Homes and Heron Homes. With over 70 years of building experience, Hugh's building entities have built more than 20,000 homes across Ontario. He has been a leader in the industry previously serving as Chair of the Tarion Warranty Corporation, President of both the Greater Toronto and Ontario Builders' Associations as well as a Senior Board Member of the Canada Mortgage and Housing Corporation. Additionally, Hugh received a Canada 125 Medal for his contributions to his community. In 2018, he was awarded a Lifetime Achievement Award by the Building Industry and Land Development Association. Hugh is also Chairman of the Mikey Network, a charity placing defibrillators throughout Canada.



MARY KARDOS BURTON
Chair - Governance, People
and Culture Committee
(Elected member)

Mary Kardos Burton is a former Assistant Deputy Minister in the Ontario government with the Ministry of Health and Long-Term Care, and also held executive positions with the Ministry of Community and Social Services. She has held various consulting assignments in health and social services including Chair of Built Environment Standards for the Accessibility Directorate of Ontario and Interim Vice-President for Health Quality Ontario. In addition, she served as a public member for the College of Registered Psychotherapists and as Chair of the Board for Belmont House, a long-term care and retirement home. Mary is a graduate of the Rotman-ICD NFP Governance Essentials Program.



PATRICIA PERKINS
(Appointed member)

Patricia Perkins has over 30 years of political and governance experience. Patricia served as a Durham Regional Councillor for 18 years, including eight years as Mayor of Whitby. She was actively involved in Public Health and Social Services as a member, Vice-Chair and then Chair of the Health and Social Services Committee, dealing with challenging issues such as SARS, downloading of Social Housing and downloading of Paramedic services. Patricia was a member of the Strategic Planning Committee for the Region of Durham and produced and implemented the Region's first Community Strategic Plan. Following her municipal career, she was elected as a Member of Parliament for the riding of Whitby-Oshawa. Before being elected, she had extensive municipal experience in the Finance Department of the (then) City of Scarborough. She has been a member of the Board of Directors of the Whitby Hydro Corporation, Durham Region Non-Profit Housing Corporation, Central Lake Ontario Conservation Authority (Chair), Durham Children's Aid Society and the Charles H. Best Diabetes Centre for Children and Youth (Chair). Patricia was awarded the Paul Harris Fellow by the Rotary Club of Whitby and is a proud recipient of the Queen's Diamond Jubilee medal.



MARG RAPPOLT
*Chair - Finance, Audit and
Risk Committee
(Elected member)*

Marg Rappolt is the immediate past Chair of the HCRA. A strategic leader in public policy and human service transformation, Marg worked for 36 years in two provincial administrations (Ontario and Saskatchewan), retiring in 2014. She is a former Deputy Minister with the Ontario government in portfolios including Community and Social Services, Health and Long-Term Care, Health Promotion, Seniors, and Aboriginal Affairs. Marg is past Chair of the Board of Trustees of the Holland Bloorview Kids Rehabilitation Hospital, and she currently sits on the Board of Directors of the Woodgreen Foundation. Marg is also currently Vice-Chair of the Board of Directors of the Toronto Mendelssohn Choir.





BOHODAR RUBASHEWSKY
(Elected member)

Bohodar Rubashewsky is a respected public sector leader with extensive experience in program delivery, people leadership, regulatory compliance, corporate services, and business transformation. Following his retirement from the Ontario Public Service in 2018, Bohodar served for five years as Vice President - People, Corporate Innovation and Services at Holland Bloorview Kids Rehabilitation Hospital. His government career spanned over 30 years at the provincial and federal levels, including 15 years across a wide array of senior executive roles in six government ministries as well as the Ontario Lottery and Gaming Corporation. Bohodar has been a member of three public sector boards of directors and is a graduate of the Rotman School of Management's ICD Directors Education Program as well as CPA Canada's Senior Executive Advanced Finance and Accounting Program.



KIM WESTFALL-CONNOR
(Elected member)

Kim Westfall-Connor is a seasoned professional with over a decade of governance and leadership experience within professional regulation. Her governance experience is complemented by adjudication work. Kim has served on the Human Rights Tribunal of Ontario and various other professional discipline tribunals in the province. She holds an LLM in Health Law from Osgoode Hall Law School with a major paper focused on improving professional regulation in Ontario. This academic background, combined with practical experience, has equipped Kim with a deep understanding of governance, risk management, and strategic oversight.

Standing Committees of the Board

Governance, People and Culture Committee

Mary Kardos Burton (Chair), Rinku Deswal, Hugh Heron, Pat Perkins, Terence Young (ex officio)

The Governance, People and Culture Committee assists the Board by providing direction and oversight of governance issues and ensuring that appropriate policies, processes and structures necessary for effective Board direction and oversight of the HCRA are in place. The Committee also provides oversight of the human resources functions of the HCRA and is involved in the recruitment of new board members as necessary.

Finance, Audit and Risk Committee

Marg Rappolt (Chair), Sam Biasucci, Bohodar Rubashewsky, Kim Westfall-Connor, Terence Young (ex officio)

The Finance, Audit and Risk Committee helps the Board meet its duties regarding financial oversight, business planning and enterprise risk management. This includes review of financial plans, revenue strategies, budgets, and risk reports.

Advisory Councils

In 2021, the HCRA Board established two advisory councils to provide independent and nonpartisan advice to the Board on issues of importance to consumers pertaining to the HCRA's consumer protection mandate and activities.

The **Consumer Advisory Council** is comprised of members from a variety of backgrounds and experiences such as:

- A new freehold buyer
- A new condominium buyer or a member of a condominium board
- A real estate agent or real estate lawyer (active)
- A chief building official or home inspector (retired or active)
- A consumer advocate

The **Industry Advisory Council** is comprised of professionals from a variety of backgrounds and experiences such as:

- A small builder with between 1 – 20 possessions per year
- A medium-large builder with over 100 possessions per year
- A high-rise builder with more than 100 possessions per year
- A custom home builder
- A customer service executive employed by a licensee
- Experience supervising day-to-day construction

In 2024-2025, the Consumer and Industry Advisory Councils met five times to discuss and provide input on the following recommendations:

- Strategies to enhance consumer protection, including the development of educational content, event engagement, and collaboration with key stakeholders;
- Improvements to key resources such as the HCRA website and the Ontario Builder Directory;
- Promotion of ethical builder conduct and education through feedback on advisories and other resources;
- Communicating the impact of market trends – including U.S. tariffs and policy changes – on the new home construction sector; and
- Ongoing initiatives under the Research & Education program to support both consumers and licensees, including feedback on the Home Building & Beyond newsletter.



