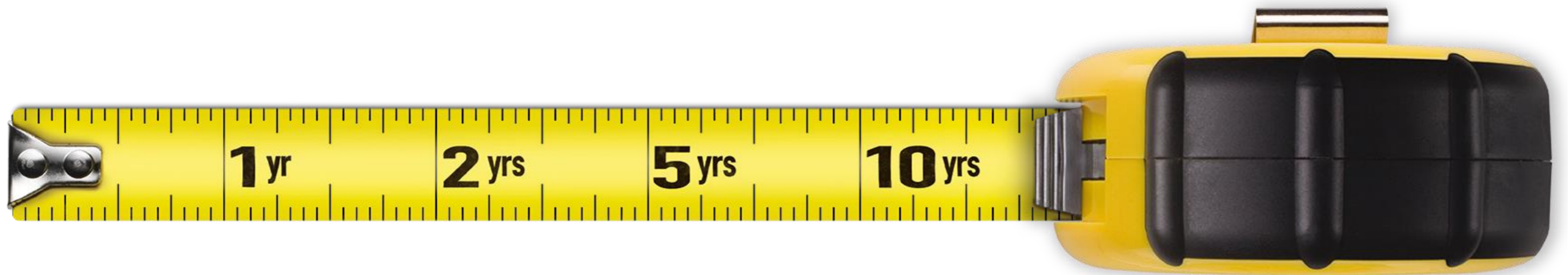


New Home Buyer Protection



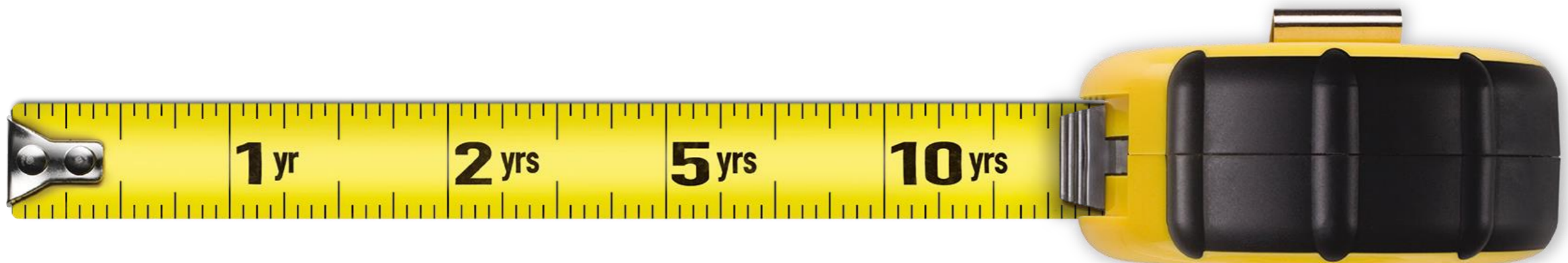
Home Warranties for Albertans

Background and Intention of NHBPA

- MA identified homes experiencing serious, costly problems with building envelope.
 - Across Alberta, all types of homes.

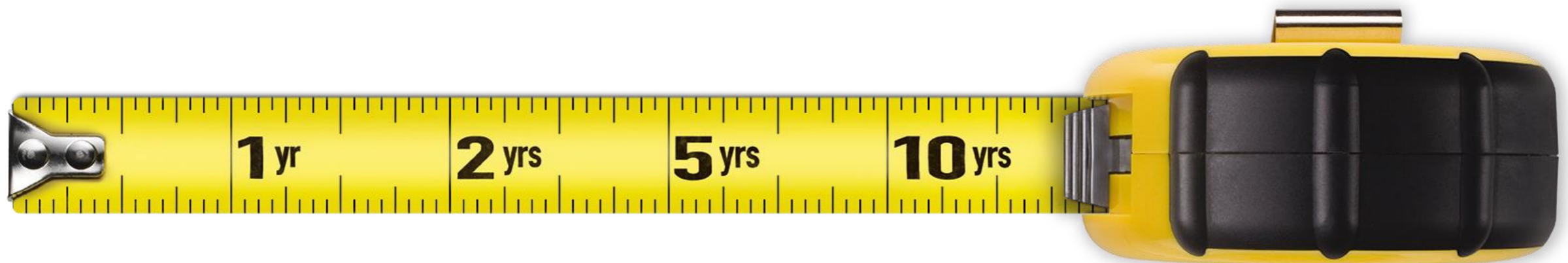
NHBPA:

