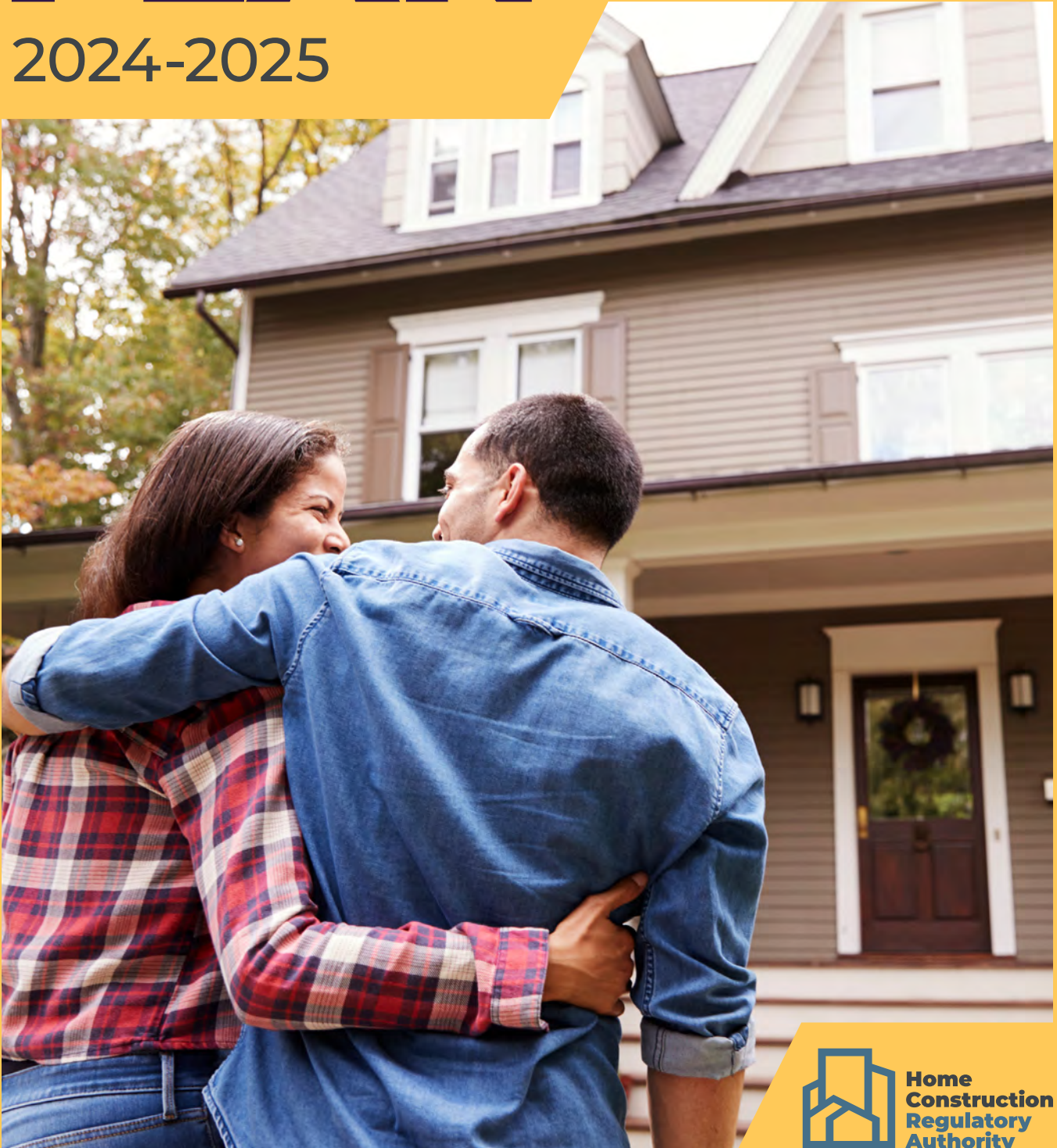


BUSINESS PLAN

2024-2025



Home
Construction
Regulatory
Authority

INTRODUCTION

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

The HCRA operates independently of government and industry and is committed to building on its work to ensure that Ontario continues to have a well-managed and thriving new home sector.