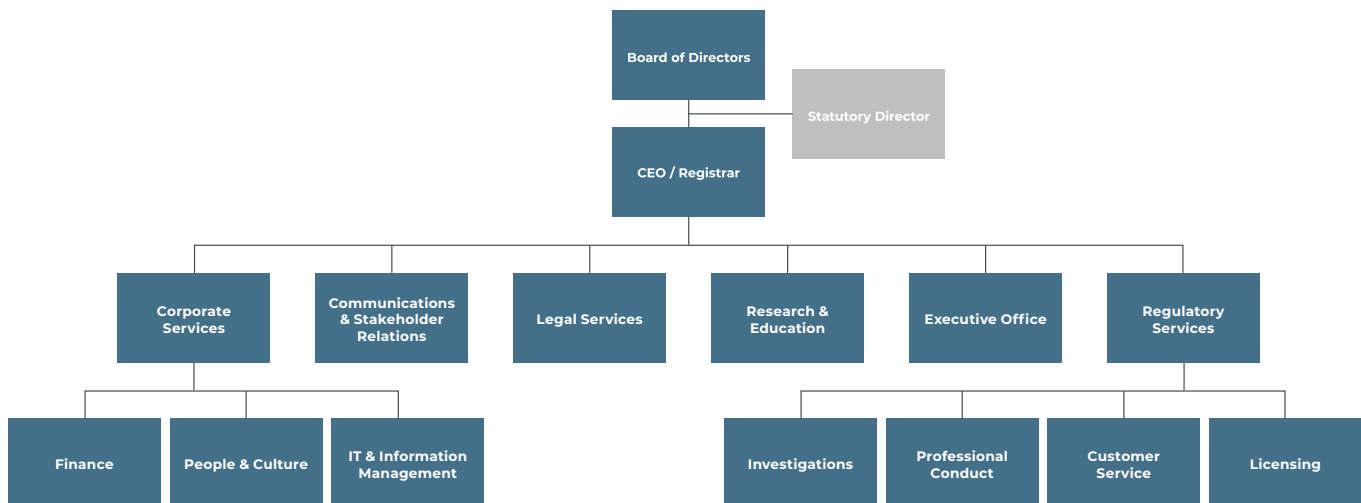
ORGANIZATIONAL STRUCTURE

The HCRA operates under a hybrid workforce model, with employees primarily working remotely while convening in person as needed to support collaboration, innovation, and team cohesion.

The organization is led by the Chief Executive Officer and Registrar, who reports to the Board of Directors and is responsible for the overall management of HCRA's operations. The CEO oversees a senior leadership team that guides the strategic and functional areas of the organization.

Operations are organized into core functions that reflect the HCRA's regulatory responsibilities in Licensing, Complaints and Professional Conduct, Compliance and Enforcement, Research and Education, and the services that directly support those functions.

The HCRA's team is composed of a high-performing, multidisciplinary workforce with the technical expertise and professional capabilities required to meet the demands of a modern regulator. Through collaboration, innovation, and continuous improvement, the organization ensures it is well-positioned to respond to industry changes and deliver on its public interest mandate under the NHCLA.



2024-2025 Report on Performance

The HCRA sets performance measures to achieve the organization's strategic priorities and objectives. Each year, the Annual Report summarizes the performance outcomes of the previous year. As 2024-2025 was the fourth full year of operations for the HCRA, this data along with previous outcomes provide a baseline for further analysis and allow for ongoing comparisons and tracking of progress.

Performance Measure	Performance Target	2023-2024 Results	2024-2025 Results
Average wait time to respond to incoming phone calls The HCRA's customer service team receives hundreds of phone calls every week from consumers, licensees, and the public. The customer service team works to ensure each person receives a live response instead of a voicemail message.	2 minutes	51 seconds	44 seconds
Average time for processing licence applications* The HCRA's licensing team receives thousands of applications annually. The processing time is dependent on the type and complexity of the application. Assessment factors include competency, financial responsibility and conduct information, and other obligations. <i>* Please note: Figures previously reported for 2023-24 have been updated slightly to address a reporting discrepancy</i>	Average time for processing a new licence application	Average time for processing a new licence application	Average time for processing a new licence application
	–	–	–
	8 weeks for a fully complete application	4.9 weeks for a fully complete application	5.3 weeks for a fully complete application
	Average time for processing a renewal application	Average time for processing a renewal application	Average time for processing a renewal application
	–	–	–
	4 weeks for a fully complete application	2.8 weeks for a fully complete application	1.7 weeks for a fully complete application

Performance Measure	Performance Target	2023-2024 Results	2024-2025 Results
Percentage of complaints closed year to date Each complaint is unique, with varying degrees of complexity and risk. For every complaint received, the HCRA conducts an impartial assessment to determine the facts of each case and the appropriate next steps. There are a range of possible outcomes to close a complaint, including warning letters, additional education requirements, administrative penalties, and the suspension or revocation of a licence. <i>New performance measure: The HCRA will collect baseline data in 2025-26 on percentage of complaints resolved within one year and percentage of high-risk complaints resolved within one year</i>	50%	60%	59%
Percentage of successful Court and Tribunal Appearances The HCRA regularly appears before two judicial bodies: the Licence Appeal Tribunal to respond to appeals of its regulatory decisions, and the Ontario Provincial Court to prosecute illegal builders.	Percentage of successful prosecutions – 90% Percentage of successful appearances at the Licence Appeal Tribunal – 80%	Percentage of successful prosecutions – 100% Percentage of successful appearances at the Licence Appeal Tribunal – n/a (no matters adjudicated by LAT)	Percentage of successful prosecutions – 100% Percentage of successful appearances at the Licence Appeal Tribunal – 100%

Performance Measure	Performance Target	2023-2024 Results	2024-2025 Results
Level of Web Traffic to the Ontario Builder Directory Profile searches for licensees or warranted homes demonstrate how visitors engage with the Ontario Builder Directory.	Average level of web traffic to the Ontario Builder Directory: 25,000 licensee searches per month – 2,100 warranty searches per month	Average level of web traffic to the Ontario Builder Directory: 35,697 licensee searches per month – 3,640 warranty searches per month	Average level of web traffic to the Ontario Builder Directory: 31,748 licensee searches per month – 3,479 warranty searches per month
New Performance Measure: Consumer satisfaction Percentage of consumers who are aware of the HCRA.	The HCRA collected baseline data to report in 2024-2025 and established performance targets in its 2025-2026 Business Plan	N/A	Baseline: 1 in 5 consumers were aware of the HCRA
New Performance Measure: Consumer satisfaction Percentage of webinar/event attendees who are satisfied with the content of the event.	The HCRA collected baseline data to report in 2024-2025 and established performance targets in its 2025-2026 Business Plan	N/A	Baseline: 70% of attendees were satisfied