- **Enhance the standard of building in Alberta.**
- **Improve consumer protection and recourse options.**



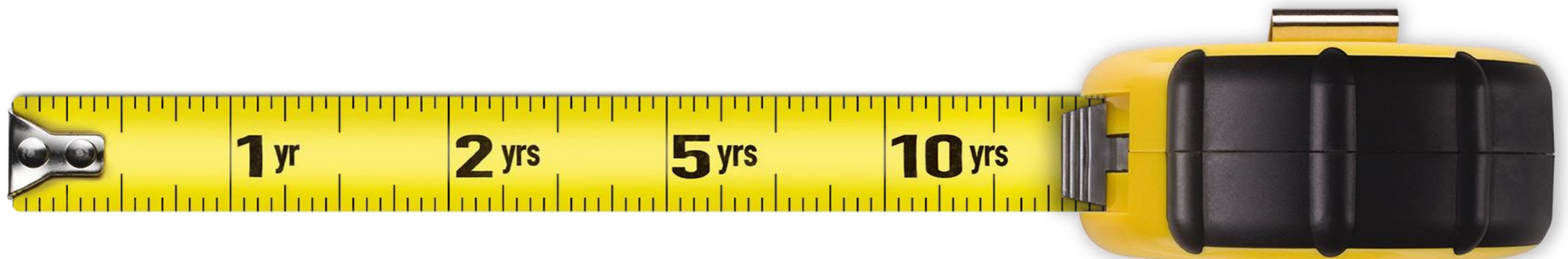
Relevant Legislation

- **New Home Buyer Protection Act**
 - ✓ Came into force February 1, 2014
 - ✓ New Home Buyer Protection General Regulation
 - ✓ New Home Buyer Protection Ministerial Regulation
 - ✓ Amendment to Permit Regulation (SCA)
- **Insurance Act**
 - ✓ Warranty contracts are contracts of insurance governed by the Insurance Act.
 - ✓ Dispute resolution process will flow out of the Insurance Act and regulations.
 - ✓ Home Warranty Insurance Regulation



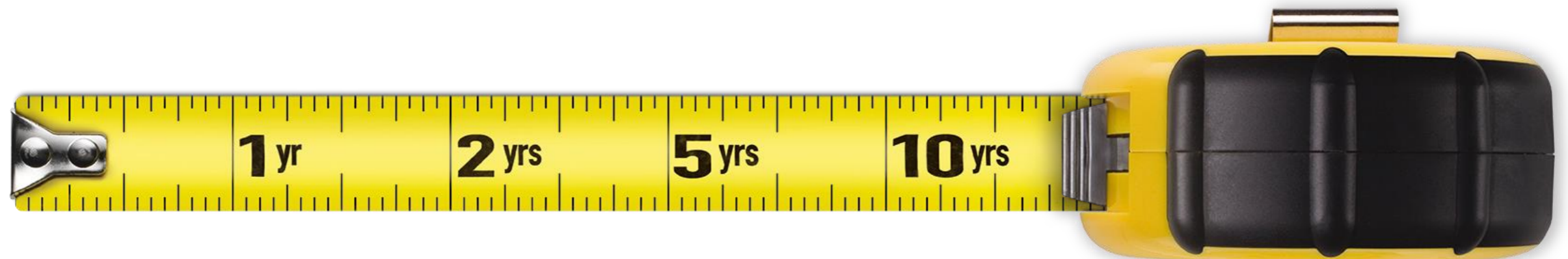
Required Coverage

- **Mandatory Minimum Coverage:**
 - ✓ 1 year on labour and materials,
 - ✓ 2 years for defects in labour and materials related to delivery and distribution systems,
 - ✓ 5 years on building envelope, with requirement to offer additional 2 years, and
 - ✓ 10 years on major structural components.



