

Important Information (disclaimer and copyright information)

B.C. Reg. 240/2000
O.C. 1010/2000

Deposited July 7, 2000

Homeowner Protection Act and Insurance Act

BUILDING ENVELOPE RENOVATION REGULATION

[includes amendments up to B.C. Reg. 360/2004]

Contents

[1 Definitions](#)

[Part 1 — Licensing](#)

[2 Licensing requirements for building envelope renovators](#)

[3 Exemptions](#)

[4 Applications for licence](#)

[5 Licence fees](#)

[6 Employee exemptions](#)

[7 Licence conditions](#)

[Part 2 — Building Envelope Renovation Warranty Insurance](#)

[8 Warranty provider acceptance of building envelope renovator](#)

[9 Warranty provider conditions](#)

[10 Circumstances in which materials and labour warranty insurance must be provided](#)

[11 Water penetration warranty insurance](#)

[12 Mandatory warranty conditions — Schedule 2](#)

[13 Warranty conditions](#)

[14 Optional exclusions](#)

[15 Warranty conditions respecting the costs included in calculation of renovation cost limits](#)

[16 Prohibited provisions and copy of amended contract to the Homeowner Protection Office](#)

[16.1 Deductions allowed for re-installed windows](#)

[17 Consequences of not informing holder of maintenance requirements](#)

[18 Schedule of expiry dates to be provided to holder](#)

[19 Holder to give warranty provider notice of defects](#)

[20 Mitigation of damage by holder](#)

[21 Application of provisions of the Act](#)

[Schedule 1: Building Envelope Renovation Schedule](#)

[Schedule 2: Mandatory Warranty Conditions](#)

[Schedule 3: Minimum Standards of Coverage](#)

Definitions

1 In this regulation:

"Act" means the *Homeowner Protection Act*;

"building code" has the same meaning as in the Homeowner Protection Act Regulation, B.C. Reg. 29/99;

"building envelope" means the assemblies, components and materials of a building that are intended to separate and protect the interior space of the building from the adverse effects of exterior climatic conditions;

"building envelope consultant" means a person, including an architect or professional engineer, who investigates defects in the building envelope of a residential building and provides plans, specifications or other advice on the design, evaluation or construction of a building envelope renovation or who is engaged to supervise the work of a building envelope renovator making a building envelope renovation;

"building envelope renovation" means construction work on a residential building

- (a) to repair defects in the building envelope which allow unintended water penetration, or
- (b) to repair damage caused by unintended water penetration;

"building envelope renovation schedule" means the form attached as Schedule 1;

"building envelope renovator" means a residential renovator who is licensed under Part 1 to engage in, arrange for or manage all, or substantially all, of a building envelope renovation;

"cladding surface" means components of a building which are exposed to the outdoor environment and are intended to provide protection against wind, water or vapour but does not include

- (a) roof surfaces of the building, or
- (b) a window unless the building envelope renovation includes
 - (i) the replacement of the window with a new window or other material, or
 - (ii) the removal, modification and re-installation of the modified window;

"defects in the building envelope" has the same meaning as in the Homeowner Protection Act Regulation, B.C. Reg. 29/99;

"director nominee" means the director of a building envelope renovator corporation named as the representative of the corporation on the licence of the building envelope renovator;

"dwelling unit" means a building, or a portion of a building, that

- (a) is intended for residential occupancy,
- (b) is a single, self-contained residence usually containing cooking, eating, living, sleeping and sanitary facilities, and
- (c) may contain a secondary suite if permitted by local bylaws;

"face", if used in reference to a building, means the entire surface area of the exterior of one of the elevations of the building, including all elements and components of the building that are supported by or attached to the exterior of that elevation but does not include horizontal deck or balcony surfaces, roof surfaces or window surfaces unless, in the case of the window surfaces, the building envelope renovation includes

- (a) the replacement of the window with a new window or other material, or
- (b) the removal, modification and re-installation of the modified window;