Performance Measure	Performance Target	2023-2024 Results	2024-2025 Results
New performance measure: Licensee satisfaction Percentage of licensees who are satisfied with their interactions with the HCRA's customer service team.	The HCRA collected baseline data to report in 2024-2025 and established performance targets in its 2025-2026 Business Plan	N/A	Baseline: 74% of licensees were satisfied with HCRA customer service
New performance measure: Licensee satisfaction Percentage of licensees who are satisfied with the licensing process.	The HCRA collected baseline data to report in 2024-2025 and established performance targets in its 2025-2026 Business Plan	N/A	Baseline: 63% of licensees were satisfied with the licensing process



Governance

Strategic Oversight of the HCRA

The HCRA Board of Directors meets regularly and delegates certain oversight responsibilities to two standing committees, while retaining decision-making authority. In addition to its regular strategic oversight of the HCRA, the Board's activities in 2024-2025 included:

- Establishing a full complement of the Board of Directors with the addition of two newly elected members and one new Minister-appointed member, strengthening governance capacity and oversight.
- Developing the 2025–2030 Strategic Plan to ensure the HCRA remains focused and resilient, positioning it to achieve long-term goals.
- Providing financial oversight through informed decision-making to maintain the HCRA's financial sustainability and service delivery standards, including reviewing the HCRA Fee Model.
- Providing regulatory oversight of the HCRA's risk framework and regulatory activities.
- Conducting a comprehensive review of Board of Directors policies to ensure alignment with current legislative requirements and governance best practices.

Customer Service

Responsive Interaction

The HCRA's customer service team is the primary point of contact for the public, licensees and stakeholders in the new home sector. The team's contact centre receives and responds to incoming calls and inquiries about the HCRA and its services.

The HCRA recorded a 10% improvement in responding to consumer and builder inquiries, with 40% fewer staff in 2024-2025.

The majority of calls received come from:

- Licensees and applicants seeking clarification and assistance with applying for new or renewed licences.
- Members of the public and consumers looking to learn about the HCRA's role in the home-buying journey, clarifying the obligations of licensees, or seeking assistance with filing a complaint about building and selling practices.



Licensing

Maintaining and Monitoring Professional Standards

The HCRA receives and processes two types of licence applications: “new” applications for those with no prior corporate history as a licensee, and “renewal” applications, which occur annually for existing licensees to maintain their licence.

The licensing process involves a review of an applicant’s corporate and financial history to ensure they can perform the work of a builder or seller with honesty and integrity, and in compliance with the law. The HCRA evaluates each applicant to confirm they meet competency standards in areas such as financial responsibility, conduct, and construction expertise.

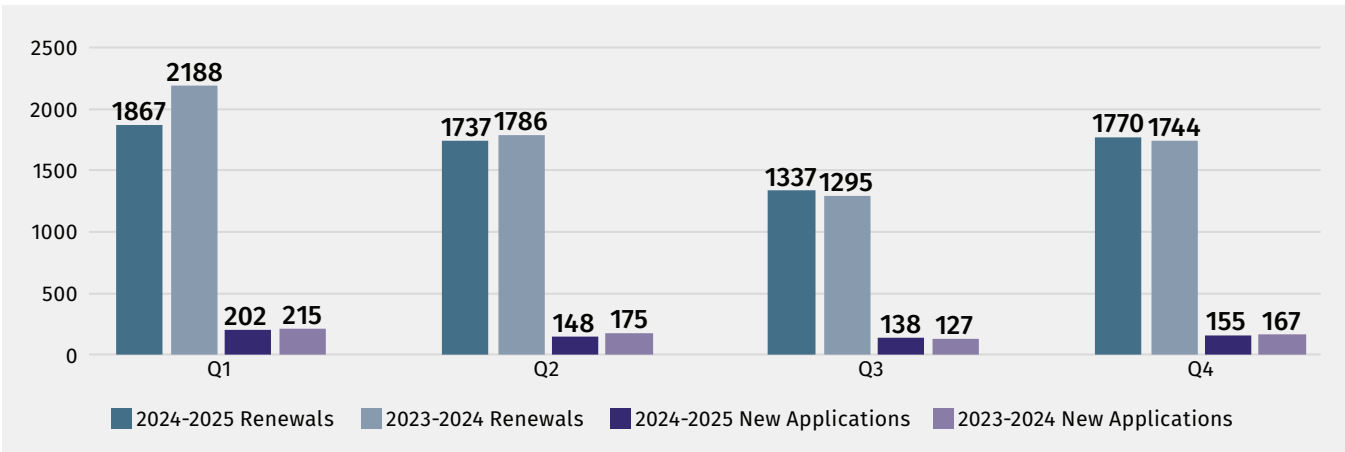
In 2024-2025, the HCRA’s licensing team processed more than 7,000 applications.

Notably:

- 53 applications included conditions on higher-risk builders. These conditions allow the HCRA to better monitor the builders’ continued ability to operate.
- 400 applicants received approval for competency equivalencies based on experience or alternative education, an important part of the HCRA’s supportive and inclusive approach to licensing
- In response to an increase in licensees entering receivership, the HCRA adapted its operations with a focus on protecting consumers:
 - Enhancing internal processes to automate the Ontario Builder Directory, disclosing important information about updates pertaining to insolvent builders.
 - Working directly with receivers to help maintain purchase agreements and complete projects, which resulted in purchase agreements maintained on eight projects.

These efforts were part of an organization-wide watch system, which monitors builders facing economic challenges. Each of the HCRA’s regulatory units now shares information about high-risk builders in real time, with concerns proactively published on the Ontario Builder Directory for the public’s information.

Another important objective is to ensure the HCRA core educational requirements keep up with change. This year we conducted an audit of our approved education providers to ensure that they had all adopted the latest changes to the Ontario Building Code into their curriculum.



Conduct Concerns and Complaints Process

Licensed new home builders and sellers are expected to uphold high standards of ethical and professional conduct, as outlined in the NHCLA and associated regulations, including the Code of Ethics. In 2024-2025, The HCRA received a record number of complaints against licensees for conduct matters or alleged illegal building or selling – over 1,100 – an increase of 32% from the previous year. This increase is likely the result of two things – a higher number of proactive Registrar’s complaints as well as greater public awareness, with the HCRA’s intensified communications outreach and publicity around penalties.