The Home Construction Regulatory Authority is responsible for regulating and licensing the people and companies who build and sell new homes in Ontario. By holding licensed builders to professional standards, we give new home buyers confidence in one of the biggest financial decisions of their lives.

In addition to licensing, the HCRA educates consumers on their home buying journey and hosts the [Builder Directory](#) – the official source of background information about each of Ontario’s more than 6,500 new home builders and sellers. The HCRA also provides a transparent complaints system for voicing concerns, protecting consumers and informing future improvements for competency and conduct.

The HCRA’s 2024-2025 Business Plan outlines the key priorities for the organization to achieve the objectives set out in the [2022–2025 Strategic Plan](#).

ABOUT THE HCRA



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.

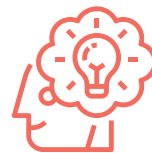
Values



Service excellence



Respectfulness



Learning & innovating



Continuous improvement



Fairness



Integrity



Diversity & inclusion



Accountability

Governance

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.

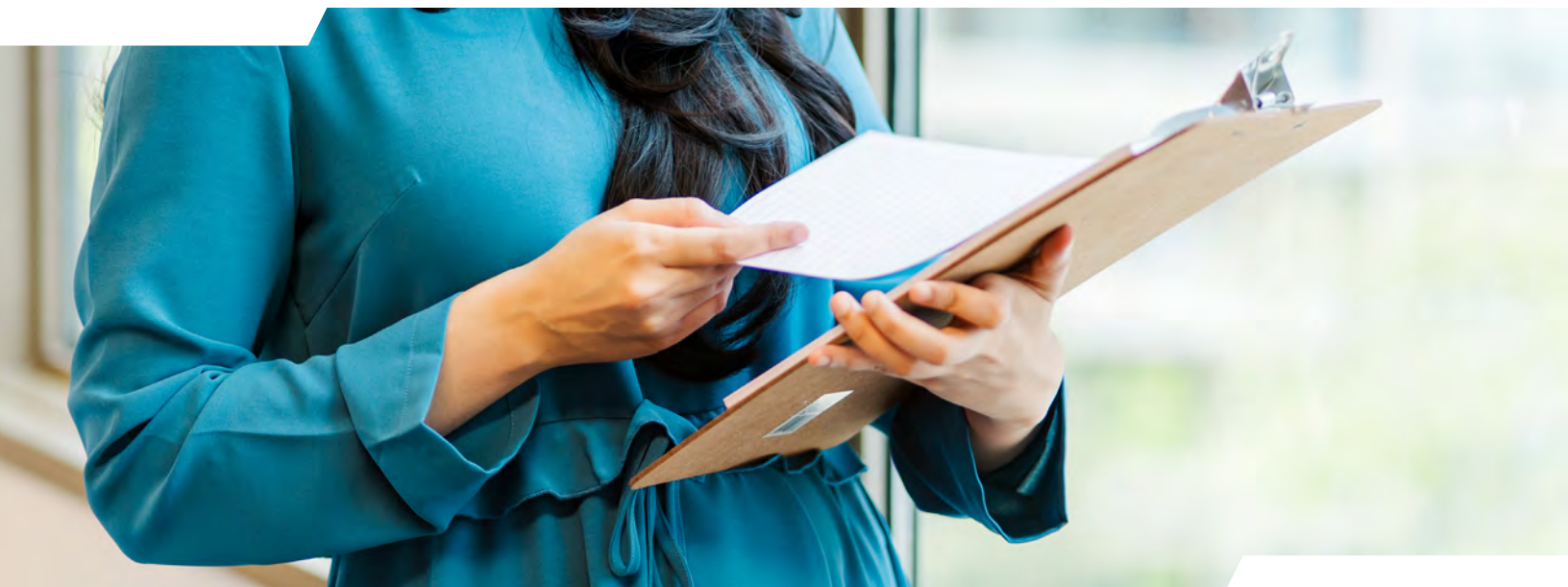
The HCRA's Board of Directors is responsible for providing strategic leadership and oversight of the operations of the HCRA. Directors bring a wide range of expertise in areas of established competency criteria to ensure that the Board has a strong blend of skills, experience, and qualifications. Diversity 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. A list of our current Board members and their biographies can be found on the [HCRA website](#).

