



Home  
Construction  
Regulatory  
Authority



# BUSINESS PLAN

2023-2024

# CONTENTS

|  |           |
|--|-----------|
| <b>INTRODUCTION</b>                        | <b>1</b>  |
| <b>CORPORATE OVERVIEW</b>                  | <b>2</b>  |
| <b>STAKEHOLDERS</b>                        | <b>4</b>  |
| <b>SERVICES</b>                            | <b>5</b>  |
| <b>2023-2024 STRATEGIES AND ACTIVITIES</b> | <b>6</b>  |
| <b>RESOURCES</b>                           | <b>9</b>  |
| <b>PERFORMANCE MEASURES</b>                | <b>11</b> |
| <b>KEY RISKS</b>                           | <b>13</b> |



# INTRODUCTION

The Home Construction Regulatory Authority (HCRA) regulates new home builders and vendors in the province. We protect consumers through a fair, safe and informed marketplace that supports the goal of a continuously improved home building industry in Ontario.

The HCRA holds licensed builders to professional standards, protects the public interest, and enhances consumer confidence in the home building industry in Ontario.

In addition to licensing new home builders, the HCRA provides educational information for consumers on their home buying journey and hosts the [Builder Directory](#), which provides background information about each of Ontario's more than 6,500 builders and vendors. The HCRA also offers a complaints system that provides a clear, straightforward process for voicing concerns about a builder's or vendor's conduct.

The HCRA is a not-for-profit corporation that is designated by the provincial government to administer and enforce the [New Home Construction Licensing Act, 2017](#) (NHCLA) and associated regulations.

As an administrative authority, the HCRA operates independently of government and industry. The HCRA is committed to regulatory excellence and using best practices for industry oversight and consumer engagement.

This Business Plan outlines the key priorities for the HCRA during the 2023-2024 fiscal year.





# CORPORATE OVERVIEW

The HCRA is committed to sound business planning and reporting so that it can deliver on its consumer protection mandate. As part of its commitment to transparency, the HCRA publishes annually its Business Plan and Annual Report. The Business Plan identifies the HCRA's priorities for the upcoming fiscal year, while the [Annual Report](#) details the results of the preceding fiscal year.

The HCRA's Business Plan aims to implement the organization's strategic vision. The [Strategic Plan](#) is focused on three core strategic objectives:

- The HCRA will deliver and enhance service excellence with the best people and systems.
- The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.
- The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education to ensure consumers have confidence in the building industry.

The HCRA's vision, mission and values guide HCRA staff and help strengthen the linkages between strategic planning, business planning, and annual reporting.

## Mandate

In order to protect consumers, the HCRA is responsible for licensing new home builders and vendors in Ontario. It enforces professional standards for competence, good conduct, and financial responsibility while promoting the protection of the public interest and maintaining a fair, safe, and informed marketplace. It provides educational information and resources for consumers, including the Builder Directory, the authoritative source of information about Ontario's home builders and vendors. The HCRA serves to enhance consumer confidence in one of the biggest purchases of their lives — a new home.

## Vision

Fostering a professional new home building industry that Ontarians can trust.

## Mission

A fair, effective, and proactive regulator of new home builders and vendors that supports a positive consumer experience.

## Values

Service Excellence, Fairness, Respectfulness, Integrity, Learning and Innovating, Diversity and Inclusion, Continuous Improvement, Openness and Accountability.



## Corporate Structure

The HCRA is an administrative authority governed by a Board of Directors operating within an administrative agreement with the Minister of Public and Business Service Delivery. The Board of Directors is accountable to the Minister – through the Board Chair – for the performance of the regulatory authority. The HCRA is committed to transparency and accountability in fulfilling its mandate and its obligations under the administrative agreement.

The HCRA's Board of Directors is responsible for providing strategic leadership and oversight of the operations of the HCRA. Directors bring a wide range of expertise in areas of established competency criteria to ensure that the Board has a strong blend of skills, experience, and qualifications. Diversity and regional representation are also important considerations when the HCRA recruits directors.