The top three complaints in 2024-25 were the same as the previous year, related to financial planning and management, poor customer service, and failure to enrol a home in Ontario’s new home warranty program.

Managing Complaints Against Licensees

The HCRA maintains a fair and transparent complaints process to address conduct and competency concerns of licensed builders and sellers.

The HCRA’s complaint system operates on two fundamental principles:

1. Giving the public a clear path to voice their concerns; and
2. Maintaining a fair process for everyone involved.

The HCRA is committed to responding to every complaint it receives. After a complaint is submitted, an auto-confirmation is sent to acknowledge receipt. Within three to five business days, the HCRA will contact the complainant to confirm receipt of the complaint. The HCRA will then review the complaint and any supporting documentation to determine if it falls within its jurisdiction. If a complaint falls outside the HCRA’s jurisdiction, the complainant is contacted with an explanation and directed to a more appropriate authority or regulatory body, if applicable, to pursue the matter.

Each case is evaluated based on its facts and merits. Some complaints may fall outside the HCRA’s jurisdiction or require no further action if there is insufficient evidence. While the HCRA understands the urgency many complainants feel, the focus is on reviewing and prioritizing cases with the highest potential to harm the public rather than dealing with complaints in strict chronological order.

Prioritizing complaints based on the level of risk allows the HCRA to allocate resources and focus efforts on addressing complaints that have the potential to cause the most harm.

Higher-risk concerns about licensees receive immediate attention and are typically more complex and can take significant time to resolve. Lower risk complaints may not be a priority in terms of risk but may be resolved relatively quickly through an early resolution process (see more details on this process on page 25).



Tracking Results

13

**Notices of Proposal
issued to refuse or
revoke licences**

7

**Referrals to Discipline
Committee**

13

**Compliance, Freeze
and Restraining Orders
issued**

Outcomes depend on the nature of the complaint and on the findings of the review. If substantiated, the HCRA can issue a written warning, require further education, issue an administrative penalty or a compliance order, refer the matter to the Discipline Committee or, in the most serious cases, revoke a licence. In 2024-2025, the HCRA took the following actions:

- **Issued Notices of Proposal to refuse or revoke 13 licences, including:**

Safe Harbour Homes Inc. which, after defaulting on over \$52 million in loans, was forced into insolvency. In addition, 219 deficiencies were discovered across 20 of the homes they built, resulting in over \$1.2 million in warranty claims. This licensing action remains suspended while the licensee is in court-ordered insolvency.

9618759 Canada Inc., whose principal was involved with a former entity whose licence had been revoked due to honesty and integrity concerns. This action prevented this principal from reorganizing and re-entering the industry under the guise of another corporate name.

- **Referral to Discipline Committee:**

In 2024-2025 the HCRA referred seven licensees to the Discipline Committee. Information about Discipline Committee hearings, including how to attend, are publicly available on the HCRA website.

- **Compliance, Freeze and Restraining Orders:**

The HCRA issued nine compliance orders, three freeze orders and one restraining order. Notably, in the case of Lynphyl Homes Limited, which failed to comply with the HCRA's inspection, the HCRA first issued a compliance order, followed by an order freezing several bank accounts, and finally proposed to refuse the builder's attempt to renew its licence.

Previously, the performance measure on complaints targeted closing 50% of all complaints received to date. The [2024-2025 Business Plan](#) aimed to collect baseline data on the average time to resolve complaints. However, as the many complex high-risk priority files take significant time to resolve, reporting on an overall average resulted in skewed timelines.

After further research among other regulatory bodies, the HCRA Board approved a new metric for the 2025-2026 Business Plan: measuring the percentage of complaints resolved within one year and the percentage of high-risk complaints resolved within one year. This is important information because the HCRA will be able to review processes, productivity and resourcing and be able to measure and predict the impact of changes. Most importantly we will be able to better share with complainants how long they can expect a resolution of their concerns.

Continuous Improvement: Early Resolutions and Compliance Monitoring

In 2024-2025, the HCRA conducted an Early Resolution Pilot Project to evaluate and establish a new process for resolving low-risk files more quickly. A task force was established to swiftly identify and manage lower risk matters with immediate helpful solutions, such as phone calls, letters, or facilitating contact with a municipality.

This pilot project helped to identify trends, such as barriers to communication, and support ways to proactively address concerns, including through advisories and additional general education. Based on feedback from both consumers and builders, the results have been successful.

The HCRA intends to expand on this initiative and determine whether we can use the process to more quickly resolve complaints and increase stakeholder satisfaction.

In 2024-2025, the HCRA also launched compliance monitoring as a condition in warning letters. This means that the HCRA continues to monitor whether licensees are addressing cautions about problematic behavior, even without waiting for a consumer complaint.

Imposing Penalties: Fighting Back Against Illegal Price Increases

The HCRA received complaints that GC King Bond Inc. was pressuring buyers in its Richmond Hill development to accept price increases that were not stipulated in the agreements of purchase and sale. Following an investigation, the HCRA issued an administrative penalty, citing the company's failure to treat its customers fairly, honestly, and with integrity, in violation of the Code of Ethics.

The company indicated a willingness to come into compliance, resulting in a negotiated settlement through which it agreed to:

- Return \$1.1 million to buyers who had agreed to the proposed price increases; and
- Immediately cease pursuing price increases from additional buyers, representing an additional \$5.3 million, honouring the original agreements of purchase and sale.

This action reflected the HCRA's ongoing commitment to protecting consumers and upholding professional standards in Ontario's homebuilding sector.

TACKLING ILLEGAL ACTIVITY



Illegal Building/Selling Investigations

Illegal building is a major consumer protection issue in Ontario and a top priority for the HCRA. When builders and sellers operate without a licence, it puts the public at risk and creates an uneven playing field for the industry. When illegal building occurs, consumers do not get the protections that come from their builder being properly licensed and held to professional standards.

The HCRA identifies potential non-compliance with legislation through public and stakeholder complaints and tips, as well as its own sources, with about 13% of investigations initiated internally.

- In 2024-2025, the HCRA received over 300 illegal building complaints – up by 26% over the last year – and conducted 220 investigations.
- The HCRA also successfully obtained three convictions under the Provincial Offences Act and issued 10 administrative penalty orders totalling \$17.6 million.

Charges in the HCRA's Largest Investigation

In this past year, the HCRA's largest-ever investigation resulted in the laying of a record 124 charges against Albion Building Consultant Inc. ("Albion") and its business associates for illegal building and selling.

