



Homeowner
Protection Office



A Decade of Achievement — New Tools for Consumer Protection

KEN CAMERON

Chief Executive Officer

Presentation

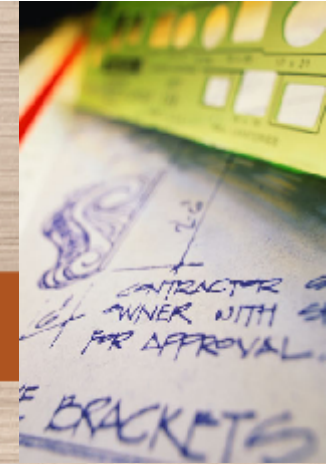
Outline



- ▶ **Year 10 of HPO's Mandate:
A Decade of Difference**
- ▶ **Strategic Direction and Raising the Bar**
- ▶ **Homeowner Protection Amendment Act**
- ▶ **Research and Education Projects**
- ▶ **Looking Forward**



The Homeowner Protection Act: A Turning Point



- The creation of the Homeowner Protection Office (HPO) as a crown corporation in October 1998 signaled:
 - ▶ a fundamental shift towards increased consumer protection, and
 - ▶ a turning point for quality construction in British Columbia.



Year 10 of HPO's

Mandate



2008 - year 10 of HPO's mandate under the *Homeowner Protection Act 1998*.

Progress on a number of fronts:

- ▶ increasing consumer protection for new homebuyers, and
- ▶ helping to bring about improvements in the quality of residential construction in British Columbia.



HPO's Responsibilities



- **Licensing of residential builders and building envelope renovators**
- **Monitoring performance of the private sector home warranty insurance system**
- **Research and education in the areas of building science, best practices and consumer information**
- **Providing financial assistance to owners of water-damaged homes**



A Decade of Difference

10 Reasons to Celebrate



1. Providing the best consumer protection for homebuyers in Canada
2. Giving new homebuyers the confidence they need
3. Helping consumers make informed decisions about one of their biggest life purchases – a family home
4. Providing protection and peace of mind by ensuring that no homeowner has to lose their home to foreclosure due to the cost of building envelope repairs



A Decade of Difference



10 Reasons to Celebrate

5. Developing new tools for consumer protection
6. Developing strong partnerships with industry and consumer groups
7. Working together to bring about improvements in the quality of residential construction
8. Providing opportunities to share information, the latest research, and cutting edge approaches
9. Putting best practice into action
10. Building British Columbia. Together.



Significant

Progress



- **Housing industry – from crisis to major contributor to provincial economy**
- **Consumer confidence increasing**
- **\$742m in financial assistance provided to 16,000+ households**
- **216,700+ new homes built by Licensed Residential Builders with 2-5-10 warranty insurance**



B.C. Residential Construction Statistics



- **5,600+ Licensed Residential Builders**
- **62 Licensed Building Envelope Renovators**
- **62,708 detached and 103,226 multi-unit homes built by Licensed Residential Builders with warranty insurance since 1999**
- **24,900+ owner-built homes since 1999**
- **33% of all single detached homes in B.C. built by owner builders**



How Did We Get Here?

Some History



Result of Core Services Review:

- **New HPO Board of Directors**
 - Homebuilders
 - Developers
 - Consumers
 - Public interest
- **Board to provide recommendations for the future**



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The Futures Report



- HPO Board's strategic direction for the HPO and the *Homeowner Protection Act*
- Approval and directions from government on recommendations provided “marching orders” for implementation

