



**Builder Licensing & Mandatory  
Home Warranty**

**No.: PERMITS-19**

**Date: 1999-02-17**

**Revised: 2016-03-31**

**Purpose:**

To inform residential builders of new regulations under the new Provincial Homeowner Protection Office.

**Background:**

In 1999, the then Minister of Municipal Affairs announced new Homeowner Protection Act Regulations addressing new residential construction.

**Implementation:**

- Regulations for the Provincial Homeowner Protection Office concerning new residential builder licensing and mandatory third-party home warranties come into effect for all building permit applications received on or after July 1, 1999.
- On the back of this bulletin is a Provincial issued highlight sheet covering some of the new regulations.
- Detailed information on the regulations can be obtained from the Homeowner Protection Office either by phone at 604-646-7055, by facsimile at 604-646-7051, or by their website at [www.hpo.bc.ca](http://www.hpo.bc.ca).
- **Note:** The Provincial Residential Builder Licensing is separate from our mandatory Business Licencing.

See over →

## Highlights Homeowner Protection Act Regulations



### Licensing:

- Starting on July 1, 1999, all residential builders applying for a building permit will be required to be licensed by the Homeowner Protection Office. Owner-builders are exempt from licensing.
- In order to obtain a building permit, builders will have to show proof that they are licensed and that the proposed new home is covered by a third-party home warranty provider authorized by the Financial Institutions Commission (FICOM).
- Residential builder licenses will cost \$600 for the first year. Annual renewal fees will then be reduced to \$500. An additional \$25 per housing unit will be charged as part of the licensing fee.
- The *Act* also provides for the licensing of renovators, which is a priority in 1999.

### New Home Warranties:

- Starting on May 1, 1999, residential builders applying for building permits to construct new homes will be required to provide a third-party warranty. Owner-built homes, purpose-built rental housing (multi-unit, single legal title, built for rental purposes), factory built homes, hotels, motels, dormitories, care facilities and float homes are all exempt from warranty requirements.
- Minimum coverage and standards for home warranty contracts are now set by regulation rather than by warranty providers. Minimum coverage includes 2 years on labour and materials, 5 years on the building envelope and 10 years on the structure of the home.
- At the request of the owner, a dispute with the warranty provider can be handled through mandatory third-party mediation.

### Reconstruction Assessment:

- To fund the interest portion of the Reconstruction Loan Program, starting July 1, 1999 builders applying for building permits in the coastal climatic zone will pay \$750 for every new home of a multi-unit project. Single detached homes, purpose-built rental housing and provincial social housing programs are exempt from this assessment.

### Owner-Built Homes:

- An owner-builder is a person who builds a single, detached home for their own personal use, not more than once in any 18-month period. An owner-builder does not have to be licensed or provide a third-party warranty on their home. An Owner-builder Declaration and Disclosure Notice must be filled out when applying for a building permit.
- Should owner-builders want to sell their homes within the first 10 years, they must provide the purchaser with a copy of the disclosure notice.
- Purchasers of owner-built homes are protected by the Statutory Protection provisions of the *Act* which require all new owner-built homes to be reasonably fit for habitation, built from materials of good quality, and designed and constructed with ordinary competence, skill and care.