HCRA Corporate Policies

Corporate policies are used to guide the organization's decision-making. The following policies are Board-approved and 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:

- [Complaints About the HCRA Policy](#)
- [Expense Policy](#)
- [Procurement Policy](#)





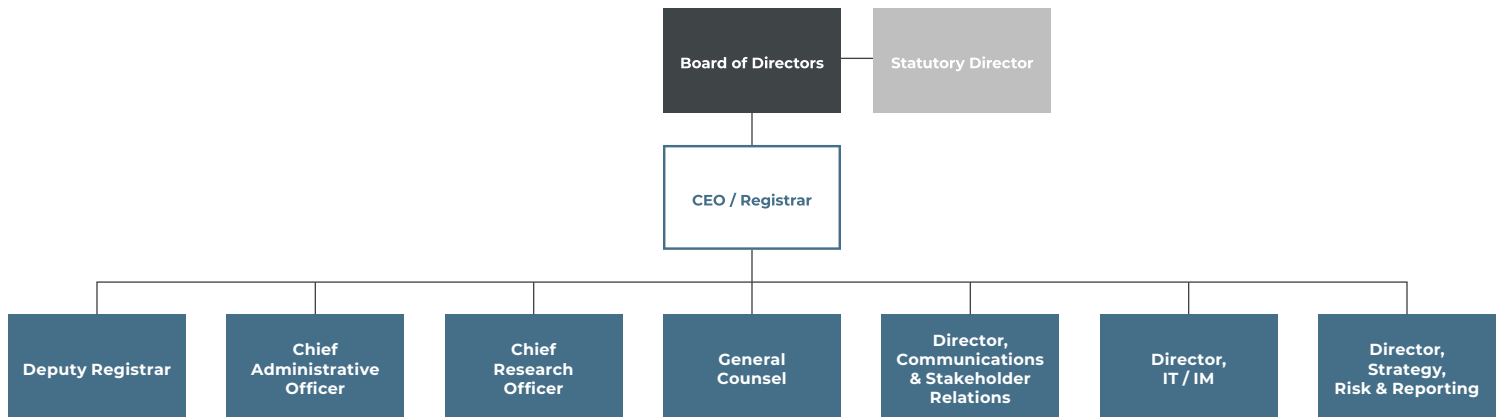
Home
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Organizational Structure

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, compliance, 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.



CORE SERVICES

Licensing

Set standards of professional qualifications and conduct; processing applications and renewals for licences to build and sell new homes; managing the Builder Portal – an online resource used for licensing applications and renewals.

Education

In cooperation with consumers and consumer organizations, develop, publicize, and promote educational resources that support consumer protection, education, and awareness regarding home buying and home ownership.

Research

In cooperation with industry organizations, research and develop resources that prepare builders for upcoming technical trends and best practices in home construction.

Complaints and Professional Conduct

Address inquires, concerns, and complaints about licensee conduct through a fair, thorough, evidence-based process, including possible inspections, referral to the discipline process and taking corrective action or licensing actions.

Compliance and Enforcement

Use the appropriate legal and regulatory tools to investigate and prosecute the most serious matters and curb illegal building and selling in Ontario's new home building sector.



French Language Services

The HCRA is committed to providing French language services when requested. Calls and inquiries to the HCRA's Customer Service Team can be addressed in French and the HCRA's website includes bilingual content ([English](#) and [French](#)). 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 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.

THE NEW HOME BUILDING SECTOR

Ontario's population of more than 15 million people is growing every year. At the same time, the Canada Mortgage and Housing Corporation has identified a **housing supply gap of more than 3.5 million** – more than half of which is in Ontario.