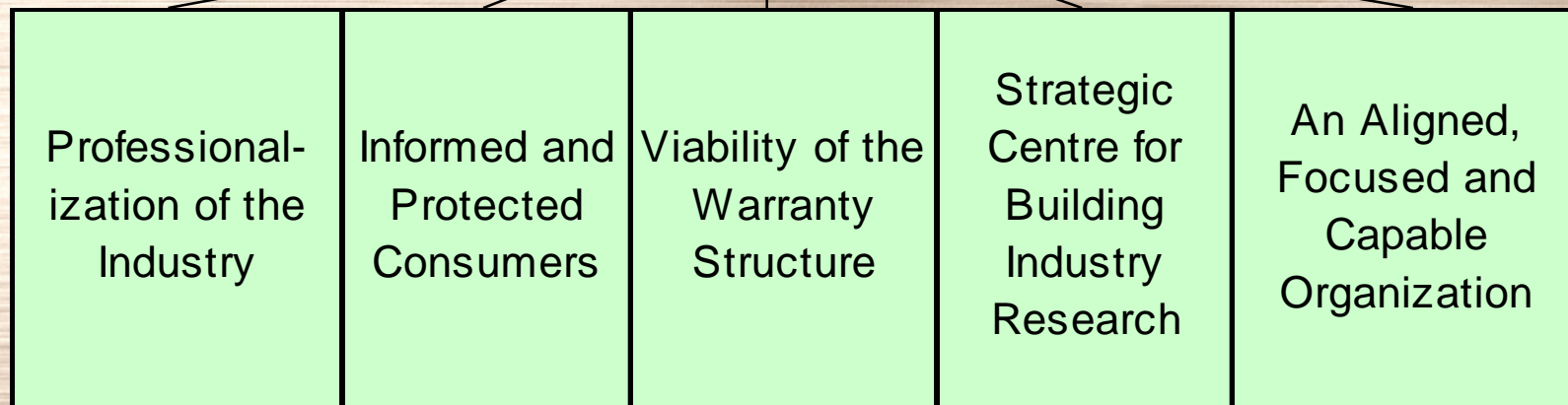


Futures Report: Mission and Strategic Thrusts

HPO Mission:

To protect new home buyers from undue risk and assist the residential construction industry to mitigate that risk

Strategic Thrusts:



What is

“Raising the Bar”?

Responds to Minister’s direction to develop a discussion paper on the implementation of the HPO Board’s “Futures Report” proposal to “bring about a further increase in the professionalism of the residential construction sector”.



Why Consider

Raising the Bar?

Consultations with industry, consumers and the Licensed Residential Builder survey indicated:

- **Significant progress made since HPO established in 1998**
- **Significant challenges still remain**





Raising the Bar

- Legislative provisions to enhance effectiveness
- Minimum qualifications for licensees developed in partnership with industry



Raising the Bar

Main Objectives



- Enhance professionalism
- Curtail owner builder abuse
- Provide more efficient tools to deal with non-compliance
- Provide legislative authority for new licensing requirements



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Enhanced Protection for Homeowners



- Changes to the *Homeowner Protection Act* and Regulation came into force on November 19, 2007



Amendments in Brief



- **More stringent requirements for anyone wishing to build a home under the owner-builder exemption**
 - ▶ Authorization from HPO required
 - ▶ Fee to cover administration and completion (end of subsidization by licensed builders)
 - ▶ Restricted eligibility
 - ▶ Strengthened statutory warranty
 - ▶ Increased time between authorizations
 - ▶ Clear restrictions on ability of owner builders to sell
 - ▶ Enhanced disclosure requirements for sale of owner-built homes



Amendments in Brief



- **Authority for improved HPO enforcement through compliance orders and monetary penalties**
- **Authority for HPO to cancel, refer, renew, restrict and place conditions on licences**
- ▶ **New owner builder authorization process going smoothly. So far, owner builder applications reduced by one-third, indicating that stricter eligibility requirements are starting to take effect.**



Impact: Enhanced Consumer Protection



- ▶ For genuine owner builders, the new online process is more informative and efficient, since applicants can self-screen and apply online then receive their authorization by email
- ▶ 3 compliance orders have been issued
- ▶ Compliance orders and monetary penalties issued will be posted on the HPO website on a monthly basis



Impact: Enhanced Consumer Protection



- **Enhanced professionalism**
- **Improved quality of construction**
- **Decreased black-market activity**
- **Increased information and access to information for builders and consumers**
- **More resources for research and education “the HPO way”**



Main Task Group on New Qualifications for Licences



- Industry-led
- Consensus approach
- Reported out in May 2006



Main Task Group's Report to HPO



Direction provided on:

- **Licence categories**
- **Core competencies**
- **Educational requirements**
- **Continuing professional development**
- **Licence revocation and restriction process**



Raising the Bar: Phase 2 Started



- **Minister's decision**
- **Main Task Group reconvened December, 2007**
- **Sub Task Groups to define:**
 - ▶ Core competencies
 - ▶ Educational benchmarks
 - ▶ Delivery systems for courses
 - ▶ Professional development requirements
- **Report back to HPO Board by April 30, 2008**



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HPO Consumer

Education Projects



Development of new HPO Consumer Guides available in hardcopy and online (Spring 2008):

- **Consumer Protection Guide for Buying a Home**
- **Consumer Guide to Home Warranty Insurance in BC**