The nine-person Board is comprised of six elected members and three members appointed by the Minister of Public and Business Service Delivery:

- Marg Rappolt, Chair (Elected member)
- Av Maharaj, Vice-Chair (Elected member)
- Eric DenOuden (Elected member)
- Rinku Deswal (Appointed member)
- Hugh Heron (Elected member)
- Mary Kardos Burton (Elected member)
- David Stimac (Appointed member)
- Virginia West (Elected member)
- Terence Young (Appointed member)

## HCRA Corporate Policies

Corporate policies are used to guide the organization's decision-making. The following policies are required to be publicly available as set out in the Administrative Agreement between the HCRA and the Minister of Public and Business Service Delivery.

### Expense Policy

Sets out the principles, accountability framework, and rules for reimbursing all travel, meal and hospitality expenses while undertaking business on behalf of the HCRA.

### Procurement Policy

Sets out the principles the HCRA will follow for the acquisition of goods and services and the approval of expenditures.



# STAKEHOLDERS

The HCRA is committed to ongoing engagement with stakeholders across the new home building sector, the broader regulatory community, and the general public. Regular engagement with these stakeholders underpins its commitment to transparency and accountability.

The HCRA's stakeholders include:

## Consumers

The HCRA's mandate focuses on enhancing consumer confidence in the new home buying and ownership experience in Ontario through effective licensing, compliance, enforcement, and education. The HCRA is committed to ongoing dialogue with new home buyers and home owners to learn about their experiences and seek feedback on the HCRA's work.

## New Home Building Sector

The new home building sector in Ontario is made up of thousands of businesses engaged in the building and/or selling of new homes. As part of its mandate to uphold the public interest, the HCRA is committed to advancing the professionalism of the industry by developing, communicating, and enforcing licensing standards. The HCRA will continue engaging with new home building industry stakeholders to ensure that its regulatory framework and actions support a fair, competitive environment with consideration for reducing administrative burden.

## Broader Regulatory Community

The HCRA is part of a regulatory community and shares best practices and consults with different organizations on licensing and regulatory matters.





# SERVICES

The HCRA provides the following services:

## Licensing

Setting standards of professional qualifications; processing licence applications and renewals; managing the Builder Portal – an online resource used by new home builders and vendors for licensing applications and renewals; maintaining the Builder Directory as the authoritative source of information about licensed builders and vendors.

## Education

Promoting awareness of best practices for navigating the new home buying process; educating licensees and potential licensees about their professional obligations, including the HCRA's expectations regarding appropriate conduct; maintaining the Builder Directory as a searchable resource containing licensing and warranty information.

## Complaints and Professional Conduct

Applying a risk-based approach to review and handle concerns raised about builder and vendor conduct through a fair, thorough, evidence-based process, including possible inspections, referral to the discipline process, and taking corrective or licensing actions.

## Compliance and Enforcement

Protecting consumers by promoting compliance and using enforcement measures to curb illegal building and vending in Ontario's new home construction sector; investigate and prosecute the most serious matters.

## French Language Services

The HCRA is committed to providing French language services when requested. Calls and inquiries to the HCRA contact centre can be addressed in French and the HCRA's website includes bilingual (English/French) content. For new home builders and vendors, all licensing applications can be submitted and processed in French.

## Accessibility

The HCRA is committed to ensuring that all services are accessible in accordance with the Accessibility for Ontarians with Disabilities Act, 2005 and any other relevant accessibility requirements. The HCRA's services are available online to consumers, licensees and the general public and are also offered in accessible formats upon request. The HCRA is respectful of people with different abilities and is committed to removing barriers wherever possible.



# 2023-2024 STRATEGIES AND ACTIVITIES

## Goals (from the 2022-2025 Strategic Plan):

### 1. The HCRA will deliver and enhance service excellence with the best people and systems.

| Strategic Objective  | Priorities for 2023-24  |
|--|---|
| <p>Continually evaluate and improve processes, policies, and service-level standards that support the HCRA's risk-based model.</p> | <ol style="list-style-type: none"> <li>1. Continue building capacity across the HCRA's core functions (licensing, complaints, illegal building, customer service, and education) by consulting with experts to develop and implement successful regulatory risk management strategies used by other regulatory agencies.</li> <li>2. Document policies and processes for all core regulatory functions (licensing, complaints, illegal building, and customer service), and continue developing appropriate policies, processes, and training materials.</li> <li>3. In the context of the government's key priorities in the Housing Supply Action Plan, review and, where applicable, revise service standards for licensing, complaints, illegal building, education and customer service.</li> <li>4. Analyze the data the HCRA collects to better understand themes, risks, and concerns from complainants and licensees; similarly, to understand themes, risks, and concerns about licensees.</li> </ol> |