Albion demonstrated a persistent pattern of non-compliance with regulatory standards. In 2022, the company was convicted of illegal building and ordered to pay fines of over \$200,000. In 2024, the HCRA revoked Albion's licence to build and sell homes due to its continued failure to operate lawfully and with integrity. Despite these actions, the HCRA received further reports that Albion continued building homes in violation of the law.

Following the execution of a search warrant at Albion's offices, the HCRA gathered evidence that led to the laying of 124 new charges against Albion and five business associates, concerning 40 newly constructed homes. The charges encompassed illegal building and selling, failure to enrol homes in the warranty program, non-compliance with regulatory conditions, and being a party to an offence.

While the charges are before the Court, the HCRA has taken interim measures to prevent further illegal activity. The HCRA has frozen Albion's assets, prohibiting the withdrawal of buyer funds, requiring those funds be held in trust. Additionally, a restraining order has been obtained to prevent further violations and to protect consumers.



Ontario Builder Directory

One-stop Resource for Builder Information

A key resource supporting consumers in their home-buying journey is the [Ontario Builder Directory](#). Hosted by the HCRA, this public directory is the authoritative source of background information for over 7,000 builders and sellers in Ontario, including warranty-related information from Tarion.

Most importantly, the Ontario Builder Directory indicates whether a builder or seller is licensed – a vital first step for any potential new home buyer. It also provides details such as a builder’s licensing status, the number of years they’ve been active, the number of homes they’ve built, and any conduct concerns, including any charges and/or convictions against the builder.

The Ontario Builder Directory continues to be enhanced to strengthen consumer protection. Key improvements include:

- Improved search functionality, allowing users to search for regulatory actions, including actions related to insolvent builders and sellers.
- Transitioning from a quarterly to a daily automated feed of warranty and claims information from Tarion; and
- Advancing data integration to automatically post detailed information on Regulatory Actions and Insolvency, with access to related documents for public review.
- Updated definitions to clarify what the information on the directory means.

Communication and Stakeholder Engagement

43 stakeholder events	140,000+ stakeholder event attendees	133,095 new website visitors
147,181 e-newsletter distributions	55 e-newsletter campaigns	25% increase in social media followers



Raising Awareness and Enhancing Relationships

In 2024-2025, the HCRA prioritized the promotion of its consumer education resources, significantly expanding stakeholder engagement and strengthening relationships across the new home building sector.

These efforts focused on raising public awareness of the HCRA's consumer protection mandate, promoting the Ontario Builder Directory, and supporting home buyers in making informed decisions – including the importance of working exclusively with licensed builders.

Specific activities and results included:

Events and Stakeholder Engagements

- Participation in 43 stakeholder events (80% more than the previous year), reaching a total audience of more than 140,000 attendees, including speaking to more than 2,000 consumers at the Fall Cottage Life Show and National Home Show.
- Partnering with the Toronto Region Real Estate Board (TRREB) to deliver an educational webinar and orientation package for new members, recognizing the critical role real estate professionals play as a source of information and advice for new home buyers.
- Conducting a technical education session at the Ontario Building Officials Association (OBOA) annual conference, highlighting the HCRA's efforts to combat illegal building and strengthening ongoing collaboration between the two organizations.
- Cross-province presentations to HCRA stakeholders, led by the CEO and Registrar, to increase awareness of the HCRA and its licensing requirements.

Awareness and Consumer Education Efforts

- Expanding general awareness of the HCRA through sponsored content in major consumer-focused outlets to promote consumer education:
 - Articles featuring the HCRA reached a combined potential audience of 14.5 million. HCRA content appeared in 48 placements across digital and social media platforms, such as e-newsletters, website banners, editorial articles, and full-page advertisements.
 - The HCRA launched two awareness campaigns focused on illegal building and the Ontario Builder Directory across Bell Media's extensive digital network, resulting in 710,649 impressions and 4,497 engagements.
 - Doubling the number of views, the HCRA's The Home Front blog is now the most visited area of the HCRA website for consumer information, with more than 31,000 total views during the year.



Satisfaction Survey Results

In 2024, Innovative Research Group was commissioned by the HCRA to conduct its client satisfaction survey to measure awareness and satisfaction with the services the HCRA offers to consumers and its licensees.

Methodology

Two online surveys were conducted: one targeting current buyers, and another for active HCRA licensees. A total of 8,490 current homeowners and 481 licensees from across Ontario participated in the surveys.

New home buyers who took possession of a newly built home in Ontario between 2017 and 2024 (“new home buyers”) were invited to participate. In total, 272,695 survey invitations were sent to homeowners of new freehold homes and high-rise condominiums.

Licensee contacts were directly supplied by the HCRA and over 5,046 active licensees were invited to complete the survey.

Key Findings

New Home Buyers

- Overall familiarity with the HCRA and the Ontario Builder Directory among new home buyers remains steady at 20%. Increasing familiarity with the organization remains a large opportunity for the HCRA, as identified in our new Strategic Plan and in our annual Business Plan key performance indicators.
- Similar to 2023 results, 11% of homeowners reported having contact with the HCRA, primarily through the HCRA’s website and the Ontario Builder Directory. Of those identified as having had an interaction with the HCRA, 27% expressed dissatisfaction, reinforcing the opportunities for the organization with direct interaction increasing customer satisfaction.
- Although outside of the HCRA’s control, we gauged consumer sentiments on the

building sector, and our findings were that favourability towards the Ontario building sector is a strong predictor of overall impression of the HCRA. Some of these external factors that informed the view of the sector were related to construction timelines, cost, and quality.

- Consistent to 2023 findings, new home buyers continue to show strong interest in resources related to home maintenance and energy efficiency.

Licensees

- Nearly all licensees (94%) are aware of the HCRA, reflecting a five-point increase from 2023. However, similar to last year, one-in-three licensees still find the distinction between the HCRA and Tarion unclear.
- Licensees remain largely satisfied with HCRA services, including customer service (74%), the licensing process (63%), and communications (69%). Among those who have engaged with the HCRA, perceptions of responsiveness and ease of connecting with staff improved in 2024.
- A majority of licensees would welcome educational resources related to the Ontario Building Code, and new building technologies and innovations. When asked about potential resources to support their adoption of new Building Code requirements, licensee identified the top priorities as resources on 2-Unit Houses/Secondary Suites, Structural Design and Radon.