Events over the last three years – rapid changes in housing prices, increases in mortgage interest rates, cost increases, and delays in residential construction – have created unprecedented challenges for buyers, builders, and sellers of new or pre-construction homes.

These challenges are projected to have a significant impact on Ontario and the more than 6,500 people and companies licensed by the HCRA to build and sell new homes.

STAKEHOLDER ENGAGEMENT

The HCRA is dedicated to enhanced engagement with stakeholders across the new home building sector, the broader regulatory community, and the public. Supporting an informed industry and marketplace – and advancing the educational needs of builders and homeowners – underpins the HCRA’s commitment to advancing the professionalism of licensed builders and enhancing consumer confidence in the new home buying and ownership experience.

This includes implementing targeted awareness and engagement plans to promote the HCRA, its role, mandate, and services. In addition, the HCRA is focused on advancing its Research & Education program to better prepare builders for new construction trends, while educating consumers on best practices regarding home buying and home ownership.



BUSINESS PLANNING OVERVIEW

The HCRA’s 2022-2025 Strategic Plan outlined the strategic direction for the organization to solidify its operations, while navigating a complex and ever-changing regulatory environment. As part of its commitment to transparency and accountability towards its strategic objectives, the HCRA publishes annually its Business Plan and Annual Report. The Business Plan outlines the HCRA’s priority activities for the upcoming fiscal year, while the [Annual Report](#) outlines the achievements of the HCRA against the objectives established in its Business Plan for that year.

In the year ahead, the HCRA will continue its growth as a modern regulator by building on the successes of the first two years of the 2022-2025 Strategic Plan and developing the next phase of the HCRA’s operations.

The HCRA’s Goals and Strategic Objectives come from the 2022-2025 Strategic Plan, while the Priority Activities for 2024-2025 outline the ways in which the HCRA intends to achieve the aims of the Strategic Plan.

2024-2025 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	Priority Activities for 2024-25
Continually evaluate and improve processes, policies, and service-level standards that support the HCRA's risk-based model.	<ol style="list-style-type: none">1. Implement an organization-wide risk appetite statement.2. Adjust, as appropriate, the HCRA's risk-based model and regulatory risk framework for all core regulatory functions (licensing, professional conduct, illegal conduct investigations, and customer service) based on the organization's risk appetite statement.3. Implement a process to periodically review and, where applicable, update the HCRA's policies and processes, including accountability mechanisms.4. Strengthen the HCRA's commitment to its organizational values by developing and piloting a program for continuous improvement.5. Work with the HCRA's approved education providers to ensure pending changes to the <i>Ontario Building Code</i> are reflected in the competency course offerings.

Strategic Objective	Priority Activities for 2024-25
Clarify governance, decision-making, and escalation processes in alignment with the risk-based model.	<ol style="list-style-type: none">1. Ensure key decision rules across the HCRA's core regulatory functions (licensing, professional conduct, illegal conduct investigations, and customer service) are clear and create a library of documented regulatory policies and processes.

Strategic Objective	Priority Activities for 2024-25
Understand the HCRA's evolving organizational needs to build the best capacity, culture, and competencies required to deliver our mandate.	<ol style="list-style-type: none">1. Strengthen employee development through targeted training, performance management, and succession planning to enhance skills and support organizational growth.2. Continue to foster a positive, engaging, and inclusive work environment that motivates employees.

Strategic Objective

Align technology and data to support our core regulatory functions and inform evidence-based decisions.

Priority Activities for 2024-25

1. Review and, where applicable, update the HCRA’s key performance measures.
2. Ensure our systems collect the data required to report on key performance measures.
3. Provide appropriate oversight of the HCRA’s IT priorities through continued governance and implementation of the IT plan.
4. Review and assess the opportunities, tools, options, and risks of using artificial intelligence to support the organization’s work.

2. The HCRA will operate a financially sustainable regulatory model that supports the comprehensive and proactive accomplishment of its mandate.

Strategic Objective

Review existing fee model.