"holder", when used in reference to a residential building, means

- (a) if a strata plan respecting the land on which the building is situated has been deposited with the registrar of the land title office for the district in which that land is situated, the strata corporation for the strata plan,
- (b) a person who has a life interest in the residential building and whose interest is registered against the title to the land on which the residential building is situated in the land title office for the district in which the land is situated,
- (c) a person registered in the land title office for the district in which that land is situated as the purchaser under the last registered agreement for sale of the land on which the residential building is situated, or
- (d) if none of paragraph (a), (b) or (c) apply, the person registered in the land title office as the registered owner in fee simple of the land on which the residential building is situated;

"materials and labour warranty" means home warranty insurance, as defined in section 189.1 (1) of the *Insurance Act*, covering defects in materials or labour used in a building envelope renovation;

"multi-unit building" means a building containing 2 or more dwelling units together with associated common property, if any;

"rental purposes" means an occupancy or intended occupancy which is or would be governed by a tenancy agreement as defined in section 1 of the *Residential Tenancy Act*;

"residential building" means a structure or that portion of a structure that is used or intended to be used for residential purposes;

"secondary suite" means a suite located in and forming part of a dwelling unit where the dwelling

unit remains as a single legal title;

"substantially completed", when used in reference to a building envelope renovation, means that the building envelope renovation as described in section 5 of the building envelope renovation schedule can be completed at a cost of not more than the sum of

- (a) 3% of the first \$500 000 of the cost of the building envelope renovation as set out in section 6 of the building envelope renovation schedule,
- (b) 2% of the next \$500 000 of the cost of the building envelope renovation as set out in section 6 of the building envelope renovation schedule, and
- (c) 1% of the balance of the cost of the building envelope renovation as set out in section 6 of the building envelope renovation schedule;

"unintended water penetration" means water penetration

- (a) caused by defects in the building envelope, and
- (b) not caused by flooding;

"water penetration warranty" means home warranty insurance, as defined in section 189.1 (1) of the *Insurance Act*, on a building envelope renovation which covers defects in a building envelope that cause or permit unintended water penetration and damage caused by that unintended water penetration.

[am. B.C. Reg. 317/2000, s. 1.]

Part 1 — Licensing

Licensing requirements for building envelope renovators

2 A person must not engage in, arrange for or manage a building envelope renovation unless the person is licensed as a building envelope renovator under this regulation.

Exemptions

3 (1) This regulation does not apply

- (a) Repealed. [B.C. Reg. 317/2000, s. 2.]
- (b) to a person performing a building envelope renovation on
 - (i) a detached self contained dwelling unit,
 - (ii) a building having only 2 self contained dwelling units,
 - (iii) a hotel or motel,

- (iv) a dormitory,
 - (v) a care facility,
 - (vi) a floating home,
 - (vii) a multi-unit building owned by one person or group and having all dwelling units used or available for rental purposes, or
 - (viii) a multi-unit building in which the first occupancy of a dwelling unit occurred 25 or more years before the commencement of the building envelope renovation or, if applicable, the issuance of a building permit for the building envelope renovation, whichever is earlier,
- (c) to the residential builder who
- (i) is performing a building envelope renovation on a residential building first constructed by that residential builder, and
 - (ii) pays the total cost of the building envelope renovation or, with the prior written agreement of the holder, pays a portion of the cost of the building envelope renovation,
- (d) to a person engaged by a warranty provider to perform a building envelope renovation on a residential building if
- (i) the residential building is covered by home warranty insurance in accordance with the Act and regulations,
 - (ii) the building envelope renovation is performed pursuant to that home warranty insurance, and
 - (iii) the building envelope renovation is warranted under section 8 of Schedule 3 of the Homeowner Protection Act Regulation, B.C. Reg. 29/99 or section 4 of Schedule 3 of this regulation, or
- (e) if the total cost of a building envelope renovation is less than the greater of
- (i) \$10 000, and
 - (ii) \$2 000 for each self contained dwelling unit within the residential building.

(2) This regulation does not apply to a building envelope renovation

- (a) in a municipality or regional district where a building permit is required to authorize a building envelope renovation, if a properly completed application for a building permit for a proposed building envelope renovation is made to the municipality or regional district on or before September 30, 2000, and
- (b) in an area of British Columbia where a building permit is not required to authorize a building envelope renovation, if the building envelope renovation is commenced on or before

September 30, 2000 and continues to be performed without an interruption exceeding 30 days.