Next Steps

These results continue to highlight the need to build greater awareness of the HCRA among consumers. With only 20% of new home buyers

aware of the HCRA, the organization has already committed through its 2025-2026 Business Plan and new 2025-2030 Strategic Plan, to further enhance digital and stakeholder outreach to improve public awareness of the HCRA. The HCRA is also spending time with its operations teams, to better understand these survey results and how it can inform their day-to-day work. The HCRA looks forward to reporting progress on continuous improvement commitments, coming out of this key feedback source, in next year's Annual Report.

Research & Education

In 2024-2025 the HCRA continued to collaborate with its Building Research & Collaboration Council to support the educational needs of builders and homeowners by promoting best practices in home construction through an evidence-based, cost-effective, and accessible approach.

Research Initiatives

The HCRA has established quarterly Building Research & Collaboration Council meetings with over 40 organizations, to identify trends and inform pilot research priorities and outreach strategies undertaken by the Chief Research Officer.

Educating Builders and Consumers

- **Technical Pilot Event – Preparing for New Trends & Furthering Better Construction Practices:** The HCRA team held an educational seminar focused on best construction practices related to HVAC mechanicals and water penetration in the building envelope. Over 80 attendees participated, including licensees and building officials, noting positive feedback for practical, in-person learning formats.
- **Implementing feedback received from its inaugural survey,** the HCRA launched a digital Resource Hub inclusive of educational tools and materials for licensees and consumers.

Supporting Builders Through Change: Responding to 2024 Ontario Building Code Updates

The new 2024 Ontario Building Code (OBC) came into effect on January 1, 2025 – the largest ever change in the OBC with over 1,700 items being revised. The HCRA continues to support builders in meeting educational needs and adapting to these new requirements, including partnering with the Ontario Home Builders' Association (OHBA), Ministry of Municipal Affairs and Housing (MMAH), the Ontario Building Officials Association (OBOA) and various municipalities to deliver and provide access to educational content including a widely attended webinar (nearly 4,000 registrants) on the Building Code.



Corporate Policies

Corporate policies are used to guide the organization's decision-making. The following policies are required to be publicly available as set out in the Administrative Agreement between the HCRA and the Minister of Public and Business Service Delivery and Procurement:

- Complaints About the HCRA Policy
- Expense Policy
- Procurement Policy

The HCRA did not make any changes to these policies in 2024-2025.

Complaints about the HCRA

Members of the public may submit complaints regarding the conduct of HCRA staff in delivering its services, such as concerns with a lack of professionalism, respect or honesty from the HCRA staff member engaging with the individual. Please note that this policy does not apply to complaints related to the outcomes of regulatory decisions made by the HCRA.

The policy requires the Complaints Officer to conduct a fair review of each complaint and recommend action based on the specifics of the complaint, as necessary.

The Complaints Officer submits recommendations to the CEO or, if the complaint is about the CEO, to the HCRA's Board Chair. The CEO or Board Chair, as appropriate, will determine how to implement the Complaints Officer's recommendations.

In responding to these complaints, the HCRA will consider a range of outcomes. These can include:

- Making changes to HCRA practices and procedures;
- Proposing training, information updates or other recommendations for staff members; and/or
- Determining if other actions are required, based on the specifics of a particular case.

In 2024-2025, the HCRA received six complaints that were purported to be under this policy. Upon review, the complaints were found to be about the HCRA corporate policies or regulatory decisions and not related to the conduct of HCRA staff delivering its services.

Review of Legislation, By-Law and Policy Changes

Legislative Changes

In 2024-25, the Ontario government's Bill 200, The Homeowner Protection Act, 2024, received Royal Assent. This bill amends various pieces of legislation including the HCRA's delegated legislation, the NHCLA. However, the material amendments introduced by the bill – such as the proposed rescission period for agreements of purchase and sale of freehold homes – did not come into force during this fiscal year.

Non-material amendments to O. Reg. 631/20 were brought into force to update references to the Ontario Building Code.



Financial Report

Management Discussion and Analysis

The HCRA is a private, not-for-profit corporation without share capital that was designated by the Minister of Government and Consumer Services (now Minister of Public and Business Service Delivery and Procurement) on February 1, 2021. The following management discussion and analysis provides supplementary information for stakeholders and other readers of the financial statements of the HCRA for the financial year ended March 31, 2025. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2025, prepared in accordance with the Canadian Accounting Standards for not-for-profit organizations.

Revenues

Operating revenues for the fiscal year ended March 31, 2025, derived primarily from funding received from new licence and renewal fees, a per unit regulatory oversight fee, and an investigation recovery fee. Other income revenue includes interest earned, which is recognized as it is earned.

Since becoming operational in 2021, the HCRA has absorbed rising operating expenses, including government oversight fees and general costs, while working to meet the sector's growing needs. Due to a decrease in revenue based on new unit counts, the HCRA experienced a deficit for the first time in 2023-2024 and has continued on this trend with a deficit of almost \$3.3 million in 2024-2025. The HCRA now anticipates deficit budgets into 2027-2028.

To address continued inflationary pressures, the HCRA will be reviewing and consulting on proposed adjustments to its licensing and per unit fees. The HCRA will also explore additional financial mitigation strategies to ensure long-term sustainability while maintaining the integrity and delivery of its core regulatory responsibilities.

More details on the consultation including HCRA's analysis of the financial impact are available on our [website](#).

The revenue details for fiscal year 2024-2025 and fiscal year 2023-2024 are as follows:

Category	2025	2024
Per unit oversight fees	5,328,660	6,369,754
New licensing and renewal fees	4,299,800	4,522,300
Investigation recovery	456,894	598,160
Other	539,216	526,558
Tarion Warranty Corporation funding for operations	907,778	500,000
Amortization of deferred capital contributions	373,328	373,328

Expenses

The total operational expenses were \$15,192,954 for fiscal year 2024-2025 compared to \$13,365,374 for fiscal 2023-2024.

Category	2025	2024
Human resources	9,292,140	8,923,776
Information technology	1,318,622	1,115,445
Financial services	917,420	924,974
Amortization of tangible and intangible capital assets	950,367	734,851
General and administrative	702,502	474,721
Office space	499,906	452,770
Legal services	850,949	232,429
Consulting services	207,556	225,844
Board expenses	146,615	140,564
Regulatory oversight fee	306,877	140,000

Net Assets

For 2024-25, the excess of expenses over revenue arrived at \$(3,287,278), resulting in a final closing net asset balance of \$10,182,942.



