



## CPBH's Statement related to Bill 23, More Homes Built Faster Act, 2022

Presentation to the Ontario Standing Committee on Heritage, Infrastructure and Cultural Policy

What's the largest purchase you've ever made?

For most of us, it's a home.

My name is Karen Somerville and I appreciate your attention to one of the critical issues that the volunteers who run the non profit, Canadians for Properly Built Homes (CPBH), are working to address.

Imagine, finally being able to save up the money to purchase a new home. You check to see if the builder you are considering purchasing from is licenced by the Home Construction Regulatory Authority (HCRA). Good – it's a licenced builder.

Next, you check the Ontario Builder Directory, and you find that the builder's record is perfect.

Ultimately, you proceed purchasing from that builder.

But what if, somehow, after you purchase, you end up in a disastrous situation that leaves you financially ruined?

...or with your kids physically sick?

...and/or a family member suffering from a mental breakdown?

All of these serious issues can be yours due to Ontario Building Code violations and inadequate consumer protection.

We hear from Ontarians in these situations regularly. Sometimes they experience all three outcomes: financial ruin, physical sickness, *and* mental sickness.

Tragically, some homeowners have confessed that they're considering suicide after buying one of these newly built homes.

Obviously, this should not be happening in Ontario, but it is.

As Legislators, you have the power to fix this.

I am going to focus on Schedule 5 of Bill 23, the New Home Construction Licensing Act, 2017. I will highlight six key problems that have emerged related to HCRA from a consumer perspective, and I will offer six recommendations. I will close by making a very brief comment about building homes faster.

Despite it being almost two years since it opened its doors, HCRA continues to be plagued with problems.

1. The Ontario Builder Directory continues to be highly misleading for many builders. This has been an issue for decades now. On July 8, 2020, speaking to the Ontario Legislature, MPP Bailey promised that the Ontario Government would be holding HCRA to a higher standard and ensure that the Ontario Builder Directory would be fixed. But it has not been fixed. In fact, many argue that it is now worse than before MPP Bailey made his comments. HCRA recently conducted yet another consultation related to the directory. In our opinion, this was a waste of resources and another unnecessary time delay.
2. HCRA says it does not have the authority to end the practice of builders secretly selling newly built homes with used/damaged furnaces. CPBH has a legal opinion that says this practice violates the Ontario Consumer Protection Act.
3. In its 2022 Annual Report, HCRA said that it had received 808 complaints about builders, and the majority (539 - 66%) of these complaints were against licenced builders. But only about 10% of all complaints HCRA received resulted in an HCRA investigation. \$7.8 million in surplus revenue accumulated for HCRA that same year. With this huge backlog of complaints, and almost eight million dollars surplus, why did HCRA not ramp up resources much more quickly to address the complaints, e.g., using contractors?

One homeowner who waited for more than a year after they filed a complaint against their builder was recently advised by HCRA that their complaint was closed, as the licensee is no longer registered with HCRA, and HCRA no longer has the authority to hold the former licensee accountable for their conduct or behaviour. Currently HCRA has no set timeline for the completion or action of complaints.

Here's another twist related to Complaints and Discipline: Section 71(5) says that *"No proceeding under this section shall be commenced more than two years after the facts upon which this proceeding is based first came to the knowledge of the Director."*

So, if the licensee is no longer registered with HCRA - or if for some reason HCRA does not act on a complaint for two years after receiving it - the complaint against the builder is dropped. How is this fair to the consumer? This is supposed to be consumer protection legislation.

4. Complaints about the HCRA itself are handled within HCRA. As one example, a complaint was made about something that involved the HCRA CEO, and HCRA staff investigated this complaint. Clearly that was inappropriate. To no-one's surprise, that complaint was dismissed.
5. There are still no consumer advocates on the HCRA board. Currently the board is made up of three builders, three former public servants, two lawyers, and one former politician/executive.
6. HCRA board meeting minutes are not public.

Our recommendations are:

1. Regarding the Ontario Builder Directory:
  - a. Make either Tarion or HCRA accountable for this directory. Currently it is a shared responsibility and accountability has worsened.
  - b. Make the changes to the directory that Justice Cunningham identified in 2016, and that the Auditor General of Ontario identified in 2019.
2. Provide HCRA with the authority and responsibility to prevent builders from secretly selling used/damaged furnaces in newly built homes.
3. Require HCRA to address complaints about builders within a specific timeframe.
4. Establish an Ombuds role related to HCRA – reporting outside of HCRA e.g., to the Ministry, or as a minimum, to the HCRA board.
5. Designate at least two HCRA board positions for people with a solid track record in consumer advocacy.
6. Make HCRA board minutes public, like the Ontario College of Trades used to do.

A final word about building homes faster. We understand the need to build faster. We also understand the Ontario Building Code is outside of the scope of Bill 23. But the Ontario Government must also focus on housing quality and homes at least meeting the minimal Ontario Building Code. Far too many newly built homes do not meet the Ontario Building Code now. Many fear that things are going to get much worse given the current approach the Ontario Government is taking to building faster.

As Legislators, please find a way for the Ontario Government to ensure that newly built homes at least meet the Ontario Building Code during construction. **Safety must be Job 1 for the Government of Ontario when it comes to newly built homes.**

Thank you for the opportunity to speak today. I will be happy to address your questions.

Please submit questions/comments to: [info@canadiansforproperlybulthomes.com](mailto:info@canadiansforproperlybulthomes.com) .

Founded in 2004, Canadians for Properly Built Homes (CPBH) is a national, independent, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada).

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