

## FREQUENTLY ASKED QUESTIONS

### **Q. What happens on December 1, 2017?**

On December 1, 2017 licensing requirements take effect for residential builders in Alberta. Going forward, builders will need to be licenced in order to obtain building permits for new homes and to register new homes.

Provisional licences will be given to builders who have been active in Alberta over the last two years and who have a good track record. This is a temporary licence that will allow builders to continue building, it will be business as usual for them. Full licence applications will also be available online on December 1.

### **Q. What are the implementation timelines?**

**Prior to December 1<sup>st</sup>** - No licence is required to issue building permits, only warranty coverage.

**December 1, 2017** - Program requirements come into effect. Provisional licences are issued to existing builders in good standing.

**March 31, 2018** - All builders, including those with a provisional licence, are encouraged to submit their licence application before this date.

**May 1, 2018** - Provisional licences expire. All builders must have a full licence after this date in order to obtain building permits for new homes and to build new homes in Alberta.

### **Q. Are there different licence types?**

Yes, builders can apply for either a developer or general contractor licence.

A provisional licence will cover both classes of licence.

### **Q. Is this applicable to all permit applications?**

Any building permit applied for before December 1, 2017 but not issued will be grandfathered. All new permits applied on December 1, 2017 and onwards will require a builder licence.

### **Q. Is there a public registry for the approved builders that is available for our reference?**

An interim registry will list all licensed builders, and will be available at: [www.builderlicensing.alberta.ca](http://www.builderlicensing.alberta.ca). A full public registry will be available in spring, 2018.

Builder Licensing Program  
New Home Buyer Protection Office  
Alberta Municipal Affairs  
16th Floor, Commerce Place  
10155 - 102 St. NW, Edmonton, AB T5J 4L4

**From:** Monte Krueger  
Registrar  
New Home Buyer Protection Office

**To:** Chief Administrative Officers

**Date:** November 23, 2017

**Subject: Builder Licence: Active Building Permit Applications**

As you are aware, effective December 1, 2017, residential builders in Alberta will be required to have a builder licence to obtain building permits for new homes.

We have received inquiries about the implementation of this regulation regarding when the requirements must be met. Specifically, the question of how to process applications currently in the system has been raised by multiple municipal officials.

A primary goal during the implementation of builder licensing is the avoidance of disruption to any builds currently in process, including any projects currently in the planning phase. To this end, implementation is premised on a "phased" approach, specifically to allow flexibility to avoid backlogs in the system, not create additional work, and to allow a reasonable period for builders to become compliant.

Our understanding is that using the date of permit issuance as the "in force" compliance date for the new regulation will negatively impact a large number of permits currently in the system, and create significant backlogs. This is not a desirable outcome, and does not meet the intent of avoiding disruption to the system.

Municipal Affairs' position is that any building permits applied for before December 1, 2017 should be "grandfathered", and any new permits applied for on December 1, 2017 onwards would require a provisional licence.

Builder licensing is a significant shift for residential construction in Alberta, and Municipal Affairs is committed to working with stakeholders during implementation to ensure that implementation is as seamless as possible. We appreciate your support and comments, and are interested in how to support your work as we implement this program.

If you have any questions, please email [builderlicensing@gov.ab.ca](mailto:builderlicensing@gov.ab.ca), or call the office at 1-866-421-6929. Thank you.

Sincerely,



Monte Krueger  
Registrar, New Home Buyer Protection Office

# Builder Licensing Implementation Agencies and Permit Issuers

Municipal Affairs  
Government of Alberta

# ***New Home Buyer Protection Act***

- In 2014, the *New Home Buyer Protection Act* (NHBPA) introduced mandatory warranty on new homes.
- In 2017, the NHBPA was amended to require residential builders to obtain a builder licence.
- The Act provides authority for the Registrar to issue, not issue, suspend, cancel or place conditions on a licence.
- Individuals who want to build their own home can do so with a valid Authorization.
- Legislation and regulations come into effect December 1, 2017

# Regulations

- New Home Buyer Protection (General) Regulation
- New Home Buyer Protection (Ministerial) Regulation
- Permit Regulation
  
- Regulations establish:
  - Application and eligibility requirements
  - Grounds for denying a licence and what Acts are prescribed
  - Powers of the Registrar to ask for additional information
  - Establishing two classes of licences
  - Public reporting requirements
  - Repealing the New Home Buyer Protection (Regional Municipality of Wood Buffalo) Regulation
  - Annual renewal
  - Provisional licence eligibility

# Permit Amendment Regulation

## Building permit for new home 6.1(2)

- A permit issuer shall not issue a permit for a proposed new home unless the applicant provides evidence to the permit issuer, in a form acceptable to the Registrar, that the proposed new home
  - (a) complies with the requirements of the *New Home Buyer Protection Act*, and
  - (b) will be built by a person that holds the appropriate licence or authorization or is exempt from the requirement for a licence or authorization.