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Independent Auditor's Report

To the Board of Directors of Home Construction Regulatory Authority

Opinion

We have audited the financial statements of Home Construction Regulatory Authority (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2024-2025.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2024-2025 as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 22, 2025

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 6,692,173	\$ 10,807,769
Accounts receivable	819,873	1,189,044
Prepaid expenses	403,969	329,860
	7,916,015	12,326,673
Tangible capital assets (note 2)	587,991	800,152
Intangible capital assets (note 2)	5,683,060	5,016,050
	\$ 14,187,066	\$ 18,142,875
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 1,759,609	\$ 1,137,195
Deferred revenue (note 4(b))	–	917,617
Loan payable (note 5)	683,820	683,820
	2,443,429	2,738,632
Deferred capital contributions (note 4(c))	1,560,695	1,934,023
Net assets:		
Investment in tangible and intangible capital assets	4,710,356	3,882,179
Internally restricted operating reserve (note 4(a))	4,500,000	4,500,000
Unrestricted	972,586	5,088,041
	10,182,942	13,470,220
Commitment (note 7)		
Financial risks (note 8)		
	\$ 14,187,066	\$ 18,142,875

See accompanying notes to financial statements.

On behalf of the Board:

Terence Young
Board Chair

Marg Rappolt
Chair of Finance, Audit and Risk Committee

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Per unit oversight fees	\$ 5,328,660	\$ 6,369,754
New licensing and renewal fees	4,299,800	4,522,300
Investigation recovery	456,894	598,160
Other (note 6)	539,216	526,558
Tarion Warranty Corporation funding for operations (notes 4(a) and 5)	907,778	500,000
Amortization of deferred capital contributions (note 4(c))	373,328	373,328
	11,905,676	12,890,100
Expenses:		
Human resources	9,292,140	8,923,776
Information technology	1,318,622	1,115,445
Financial services	917,420	924,974
Amortization of tangible and intangible capital assets	950,367	734,851
General and administrative	702,502	474,721
Office space	499,906	452,770
Legal services	850,949	232,429
Consulting services	207,556	225,844
Board expenses	146,615	140,564
Regulatory oversight fee	306,877	140,000
	15,192,954	13,365,374
Deficiency of revenue over expenses	\$ (3,287,278)	\$ (475,274)

See accompanying notes to financial statements.



Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

			2025		2024
	Investment in tangible and intangible capital assets	Internally restricted operating reserve (note 4(a))	Unrestricted	Total	Total
Balance, beginning of year	\$ 3,882,179	\$ 4,500,000	\$ 5,088,041	\$ 13,470,220	\$13,945,494
Deficiency of revenue over expenses	–	–	(3,287,278)	(3,287,278)	(475,274)
Purchase of tangible and intangible capital assets	1,405,216	–	(1,405,216)	–	–
Amortization of capital and intangible assets	(950,367)	–	950,367	–	–
Amortization of deferred capital contributions	373,328	–	(373,328)	–	–
Balance, end of year	\$ 4,710,356	\$ 4,500,000	\$ 972,586	\$ 10,182,942	\$ 13,470,220

See accompanying notes to financial statements.



Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (3,287,278)	\$ (475,274)
Items not involving cash:		
Amortization of capital assets	950,367	734,851
Amortization of deferred capital contributions	(373,328)	(373,328)
Change in non-cash operating working capital:		
Accounts receivable	369,171	(730,277)
Prepaid expenses	(74,109)	104,526
Accounts payable and accrued liabilities	622,414	4,715
Deferred revenue	(917,617)	9,839
	(2,710,380)	(724,948)
Financing activities:		
Loan payable forgiven (note 5)	(683,820)	(500,000)
Proceeds from loan payable	683,820	391,355
	—	(108,645)
Investing activities:		
Purchase of tangible and intangible capital assets	(1,405,216)	(1,852,397)
Decrease in cash	(4,115,596)	(2,685,990)
Cash, beginning of year	10,807,769	13,493,759
Cash, end of year	\$ 6,692,173	\$ 10,807,769

See accompanying notes to financial statements.



Notes to Financial Statements

Year ended March 31, 2025

The Home Construction Regulatory Authority (“HCRA”) is a private, not-for-profit corporation without share capital that was designated by the Government of Ontario as a regulatory authority on February 1, 2021. The licensing and compliance role was transferred from Tarion Warranty Corporation (“Tarion”) (predecessor). HCRA is designated under the New Home Construction Licensing Act, 2017 (“NHCLA”) to promote and protect public interest through public education and carrying out licensing and regulatory oversight of Ontario’s new home builders and vendors.

1. Significant accounting policies:

a. Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations applied in Part III of the Chartered Professional Accountants of Canada Handbook.

b. Revenue recognition:

The deferral method is applied to recognize revenue when earned in the year a performance obligation has been satisfied.

Tarion funding for operations is externally restricted and recognized as revenue under the terms of an agreement described in note 4(a) (the “Agreement”) up to the completion of the post-doors open phase. Funding provided is earned in accordance with the Agreement, which requires utilization of the funds to establish an operating reserve for financial stability.

Capital contributions received in the build out period for the acquisition and development of capital assets are deferred and amortized on a straight-line basis at a rate that corresponds to the amortization rate of the related capital assets.

Licensing revenue is derived from builders and new home vendors applying for new licences or licence renewals. A fee is charged when the applications are submitted. The fees remitted for applications are non-refundable and are not contingent on the issuance of a licence. New licensing and renewal revenue is recognized at the time applications are submitted with the corresponding fees.

A regulatory oversight fee (per unit oversight fee) is charged for each new home unit enrolled with Tarion. Fees are recognized in the year of enrolment.

Recoverable costs for joint investigations with Tarion are recorded as revenue in the year costs are incurred and services are rendered.

Funds pursuant to monetary fines, penalties, or settlements are recorded when amounts are deemed collectible, unless in management’s determination the amount is significantly doubtful, in which case they are recognized when payments are received.

Investment income is recognized when earned.

c. Expenses:

Expenses are recorded on an accrual basis in the year goods were received or purchased services were performed.

d. Financial instruments:

Acquisition of financial instruments are recorded at fair value. Equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are carried at original cost or amortized cost, unless management has elected for the instruments to be carried at fair value. HCRA has elected not to carry these investments at fair value.

Transaction costs are expensed as incurred for financial instruments carried at fair value. Other financial instruments carried at cost or amortized cost include transaction and financing costs that are amortized using the straight-line method.

Annually, financial assets are assessed for impairment at the end of the fiscal year. Monitoring and testing for impairments is performed to determine impact. Significant adverse changes in the expected amounts or timing of future cash flows from the financial asset are considered impairments.