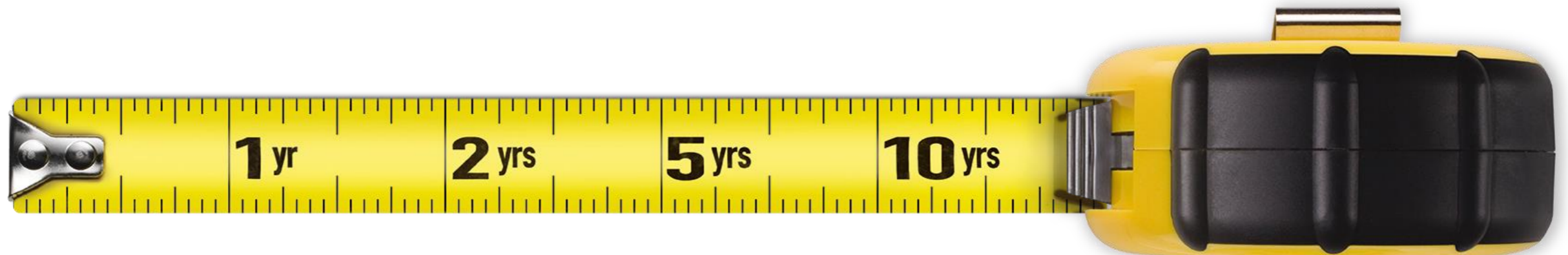
New Home Buyer Protection Act

- Applies to all new residential construction built under a permit applied for after the Act comes into force.
- Includes houses, condominiums, recreational properties (cottages and cabins), and modular and manufactured homes.
- Includes major reconstruction, based on percentage of rebuilt square footage.



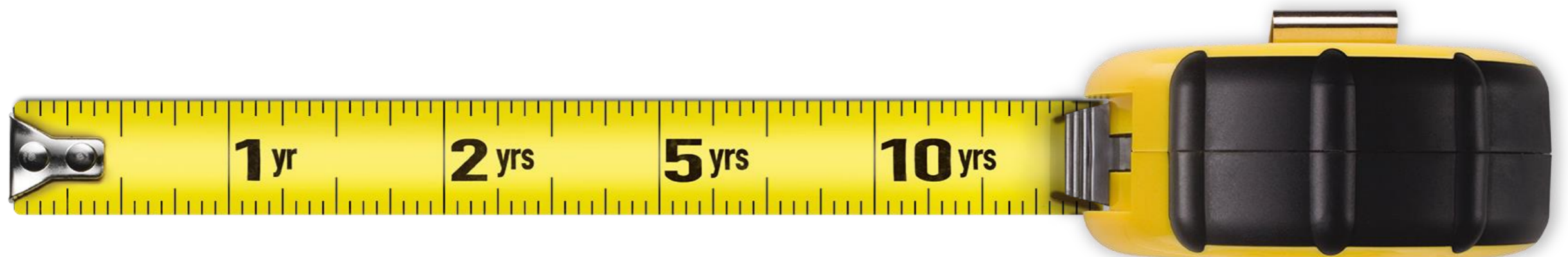
Application of the NHBPA

- **Does not apply to:**
 - hotels, motels, dormitories, care facilities, relocatable work camps, Habitat for Humanity, the Alberta Social Housing Corporation
 - detached amenity buildings, parking garages, recreation facilities and swimming pools.
- **If unclear consider ABC definition of dwelling unit:**
 - Dwelling unit means a suite operated as a housekeeping unit, used or intended to be used by one or more persons and usually containing cooking, eating, living, sleeping and sanitary facilities.