Priority Activities for 2024-25

1. Consider whether the existing fee structure supports operational needs and can ensure organizational stability, irrespective of economic conditions.

Strategic Objective

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

Priority Activities for 2024-25

1. Continuously review the HCRA’s revenue and expenses to align the annual budget with current and prospective economic conditions.

Strategic Objective

Explore opportunities to increase the number of licensees in pursuit of consumer protection and sustainable operations (e.g. illegal building).

Priority Activities for 2024-25

1. Develop a comprehensive strategy to combat illegal building and illegal selling (e.g. use data available to the HCRA to target illegal activity, share information with other organizations, and develop policy options for government consideration).

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

Establish delivery pathways for the research functions of the HCRA.

Priority Activities for 2024-25

1. Establish pilot research projects on emerging trends and practices in Ontario’s new home building sector.
2. Develop an annual symposium to share thought leadership, emerging trends, and successes in the HCRA’s research and education program.

Strategic Objective

Explore and understand emerging trends, threats, and insights into consumer protection.

Priority Activities for 2024-25

1. Continue working with the government to offer policy solutions that strengthen the legislative and regulatory framework (e.g. proposing ideas to align legislation with best regulatory practices, updating the required Addendum).

Strategic Objective

Disseminate regulatory and construction trends, insights, and learning into educational resources, outreach and continuous improvement strategies for builders, consumers, and the regulatory community at large.

Priority Activities for 2024-25

1. Continue supporting the new home building sector with information and advisories to clarify licensee obligations under the *New Home Construction Licensing Act, 2017*.
2. Continue promoting the protection of the public interest by developing, publicizing, and promoting educational resources on best practices in new home buying, ownership, building, and selling.

Strategic Objective

Proactively build awareness of the HCRA and its progress across the HCRA’s stakeholder groups, including consumers, licensees, and other regulatory bodies.

Priority Activities for 2024-25

1. Incorporate the results from the HCRA’s first customer experience survey to continue building and improving the HCRA’s resources, public outreach, and service delivery.
2. Use benchmark data to evaluate and enhance ongoing digital outreach and social media campaigns, including launching specific campaigns to promote consumer protection and education.
3. Implement a new HCRA website to support ongoing transparency, enhanced usability, and ease of access to regulatory information and updates.
4. Continue engaging with potential research & education partners.
5. Increase stakeholder engagement with consumer-centric stakeholders and professionals in the new home building sector.

PERFORMANCE MEASURES

The HCRA sets performance measures aligned with the strategic priorities and objectives of the organization. Performance measures range from the individual performance expectations of each team member to organization-wide Key Performance Indicators that the HCRA reports in its annual report.

In 2024-2025, 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>Contacting the HCRA by phone</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>The HCRA seeks an average wait time of no more than two minutes.</p>	<p>Average wait time to respond to incoming phone calls: 2 minutes.</p>
<p>Licensing application process</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 targets are based on receipt of a complete application. An incomplete application will delay the assessment and approval process.</p>	<p>Processing time for a new licence application: 8 weeks for a complete application.</p> <p>Processing time for a renewal application: 4 weeks for a complete application.</p>
<p>Complaints</p> <p>The HCRA reviews and assesses every complaint it receives using a risk-based framework – with high-risk matters receiving urgent attention. There are a variety of possible outcomes to close each matter, including warning letters, additional education requirements, administrative penalties, suspension or revocation of a licence, or – in the case of illegal building matters – prosecution.</p> <p>Proposed new performance measure: Average time to close matters</p>	<p>Average time to close a professional conduct matter and average time to close an illegal building matter.</p> <p>The HCRA will collect baseline data to report in 2024-2025 and to establish performance targets in 2025-2026.</p>

Performance Measure

Performance Target or Outcome

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. This metric is designed to ensure that the HCRA is making good decisions and applying its resources well.

Percentage of successful prosecutions – 90%.

Percentage of successful appearances at Licence Appeal Tribunal – 80%.

Visits to the Builder Directory

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

Profile searches initiated on licensees or warranted homes show how visitors engage with the Builder Directory. Accordingly, the HCRA is seeking to establish the minimum number of profile and warranty searches each month.