In the event of a significant change, the carrying value of the financial asset is reduced to the highest of the present value of the expected future cash flows, the amount that could be realized from selling the financial asset, or the amount that would be realized from exercising rights to any collateral. If circumstances reverse in future years, the impairment is reversed to the extent of the fair value amount and not to exceed the initial carrying value.

e. Tangible and intangible capital assets:

Purchased tangible capital assets are recorded at cost and amortized when placed in service. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated useful life of an asset are capitalized. When a capital asset is no longer able to provide services, the carrying value is written down to its residual value and disposed of.

Intangible capital assets under development are capitalized and amortized when substantially completed and placed in service.

Capital assets are amortized over their estimated useful life on a straight-line basis as follows:

Tangible:	
Computer hardware	3 years
Leasehold improvements	Lease term
Office equipment	5 years
Intangible:	
IT infrastructure software	10 years

f. Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful life lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

2. Tangible and intangible capital assets:

Tangible capital assets consist of the following assets as at March 31:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 450,303	\$ 315,456	\$ 134,847	\$ 192,710
Leasehold improvements	654,035	265,220	388,815	498,114
Office equipment	225,000	160,671	64,329	109,328
	\$1,329,338	\$ 741,347	\$ 587,991	\$ 800,152

Intangible capital assets consist of IT infrastructure software applications developed or enhanced internally.

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 7,809,989	\$ 2,126,929	\$ 5,683,060	\$ 5,016,050

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$20,311 (2024 - \$5,023) relating to federal and provincial sales taxes.

4. Tarion funding:

a. Purpose of funding:

On May 31, 2019, and amended on November 25, 2020, HCRA and Tarion entered into the Agreement that provides for three stages of funding, start-up, build-out and post-doors open. Funds received are intended for the development of operating systems, establishing business processes, building an operating reserve and provide contingency funding.

The funding for operations is externally restricted and recognized as revenue under the terms of the Agreement up to the completion of the post-doors open phase. During the post-doors open (third) phase, the remaining deferred revenue funds from prior phases was retained to establish an operating reserve for financial stability.

The Agreement ended on March 31, 2025 and the remaining deferred revenue was taken into revenue in accordance with the intent to build an operating reserve from residual funds.

b. Deferred revenue:

Deferred revenue represents Tarion funding and customer fees received in advance that relates to subsequent periods. The movements in deferred revenue during the year were:

	2025	2024
Balance, beginning of year	\$ 917,617	\$ 907,778
Add:		
Application fees received	–	9,839
Less:		
Application fees recognized	(9,839)	–
Revenue recognized	(907,778)	–
Balance, end of year	\$ –	\$ 917,617

c. Deferred capital contributions:

Deferred capital contributions represent Tarion funding used primarily in the development of IT infrastructure software, amongst other assets.

	2025	2024
Balance, beginning of year	\$ 1,934,023	\$ 2,307,351
Less		
amortization of deferred capital contributions	373,328	373,328
Balance, end of year	\$ 1,560,695	\$ 1,934,023

5. Loan payable:

Financial support for establishing an operating reserve was provided under the terms of the Agreement for the three-year period ending January 31, 2024. The first transfer payment was received in December 2020 for \$1,250,000 consisting of a grant component of \$750,000 and a repayable amount of \$500,000. The grant was recognized as revenue in the prior fiscal year (note 4(a)). The repayable amount was reported as an interest-free loan payable in fiscal 2023 due January 31, 2024.

Repayment was dependent on achieving certain outcomes per the Agreement. The amount due was calculated as the number of new home enrolments in the calendar year 2023 exceeding 60,000 multiplied by \$145 to a maximum of \$500,000 without interest. During the calendar year 2023 enrolments did not exceed 60,000 therefore, this amount was recognized as revenue at maturity in fiscal 2024. No amounts were repaid under the terms of the Agreement.

Under Agreement, the HCRA received two separate payments in 2022 and 2023 in the amount of \$292,465 and \$391,355 respectively totalling \$683,820. These payments were received in the form of a non-interest-bearing loan under section 3.2B of the Agreement. The purpose of these loans was to provide for a contingency fund in the event of low home enrolments encountered post-doors open. During this period, enrolment volumes satisfied the terms of the Agreement, and the loans became due and payable on March 31, 2025.

This loan was refinanced by a new financing arrangement with Tarion. The terms of the new agreement will require a repayment of \$200,000 on May 15, 2025, and the balance due on May 15, 2026.

6. Other revenue

	2025	2024
Interest income	\$ 385,945	\$ 524,323
Monetary fines / penalties / settlements	151,313	–
Other	1,958	2,235
Balance, end of year	\$ 539,216	\$ 526,558

7. Commitment:

On December 13, 2019, HCRA signed a lease agreement with the landlord at 40 Sheppard Avenue West, Suite 400, Toronto, Ontario, M2N 6K9 until September 30, 2028. The commitment includes step-ups of base rent effective October 1, 2024 and October 1, 2025. The future base rentals are as follows:

2026	\$ 136,000
2027	143,000
2028	143,000
2029	71,600
	\$ 493,600

A component of the lease agreement includes additional rent charged. These expenses are a proportionate share of the property's common area maintenance expenses and recharges for services that may be directly used by a tenant in the year incurred. The obligation is not pre-set to specified amounts as the variability is based on consumption. It is not included as part of the above commitment table.

8. Financial risks:

HCRA does not believe it is exposed to significant interest rate risk or market risk. There is no change to the risk exposure from 2024, except as described in note 8(c).

a. Liquidity risk:

Liquidity risk is the risk that HCRA will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Excess cash not required for short-term operational needs are surplus funds. From time to time, available funds are invested in risk-free, highly liquid financial instruments to earn interest income on secured principal balances. Financial instruments, including term deposits, guaranteed investment certificates and money market funds, are selected to manage market volatility and limit financial interest, credit, and cash flow exposure risks.

b. Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. HCRA is exposed to credit risk with respect to the accounts receivable. HCRA assesses, on a continuous basis, accounts receivable, and provides for any amounts that are not collectible in the allowance for doubtful accounts. There are no amounts provided for 2025 (2024 - nil). Payment of all fees is a requirement under the NHCLA. All licensees are required to pay any fees owing as a condition of their license.

c. General economic risk:

HCRA continues to monitor emerging trends to make any necessary changes and adapt its business model. Its financial performance is sensitive to general market conditions in new home construction and consumer behaviour. Management estimates and assumptions in the business model, and strategic priorities are based on economic and financial outlook that incorporates a provision for short-term inflationary pressures, interest rates impact and economic uncertainty impacting new home sales.





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