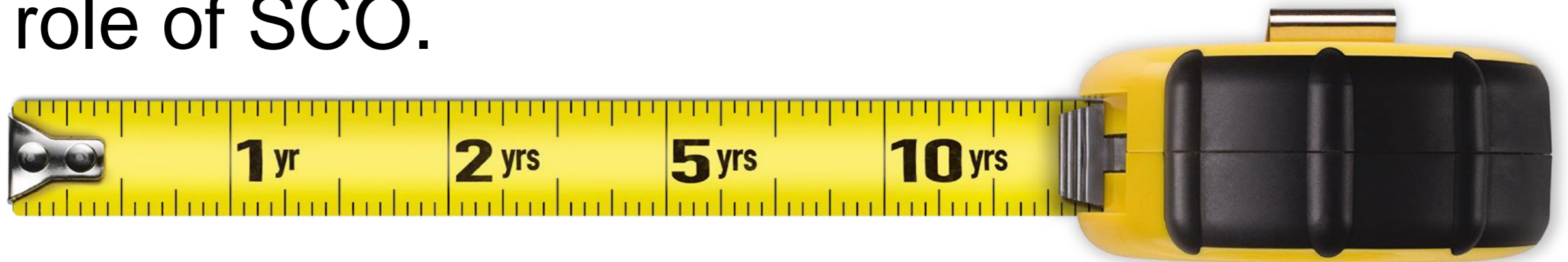
Owner Builders

- May build with warranty
- Apply for an Authorization to build without warranty.
 - ✓ Must be building their own home and intend to live in it for 10 years.
 - ✓ Can only apply once every 3 years.
 - ✓ Applicants must be on title
- If an Authorization is in place, the home may not be sold without warranty for 10-years.
- Processing time 10-14 days.



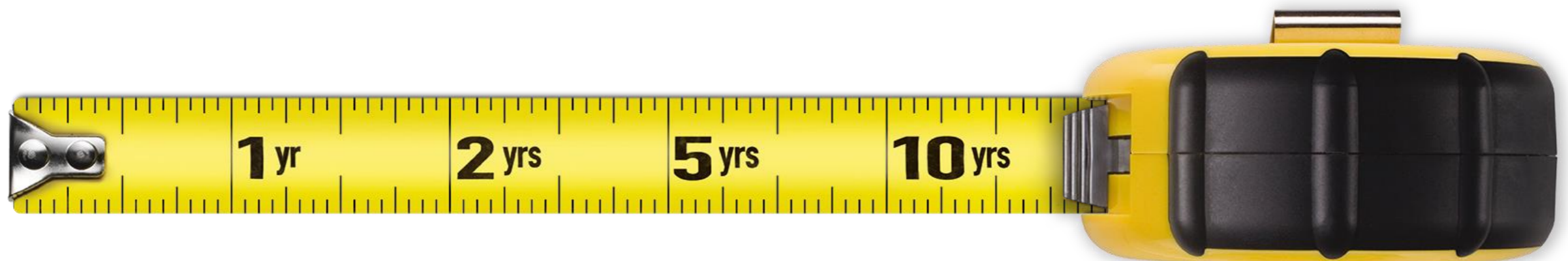
Role of NHBPO

- Support to builders, warranty providers, homeowners and permit issuers.
 - Legislative interpretation
 - System and administrative support
 - Public Education
- Process registrations and authorizations efficiently to support permit process.
- Compliance officers do not duplicate role of SCO.



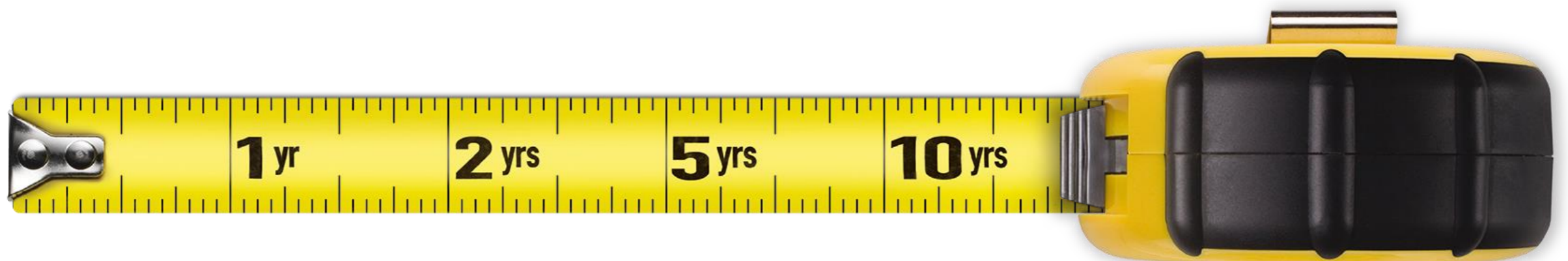
Role of Builders and Warranty Providers

- Obtain and offer warranty coverage meeting the minimum requirements of the NHBPA.
- Enter all new residential construction into the Public Registry of the NHBPS.
- Ensure that the data in the Public Registry is accurate and up-to-date.
- Provide proof of warranty coverage to permit issuers.
- Warranty providers use the NHBPS to validate builders and confirm warranty coverage



