

Home Construction Regulatory Authority (HCRA)



On October 1, 2025, the Office of the Auditor General of Ontario (OAGO) released a [Performance Audit](#) of the Home Construction Regulatory Authority (HCRA). The report includes recommendations aimed at enhancing the HCRA’s oversight of new home builders and sellers across the province.

As one of Ontario’s newest regulators, the HCRA supports the Auditor General’s recommendations and is committed to working collaboratively with stakeholders to strengthen its service delivery and accountability to protect Ontario homebuyers.

The following details the HCRA’s commitment to the implementation timeline of the OAGO’s Performance Audit recommendations.

	OAGO Recommendations	Estimated Implementation Timeline Short-term: ≤2 years Long-term: >2 to 5 years
1	We recommend that HCRA implement automated controls within its CRM system that checks licensee conduct and compliance history data against applications to confirm eligibility for fast-track renewals.	Short-term
2.1	We recommend that HCRA: • review and determine if higher credit score thresholds would be a more effective indicator of whether applicants can be expected to be financially responsible in the conduct of business and update them as needed;	Short-term
2.2	• develop decision-making guidelines for the review and approval of applications that do not meet the credit score threshold;	Short-term
2.3	• develop and implement processes for the mandatory consideration of licensee and related party insolvencies in the assessment of licence applications;	Short-term
2.4	• evaluate the financial position of officers and directors of applicants, as required by the NHCLA; and	Short-term
2.5	• assess what additional financial information could assist HCRA to evaluate applicant financial responsibility in the conduct of business, including financial statements, financial ratios and indicators, tax returns, and Tarion claims for deposit refunds, and develop and implement a policy and process to use this information to assess applicants.	Short-term: Assessment Long-term: Policy
3.1	We recommend that HCRA: • work with the Ministry to establish a regular and ongoing process to obtain and verify all required licensee business information from the Ontario Business Registry; and	Long-term

3.2	• establish a regular and ongoing process to verify federally incorporated licensee business information with Corporations Canada.	Short-term
4.1	We recommend that HCRA work with the Ministry to: • establish best practice technical competency standards that individuals in home building companies who supervise day-to-day construction should demonstrate;	NA
4.2	• establish mandatory continuing education requirements for all licensees; and	NA
4.3	• implement processes to monitor and facilitate licensee compliance with such requirements.	NA
5.1	We recommend that HCRA: • develop a risk rating system that incorporates relevant licensee risk factors;	Long-term
5.2	• assign a risk rating to each licensee; and	Long-term
5.3	• develop and implement processes for conducting proactive oversight, monitoring and enforcement activities that are guided by licensee risk ratings.	Long-term
6.1	We recommend that HCRA: • review significant variances in the time it takes different complaint handlers to close a complaint, identify root causes and develop best practices in complaint processing;	Long-term
6.2	• set benchmarks for the time it takes to assign a complaint to a complaint handler, as well the time it takes for the complaint handler to close the complaint, and review cases where complaints exceed these benchmarks; and	Long-term
6.3	• perform an analysis to establish technological resource and staff requirements that would allow HCRA to address complaints at a rate that keeps pace with the volume received.	Short-term
7.1	We recommend that HCRA: • use its CRM system to record and track identified licensee contraventions of regulatory requirements; and	Short-term
7.2	• conduct regular analysis of all complaints and contraventions of regulatory requirements to identify and investigate trends and concerns, and to take corrective action where necessary.	Long-term
8.1	We recommend that HCRA: • request that municipalities regularly share building permit data with HCRA so it can correlate it to licences to help identify illegal builders; and	Long-term
8.2	• work with the Ministry to periodically obtain data on fines and charges laid under the <i>Building Code Act, 1992</i> from the Ministry of the Attorney General and incorporate this information into HCRA's oversight of licensees.	Long-term

9.1	We recommend that HCRA: • include in its business plan, measures and targets to assess the performance of planned activities intended to support the achievement of strategic objectives; and	Short-term
9.2	• include in its annual report the strategic objectives and activities identified in its business plan, whether those activities were completed during the year, whether activity targets were met, and explanations in instances where activity targets were not met.	Short-term
10	We recommend that HCRA work with Ministry to develop and report on performance indicators that measure the effectiveness of HCRA's core licensing, oversight and enforcement activities.	Long-term