# Permit Amendment Regulation

## Building permit for new home 6.1(2.1)

- Before issuing a building permit to an applicant, a permit issuer may require the applicant to produce the applicant's operator's licence or another form of identification that is issued by the Government of Canada or a province, is satisfactory to the Registrar and shows the applicant's date of birth.

**5 This Regulation comes into force on December 1, 2017**

# What are my responsibilities as a permit issuer?

- Currently under the NHBPA, a building permit cannot be issued without warranty coverage or an exemption from coverage.
- That process remains in place, and beginning December 1, 2017, the permit applicant must also provide proof that the new home will be built by someone with a valid builder licence.
- Licence status can be confirmed by checking:
  - Registrar's Home Registration Certificate
  - Certificate of Licence
  - Builder Registry

# So what exactly is changing?

**NEW PROCESS**

Builder applies for a licence



Licence application is reviewed



If a licence is issued, builder receives a Certificate of Licence



Published to Builder Registry. Builder is ready to register a property



Builder registers a property in NHBPS



Warranty provider validates that property has warranty coverage



Property registration reviewed and approved, Registrar's Certificate issued



Published to Property Registry. Builder is ready to apply for a building permit

**EXISTING PROCESS**

# Provisional Licences

- Provisional licence is a temporary licence that will give builders additional time to apply for a full BL.
- There is no formal application or fee required.
- Provisional licences will be issued to builders who:
  - have constructed at least 2 homes in Alberta in the last 2 years
  - Have a good track record
- Provisional licences expire on May 1, 2018.

# What if a builder isn't issued a provisional licence?

## Builder Licence Application

- New builders who have not previously registered new homes with the New Home Buyer Protection Office are not eligible and will follow standard application process.
- Licence applications will be submitted through the current NHBP System online.
- The application fees are:
  - \$600 for a new licence
  - \$500 for annual renewal
- Applications start December 1, 2017.

# Two Classes of Licence

- Licence class reflect Alberta Building Code requirements
- **General Contractor Licence** where a Coordinating Registered Professional is not required by the Alberta Building Code (residential buildings that are 1-4 units)
- **Developer Licence** where a Coordinating Registered Professional is required by the Alberta Building Code (residential buildings that are 5 or more units)

# Builder Licence Application

- Business contact information, including names and contact information for directors, and copy of Government-issued identification
- List of associated building companies
- Proof of acceptance by a warranty provider
- Any history of fraud (previous 10 years)
- Any undischarged bankruptcies or arrangements under the Companies' Creditors Arrangement Act that have not been completed
- Building-related court proceedings (previous 5 years)
- Compliance record with safety and consumer protection legislation (previous 3 years)
  - *Safety Codes Act*
  - *New Home Buyer Protection Act*
  - *Fair Trading Act*
  - *Condominium Property Act*
  - *Occupational Health and Safety Act*

# Why might the Registrar refuse, cancel, or place conditions on a licence?

- Non-compliance with consumer protection and safety legislation
- Fraud convictions or bankruptcies
- False statement or refusing to provide information on material matter
- Identified risk to consumers

# Public Registry

- An interim registry will provide information about licensed builders in Alberta.
- In spring, 2018, a new public registry will provide information about builders in Alberta, which may contain:
  - Name and contact information of the builder
  - Associated construction companies
  - Licence status
  - Compliance record
  - Number of new homes in the registry

# What information can you find on a Registrar's Certificate?

- ✓ New Home Registrar's Certificate must include the following details:

## Builder and Builder Licence Information

- Licence Number
- Class of Licence
- Status
- Expiry date

## Warranty details

- Warranty provider
- Warranty Information

# Registrar's Certificate of Approval

New Home Buyer Protection Office  
Alberta Municipal Affairs  
16th Floor, Commerce Place  
10155 - 102 Street  
Edmonton, Alberta T5J 4L4  
Tel 1-866-421-6929  
Fax 780-427-2538

Registration Form ID: 17RF1251211  
Status: Approved  
Approval Date (YYYY-MM-DD): 2017-12-01

Builder's Legal Name: ABC Builder Ltd.  
Address: 1234 Lloyd Crescent SW Edmonton, Alberta T3E 5V7  
Phone Number: 780-123-4567  
Website:

Licence Information:

| Licence Number | Licence Status | Licence Class      | Licence Expiry Date |
|----------------|----------------|--------------------|---------------------|
| 17BL12345678   | New            | General Contractor | 2018-12-01          |

Warranty Provider: Aviva Insurance Company of Canada represented by National  
Phone: 1-800-472-9784  
Website: [www.nationalhomewarranty.com](http://www.nationalhomewarranty.com)

Building Information

Building Type: Single Detached Home  
Total Number of Units: 1  
Warrantable Common Property: No  
Additional Warranty on Building Envelope: No

| Registration Unit ID | Civic Address                                      | Legal Description | LINC       |
|----------------------|--|-------------------|------------|
| 17RU1234567          | 1234 Lane Crescent SW Edmonton,<br>Alberta T3E 5X3 | 1-123-456789      | 1234567890 |

New Home Buyer Protection Approved on November 24, 2017.