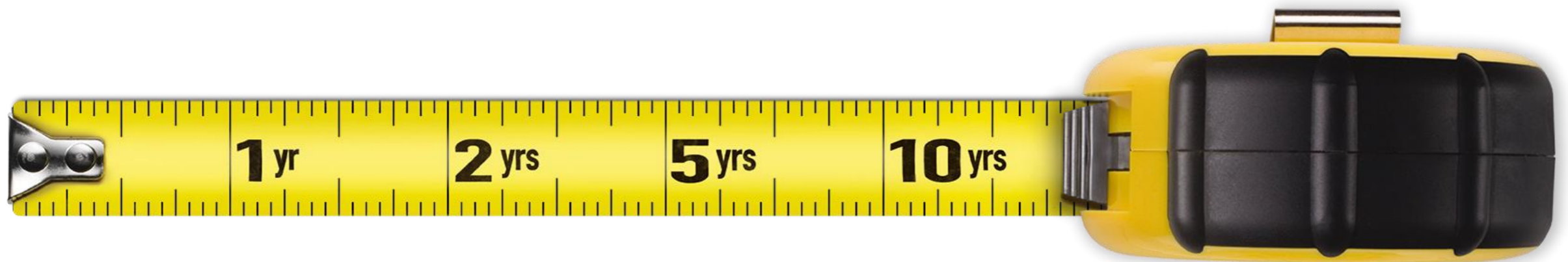
Role of Permit Issuers

- Issue building permits for new home construction when warranty or exemption/authorization is in place
- Addressing confirmation.
- Information regarding type of development.
- De-enrollment support.



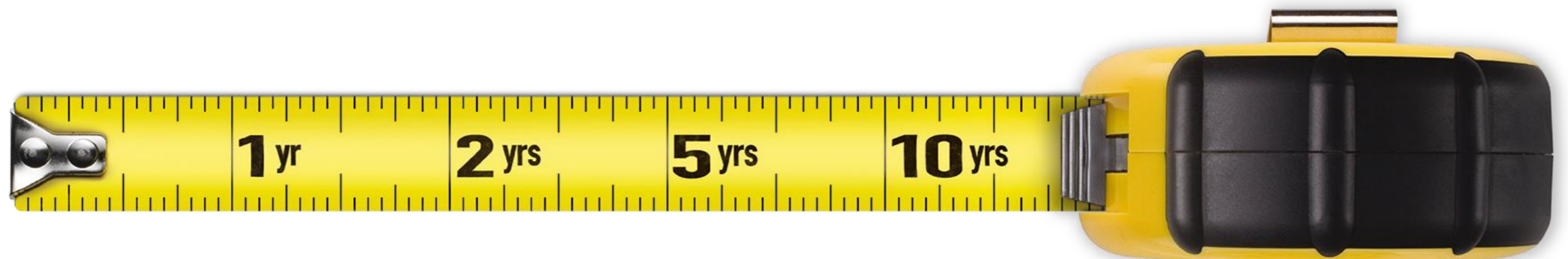
Construction Activity

- Over 41,000 units registered in the system February 2014 to mid March 2015.
- 900+ Owner Builder Authorizations
- 32,000 registered from February 1 - December 31, 2014.
- Consistent with housing start predictions.