| Strategic Objective   | Priorities for 2023-24   |
|---|--|
| <p>Understand the HCRA's evolving organizational needs to build the best capacity, culture, and competencies required to deliver its mandate.</p> | <ol style="list-style-type: none"> <li>1. Build the HCRA's organizational culture, focusing particularly on employee engagement along with diversity, equity, and inclusion.</li> <li>2. Identify gaps and build a training development framework to drive a high-performance culture.</li> <li>3. Identify opportunities for succession planning and knowledge transfer to ensure organizational resilience.</li> </ol> |





**Strategic Objective**

Align technology (including the Builder Directory) and data needs to support the HCRA's core regulatory functions and inform evidence-based decisions.

**Priorities for 2023-24**

1. Refine key performance measures based on continued experience.
2. Use baseline data and benchmarks to set new/additional service standards.
3. Automate processes (e.g. increased frequency of data collection, more efficient internal processes) to improve the Builder Directory update process.

**2. The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.****Strategic Objective**

Review existing fee model.

**Priorities for 2023-24**

Complete a review of licensing fees to determine whether the HCRA's existing fee model should continue past the current three-year commitment.

**Strategic Objective**

Establish principles of good financial stewardship, including prioritizing spending on the basis of value for money.

**Priorities for 2023-24**

Ensure the HCRA operates using lean and efficient business practices.

**Strategic Objective**

Explore opportunities to increase consumer protection and sustainable operations by licensing more builders.

**Priorities for 2023-24**

Protect consumers by refining the HCRA's strategy to use enforcement tools, including monetary penalties and other risk-based tools, to curb illegal building and encourage unlicensed builders to become licensed.

**Strategic Objective**

Ensure there is infrastructure in place to support financial operations (fee collection, modelling, data capture, etc.).

**Priorities for 2023-24**

Leverage data to support predictive modelling on revenue and expenditure projections required for HCRA operations.



**3. The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education to ensure consumers have confidence in the building industry.**

**Strategic Objective**

**Priorities for 2023-24**

Establish delivery pathways for the research functions of the HCRA.<sup>1</sup>

1. Provide start-up resources for research program.
2. Reach out to other potential partners.
3. Implement a research program pilot project.

**Strategic Objective**

**Priorities for 2023-24**

Proactively build awareness of the HCRA, its mandate, and its progress across the HCRA’s stakeholder groups, most notably consumers and licensees.

1. Prioritize outreach and education to licensees regarding their responsibilities under the NHCLA and Code of Ethics.
2. Implement compelling communications outreach, including advisories, blogs, webinars, advertising, social posts and media relations, to raise awareness and understanding of the HCRA’s work in maintaining high standards for home builders and improving consumer protection.
3. Conduct a satisfaction/value survey of consumers, licensees, and stakeholders.
4. Use benchmark data to evaluate and enhance digital marketing tactics to support outreach.
5. Continue to lead a digital-first marketing approach while testing traditional marketing methods.
6. Collaborate with other regulatory bodies and stakeholders to ensure the HCRA uses best practices in its outreach and education programs with consumers, licensees, the home building sector, and the broader public.

<sup>1</sup> S. 33(1) of the NHCLA requires the HCRA to develop a research program that identifies best practices for new home construction and do research into cost-effective building techniques, processes, and materials.



# RESOURCES

## Financial Resources – Budget

The HCRA’s operations are funded by licensing and regulatory oversight fees paid by new home builders and vendors.

The HCRA’s annual budget is designed so that the organization can deliver its services in an efficient, lean manner and demonstrate that the benefits of the NHCLA’s regulatory requirements justify the resulting costs.