Average level of web traffic to the Builder Directory:

25,000 profile searches per month.

2,100 warranty searches per month.

Proposed new performance measure: Consumer satisfaction

Percentage of consumers who are aware of the HCRA.

Percentage of webinar/event attendees who are satisfied with the content of the event.

The HCRA will collect baseline data to report in 2024-2025 and to establish performance targets in 2025-2026.

Proposed new performance measure: Licensee satisfaction

Percentage of licensees who are satisfied with their interactions with the HCRA's customer service team.

Percentage of licensees who are satisfied with the licensing process.

The HCRA will collect baseline data to report in 2024-2025 and to establish performance targets in 2025-2026.

In developing the 2024-2025 Business Plan, the HCRA assessed the financial, human, and other resources required to successfully deliver on these strategic objectives.

Financial Resources

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 2024-2027

	FY 2025 (Budget) \$	FY 2026 (Outlook) \$	FY 2027 (Outlook) \$
Revenues			
Licensing Fees	\$4,741,000	\$4,835,820	\$4,932,536
Per Unit Fee	\$7,975,000	\$8,700,000	\$9,425,000
Other Income	\$1,133,000	\$1,155,660	\$1,178,774
Total Revenues	\$13,849,000	\$14,691,480	\$15,536,310
Expenditures			
Human Resources/Board	\$9,993,322	\$10,193,188	\$10,397,052
Operating	\$5,489,918	\$5,584,232	\$5,513,382
Total Expenditures	\$15,483,240	\$15,777,420	\$15,910,434
Net Surplus / (Deficit) for the period	\$(1,634,239)	\$(1,085,939)	\$(374,124)

Human Resources

The HCRA operates using a hybrid model with staff working primarily remotely and in-person to promote collaboration and teamwork. In its first two full years of operation, the HCRA has completed its phase of full-time equivalent growth by hiring the roles necessary to deliver its strategic objectives and regulatory functions. The HCRA has sufficient and well-utilized staffing, producing a high-performing workforce needed to fulfill the HCRA's mandate while upholding the HCRA's values.

Our team's skills are closely aligned with our goals, and our commitment to ongoing professional development ensures continuous improvement and operational effectiveness. This allows the HCRA to maintain its optimal human resource capacity to ensure operational efficiency and to effectively fulfill its mandate under the NHCLA.



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 determination of the likelihood of the risk occurring and its potential impact. 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 in order to achieve its core strategic objectives. For 2024-25, some of the key risks and mitigations, including preventive measures and controls, are:

Risk Category	Key risk mitigations
<p>Financial Risks impacting the HCRA’s financial viability</p>	<ul style="list-style-type: none"> • Budget forecasting using conservative assumptions. • Maintenance of reserve funds.
<p>Legal Risks resulting in non-compliance with applicable laws, regulations, contracts, policies including HCRA’s administrative agreement with the Province of Ontario</p>	<ul style="list-style-type: none"> • Quarterly reporting on key performance measures to the Board. • Review of HCRA-Tarion Information Sharing Agreement.
<p>Regulatory Risks related to complaints, enforcement and compliance programs</p>	<ul style="list-style-type: none"> • Ongoing development and publication of new Advisories to clarify licensee obligations. • Regular consultations with legal counsel on all regulatory matters related to enforcement. • Development of strategy to tackle illegal building.
<p>Reputational Risks related to awareness of the organization as a trusted regulatory body</p>	<ul style="list-style-type: none"> • Targeted outreach and engagement with real estate and legal professionals, building officials, and industry associations. • Regular communications with the public and stakeholders through HCRA’s e-newsletters, blog, and social media platforms. • Collaborations with other Administrative Authorities to discuss and share best practices on consumer outreach and engagement.
<p>Business Risks impacting operations and systems</p>	<ul style="list-style-type: none"> • Regular maintenance of operational systems to improve service delivery to the public and licensees. • Ongoing Builder Directory enhancements to ensure reliable information for the public.



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