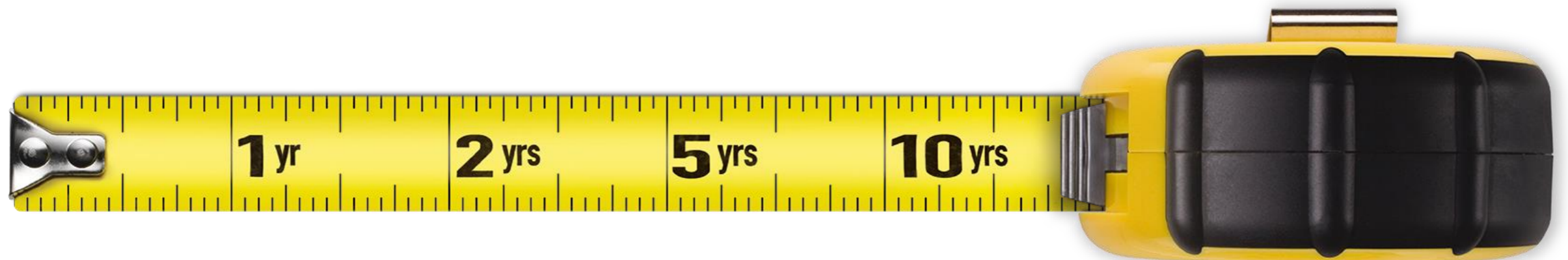
Construction Activity

- Small and large builders are doing business in Alberta and have registered projects in NHBPS.
- 3000 builders and owner builders with and without warranty.
 - 1500 were builders of 1-5 single family homes, 900 were outside the urban centres (Feb-Dec).
 - 209 builders registered 6-10 units in NHBPS.
- 7 warranty providers in Alberta, (4 pre-2014).



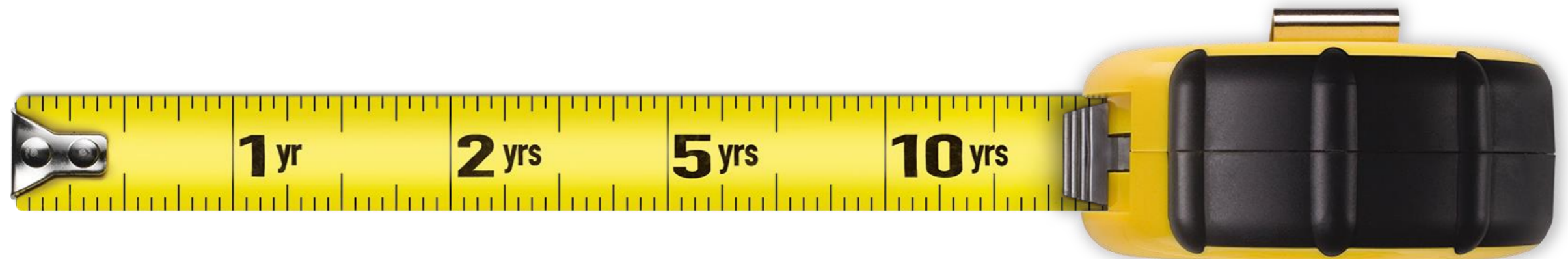
Supporting Deliverables

- Construction Performance Guide for New Home Warranty in Alberta
- NHBPS - Online New Home Registry System
- Public Education



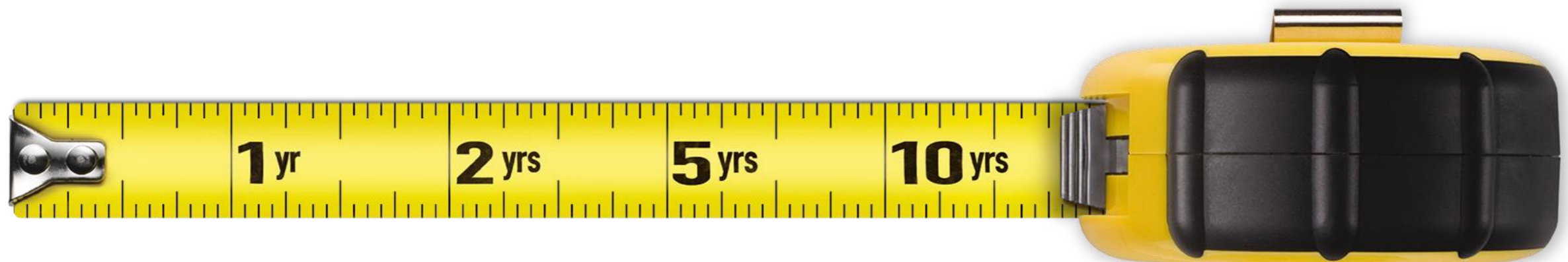
Construction Performance Guide

- Developed with representatives from government, home warranty and construction industry.
- Standardized catalog of defects to be used by all warranty providers and builders.
 - ✓ Defect description, acceptable performance, applicable coverage, expected action, et al.