### Three-Year Financial Outlook FY 2023-2026

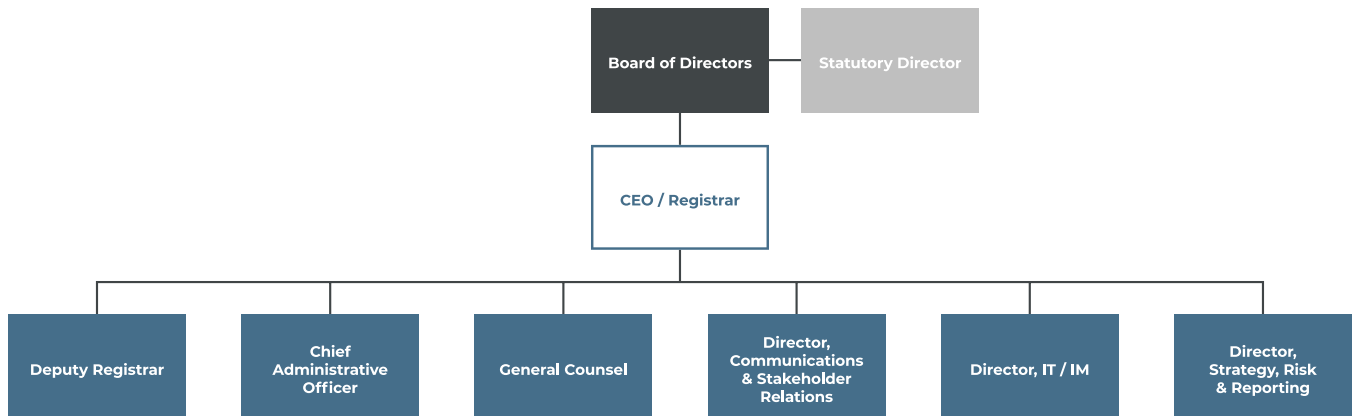
|   | FY 2024<br>(Budget)<br>\$ | FY 2025<br>(Outlook)<br>\$ | FY 2026<br>(Outlook)<br>\$ |
|---|---------------------------|----------------------------|----------------------------|
| <b>Revenues</b>                             |                           |                            |                            |
| Licensing Fees                              | 4,637,000                 | 4,637,000                  | 4,637,000                  |
| Per Unit Fee                                | 9,207,500                 | 9,207,500                  | 9,207,500                  |
| Other Income                                | 1,216,000                 | 1,216,000                  | 1,216,000                  |
| <b>Total Revenues</b>                       | <b>15,060,500</b>         | <b>15,060,500</b>          | <b>15,060,500</b>          |
| <b>Expenditures</b>                         |                           |                            |                            |
| Human Resources/Board                       | 9,084,000                 | 9,356,520                  | 9,637,216                  |
| Operating                                   | 5,976,500                 | 5,703,980                  | 5,423,284                  |
| <b>Total Expenditures</b>                   | <b>15,060,500</b>         | <b>15,060,500</b>          | <b>15,060,500</b>          |
| <b>Net Surplus / Deficit for the period</b> | <b>-</b>                  | <b>-</b>                   | <b>-</b>                   |



## Organizational Structure

The HCRA operates using a hybrid model with staff working primarily remotely and in-person to promote collaboration and teamwork. HCRA staff work full-time in licensing, complaints, enforcement, and information roles or in roles that directly support the delivery of these functions. HCRA staff make up a high-performing workforce with the technical and professional skills needed to fulfill the HCRA's mandate while upholding the HCRA's values.

This allows the HCRA to deliver its regulatory mandate under the NHCLA and is consistent with the best practices of a modern regulator.





# PERFORMANCE MEASURES

The HCRA sets performance measures based on the strategic priorities and objectives of the organization. Performance outcomes will be reported in the corresponding annual report.

For 2023-2024, the HCRA has established performance targets and outcomes that the general public and licensees can expect under normal circumstances. The HCRA endeavours to meet or exceed these targets.

| Performance Measure  | Performance Target or Outcome   |
|--|---|
| <p><b>Contacting the HCRA by phone</b></p> <p>The HCRA’s customer service team receives hundreds of telephone calls every day from consumers, licensees, and the general public. The customer service team seeks to ensure each person receives a live response rather than a voicemail message.</p> <p>Although wait times for a customer service team member can vary depending on call volume, the HCRA seeks an average wait time of no more than two minutes.</p>                                 | <p>Average wait time to respond to incoming phone calls:<br/>2 minutes</p>  |
| <p><b>Licensing application process</b></p> <p>The HCRA’s licensing team receives thousands of applications on a yearly basis. The processing time is dependent on the type and complexity of the application. Assessment factors include competency, financial responsibility and conduct information, and other obligations.</p> <p>The HCRA’s performance target are based on receipt of a fully-complete application. An incomplete application will delay the assessment and approval process</p> | <p>Processing time for a new licence application:<br/>8 weeks for a fully-complete application</p> <p>Processing time for a renewal application:<br/>4 weeks for a fully-complete application</p> |