HPO Consumer

Education Projects



Maintenance Matters bulletins

- A series of bulletins on building envelope maintenance issues for multi-unit residential buildings
- Topics covered to date:
 - ▶ Sealants
 - ▶ Decks and Balconies
 - ▶ Maintaining Your Roofs
 - ▶ Paints, Stains and Coatings
 - ▶ Residential Windows and Exterior Doors
 - ▶ Avoiding Condensation Problems



HPO Industry Education and Training Projects



HPO Publications – Builder Insight bulletins:

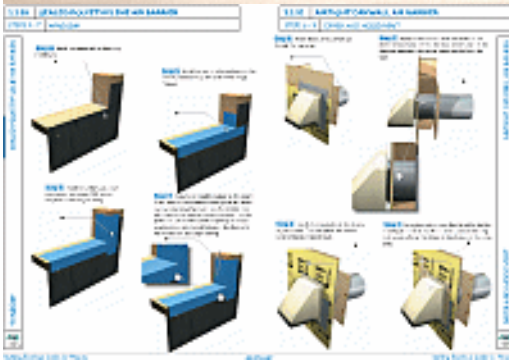
- ▶ Provide practical information to Licensed Residential Builders and others in the industry on new technologies, research results, good building practices and emerging technical issues
- ▶ Example: Builder Insight technical bulletin on the impact of the 2006 BC Building Code, including rainscreen provisions of the code



Rainscreen Technology Initiatives



- **HPO Publications – Building Envelope Guide for Houses:**
 - ▶ **Describes new minimum requirements for the building envelope for houses, including new requirements for rainscreen in coastal areas, and best practices for design and construction of wall assemblies**
 - ▶ **Co-funded with Building and Safety Policy Branch, 3-D Graphics, 1500+ copies sold**
- **Warranty providers' guide on acceptable rainscreen details published '07**



Rainscreen Technology Challenges



- **Code is objective based; does not provide prescriptive solutions**
- **Difficulties for both builders and building officials to determine what meets the minimum standards**
 - ▶ **Range of options and possibilities for applying rainscreen in a code-compliant manner**
 - ▶ **Enforcement approaches vary (from no inspection to the use of guides produced by the HPO and Warranty Providers)**



Rainscreen Technology

Work in Progress

- HPO working with Building and Safety Policy Branch, warranty providers and industry stakeholders to identify issues and options
- Options being discussed:
 - ▶ Clarification of status of the code and other related documents, and responsibility of various players
 - ▶ Exploration of training opportunities for building officials and others involved
 - ▶ Support to Home Builder Associations, warranty providers and other industry groups to develop and deliver on-site training
- Planned dialogue with building officials



HPO Industry Education and Training Projects



- **Introductory course on wood-frame house construction now being updated with new Code information for online delivery by education providers**
- **HPO funding towards update and development of CHBA-BC builder courses and programs**
- **New online course on Part 9 of the 2006 BC Building Code (part of CHBA-BC's Builder Certification Program) nearing completion for piloting early in 2008**



HPO Research

Projects

- **Wind-Driven Rain on Buildings in BC Coastal Climate**
- **Study of Effects of Green Building Rating Systems on the Durability of Buildings and Building Elements**
- **Biennial Survey of Licensed Residential Builders**



HPO Research

Projects

Online Building Envelope Research Database

- A new online searchable database to improve user accessibility to information
- Project partnership with BCIT
- Comprehensive listing of books, reports and research articles with a focus on the design, construction, performance and maintenance of building envelope
- Bibliography includes 900 references



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Looking Forward



New Housing Futures Research and Education Funding Program

- **Five-fold increase in funds available for HPO Research and Education projects/initiatives**
- **Encourage and enable researchers, industry, consumer organizations, and other parties to identify and carry out research and education projects**
- **Project categories include: Building Research, Consumer Education and Industry Education**
- **Selection process to include a panel of experts for recommendations to the HPO for funding**



Looking Forward

Next Generation: Future of the Housing Industry

in British Columbia — May 27, 2008



The HPO's 10th anniversary is a chance to look to the future as well as the past



Looking Forward

Next Generation: Future of the Housing Industry

in British Columbia — May 27, 2008



Join us at this one-day conference hosted by the HPO


Explore issues and opportunities for the future of British Columbia's housing industry in the next 15-20 years





THANK YOU

Visit our new HPO Website
www.hpo.bc.ca

	Homeowner Protection Office <small>A provincial Crown Corporation serving British Columbia, Canada</small>
	<ul style="list-style-type: none">About the HPOWhat's NewResearch & EducationBuilders & DevelopersOwner BuildersHomeownersHomebuyers <p><small>Julien Healy CEO, HPO</small></p>