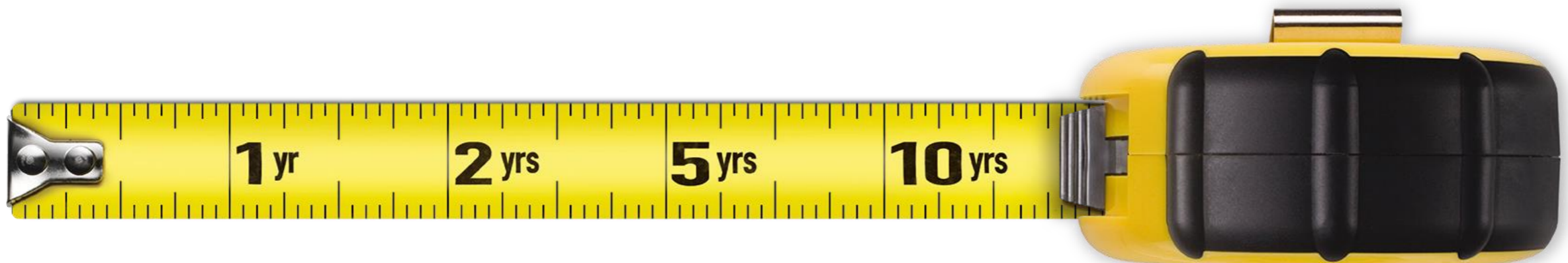
Goals of the Guide

- Catalog issues homeowners might discover throughout the life of their home.
- Explain how homeowners can expect a particular issue to be acted on under the New Home Buyer Protection Act and its regulations.
- Not mean't to be comprehensive or exclusive



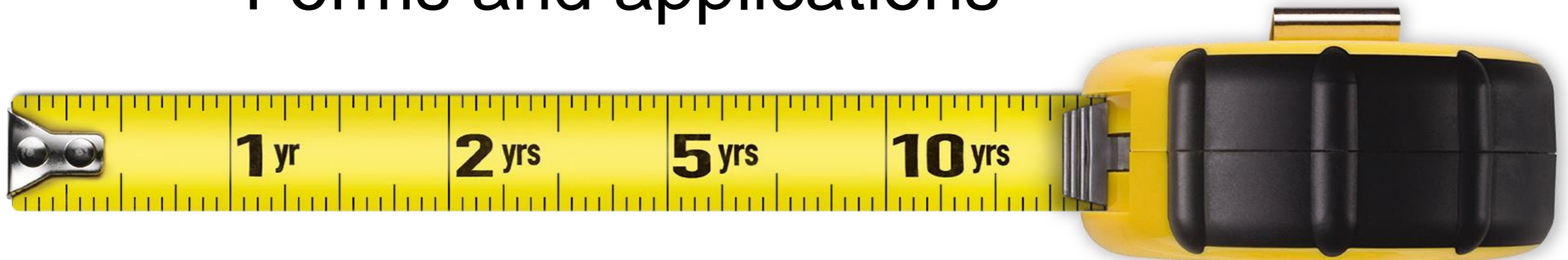
Intended Users

- Homeowners & Homebuyers
- Builders
- Warranty Providers
- Other Stakeholders (i.e., trades)



Public Education

- Educating the public is critical to success.
 - Change public view of homes.
 - Education and awareness campaigns
Jan - Feb 2014 and Sept - Nov 2014.
- Educational and information documents on the Municipal Affairs website.
 - Registrar's bulletins
 - NHBPS documentation
 - Forms and applications



For More Information

- www.homewarranty.alberta.ca
- http://municipalaffairs.alberta.ca/alberta_home_warranties.cfm
- Toll Free - 1-866-421-6929
- HomeWarranty.Inquiries@gov.ab.ca