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## Complaints

Each complaint is unique, with varying degrees of complexity and risk. For every complaint received the HCRA will conduct an impartial assessment to determine the facts of each case and the appropriate next steps.

There are a variety of possible outcomes to close each complaint, including warning letters, additional education requirements, administrative penalties, and suspension or revocation of a licence.

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Percentage of complaints closed: 50%

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## Court and Tribunal Appearances

The HCRA appears regularly before two judicial bodies: the Licence Appeal Tribunal to respond to appeals of the HCRA's regulatory decisions and the Ontario Provincial Court to prosecute illegal builders.

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Percentage of successful prosecutions – 90%

Percentage of successful appearances at Licence Appeal Tribunal – 80%

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## Visits to the Builder Directory

The Builder Directory is an online searchable database for information about each of Ontario's more than 6,500 builders and vendors and over 600,000 homes enrolled with Tarion.

Profile searches initiated on builder-vendors or warranted homes show how visitors engage with the Builder Directory. Accordingly, the HCRA is seeking to establish the average number of profile and warranty searches each month. This will help inform the ways in which the HCRA will continue engaging with the public.

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Average level of web traffic to the Builder Directory:

25,000 profile searches per month

2,100 warranty searches per month

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# KEY RISKS

The HCRA has an ongoing enterprise risk management plan to identify, assess, and manage risks and seize opportunities for the organization in service of its mandate and objectives. The plan includes reporting higher risks to the Board of Directors, along with regular review by the Board’s Finance, Audit, and Risk Committee and HCRA senior management to identify new risks and assess current ones.

The plan is designed to identify and create mitigation plans for each risk. This includes determining of the likelihood of the risk occurring and its potential impact. Generally, risks that are virtually certain to occur and/or would have a high impact are elevated to the attention of the Board of Directors along with the mitigation plan. Other risks, particularly those unlikely to occur and/or with a low potential impact on the organization, are not reported to the Board, but are mitigated and continually monitored by the HCRA.

In the event of an emergency, the HCRA will implement its plans to ensure that the organization continues to deliver critical digital services. These plans provide for digital-only service delivery along with re-assigning staff to support critical functions as necessary. They also ensure regular communication with the HCRA Board and the ministry responsible for oversight of the HCRA.

The table below highlights the categories of risk that the HCRA monitors and mitigates along with the strategic objectives affected by each risk category:

| Risk Category       | Strategic Objective  |
|---------------------|--|
| <b>Financial</b>    | <ul style="list-style-type: none"> <li>The HCRA will deliver and enhance service excellence with the best people and systems.</li> <li>The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.</li> </ul>  |
| <b>Legal</b>        | <ul style="list-style-type: none"> <li>The HCRA will deliver and enhance service excellence with the best people and systems.</li> </ul>   |
| <b>Regulatory</b>   | <ul style="list-style-type: none"> <li>The HCRA will deliver and enhance service excellence with the best people and systems.</li> <li>The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.</li> <li>The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education to ensure consumers have confidence in the building industry.</li> </ul> |
| <b>Reputational</b> | <ul style="list-style-type: none"> <li>The HCRA will deliver and enhance service excellence with the best people and systems.</li> <li>The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.</li> <li>The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education to ensure consumers have confidence in the building industry.</li> </ul> |
| <b>Business</b>     | <ul style="list-style-type: none"> <li>The HCRA will deliver and enhance service excellence with the best people and systems.</li> <li>The HCRA will operate a financially sustainable organization that supports the comprehensive and proactive accomplishment of its mandate.</li> <li>The HCRA will forecast and act on current and emerging issues affecting new home buyers and builder qualifications through leading research and education to ensure consumers have confidence in the building industry.</li> </ul> |





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