  
Registrar



*This remains on record as compliance or non-compliance with provisions of the New Home Buyers Protection Act and Regulations. Pursuant to the New Home Buyers Protection Act, the "Owner Builder" and/ or the "Residential Builder" are responsible for meeting the requirements of the Act.*

# What will I see on a provisional licence vs. a full licence?

- Provisional Licence
  - Registrar's Certificate with Licence number
  - No Licence class description
- Full Certificate of Licence
  - Licence number
  - Licence Class
  - Status
  - Expiry Date

# Provisional Certificate (Provisional Licence)

## Certificate of Licence Exemption

Builder Licensing Program  
New Home Buyer Protection Office  
Alberta Municipal Affairs  
16th Floor, Commerce Place  
10155 - 102 St. NW, Edmonton, AB T5J 4L4  
Tel 1-866-421-6929  
[BuilderLicensing@gov.ab.ca](mailto:BuilderLicensing@gov.ab.ca)

**Provisional Number :** YYPL999999

**Licence Type :** Temporary Exemption

**Builder ID :** 16OB15558469

**Business Name :** ABC Company Inc.  
**Operating as :** XYZ

**Address :** RR5 Station 4, Box 4, Rimbey AB T0C 2J0  
**Phone Number :** (403) 123-3323

**Expiry Date - May 1, 2018**

This Certificate of Licence Exemption represents a temporary exemption from licence requirements. A temporary exemption may be granted to builders who have registered at least two new homes in Alberta since November 1, 2015, in accordance with section 14.2 (1) of the *New Home Buyer Protection (General) Regulation*, AR 211/2013. This exemption under section 14.2 (2) expires on May 1, 2018 or earlier upon the issuance of a Builder Licence.

Issued on December 1, 2017



Registrar of the New Home Buyer Protection Act

*As of the date of issuance, this Certificate of Licence Exemption is evidence that the Certificate holder has met the requirements to hold an exemption as determined by the Registrar of the New Home Buyer Protection Act. This certificate is subject to verification by the Registrar on request, and can be found online, and may be cancelled, or made subject to conditions at any time.*

# What about Owner Builders?

- There are no changes for Owner Builders
- Owner Builders can build their own home with an Owner Builder Authorization. This applies whether they build with or without warranty
- If an owner builder chooses to build their home with warranty, warranty information will be included on the Authorization
- ✓ **Owner Builder Authorization Certificate:**
  - ❖ Without warranty – regular building information
  - ❖ With warranty includes warranty details
    - Warranty provider
    - Warranty Information

# Owner Builder Authorization

New Home Buyer Protection Office  
 Alberta Municipal Affairs  
 16th Floor, Commerce Place  
 10155 - 102 Street  
 Edmonton, Alberta T5J 4L4  
 Tel 1-866-421-6929  
 Fax 780-427-2538

Application ID: 17AA1234567  
 Status: Approved  
 Approval Date (YYYY-MM-DD): 2017-12-01

Primary Applicant: John Smith  
 Address: 1234 Lloyd Crescent SW Edmonton, Alberta T3E 5V7  
 Phone Number: 780-123-4567  
 Website:

Warranty Provider: Aviva Insurance Company of Canada represented by National  
 Phone Number: 1-800-472-9784  
 Website: [www.nationalhomewarranty.com](http://www.nationalhomewarranty.com)

### New Home Site Registration

Building Type: Single Detached Home  
 Total Number of Units: 1

| Unit ID     | Civic Address                                      | Legal Description               | LINC    |
|-------------|--|---------------------------------|---------|
| 16RU1591893 | 1234 Lane Crescent SW<br>Edmonton, Alberta T3E 5X3 | 1 Lot, Block 23,<br>Plan 456789 | 9876543 |

New Home Buyer Protection Approved on December 10, 2017



Registrar



*This remains on record as compliance or non-compliance with provisions of the New Home Buyers Protection Act and Regulations. Pursuant to the New Home Buyers Protection Act, the "Owner Builder" and/ or the "Residential Builder" are responsible for meeting the requirements of the Act.*

**For more information & updates**

[www.builderlicensing.alberta.ca](http://www.builderlicensing.alberta.ca)

or

[builderlicensing@gov.ab.ca](mailto:builderlicensing@gov.ab.ca)

or

1-866-421-6929