[am. B.C. Regs. 317/2000, s. 2; 360/2004, Sch. B, s. 1.]

Applications for licence

4 (1) A person may apply to the registrar for a building envelope renovator licence, or renewal of a building envelope renovator licence, by providing, in a form acceptable to the registrar, all of the following:

- (a) particulars respecting the applicant including name, address, telephone numbers, fax number and driver's licence number;
- (b) if the applicant is a corporation, the name of the director nominee of the corporation who agrees to act as representative of the corporation and in whose name the licence will be issued;
- (c) the name of each partner, director and officer of the applicant;
- (d) evidence of acceptance for materials and labour warranty insurance and water penetration insurance from all warranty providers that may have accepted the applicant under section 8;
- (e) a list of, and the location of, all building envelope repairs completed by the building envelope renovator over the 36 month period immediately preceeding the application, including the building type, the number of self contained dwelling units and the total amount paid or payable to the applicant for each building envelope repair;
- (f) a list of all construction-related organization memberships that are held by the applicant and each partner, director and officer named under paragraph (c);
- (g) a list of professional courses related to new home construction, building envelope science and building envelope repairs taken by each partner, officer and director named under paragraph (c), including industry accreditation;
- (h) an undertaking by the applicant not to employ a person to work in a compulsory certification occupation or a compulsory certification trade if the applicant knows, or would reasonably be expected to know, that the person is not permitted to work in that trade or occupation;
- (i) the applicant's undertaking that any building envelope renovations performed by the applicant will comply with the building code;
- (j) particulars of any conviction or judgment against the person or, if the applicant is a corporation or partnership, a partner, director or officer, for fraud or for an offence under the *Trade Practice Act*, the *Consumer Protection Act*, the *Business Practices and Consumer Protection Act*, or the *Homeowner Protection Act*;
- (k) the signature of the applicant or, in the case of a corporation, the director nominee named under paragraph (b).

(2) An application or renewal under subsection (1) must be accompanied by the fee set out in

section 5.

(3) Subject to section 14 of the Act, the registrar may issue a building envelope renovator licence to an applicant who has submitted a completed application under subsection (1) and paid the fee required under subsection (2).

[am. B.C. Reg. 274/2004, Sch. 3, s. 1.]

Licence fees

5 (1) For the purposes of section 4 (3)

(a) if the applicant holds a valid and subsisting residential builder licence under B.C. Reg.29/99, the Homeowner Protection Act Regulation, the application fee for a building envelope renovator licence is \$100,

(b) if paragraph (a) does not apply, the application fee for a building envelope renovator licence is \$600,

(c) if the licence holder is renewing a residential builder licence at the same time, the renewal fee for a building envelope renovator licence is \$0, and

(d) if paragraph (c) does not apply, the annual renewal fee for a building envelope renovator licence is \$500.

(2) For each self contained dwelling unit in a residential building for which a warranty provider has agreed to provide a materials and labour warranty or a water penetration warranty with respect to a building envelope renovation, a building envelope renovator must pay an additional licence fee of \$25.

Employee exemptions

6 Section 14 of the Act does not apply to an employee who works on a building envelope renovation as a project manager or construction manager for a licensed building envelope renovator.

Licence conditions

7 It is a condition of every licence issued to a building envelope renovator that the renovator must not undertake a building envelope renovation for which warranty insurance is required under section 10 or 11 unless

(a) the applicable warranty insurance is provided for the benefit of the holder,

(b) a building envelope consultant first completes a building envelope renovation schedule in the form attached as Schedule 1 to this regulation, and

(c) the building envelope renovator provides a copy of the building envelope renovation

schedule, with sections 1 to 8 completed, to the holder before applying for a building permit for the building envelope renovation.

Part 2 — Building Envelope Renovation Warranty Insurance

Warranty provider acceptance of building envelope renovator

8 Before accepting a building envelope renovator for a materials and labour warranty or a water penetration warranty, a warranty provider may make inquiries about the applicant and satisfy itself that:

- (a) the applicant, its directors and officers, if applicable, and its employees and consultants possess the necessary technical expertise to adequately perform their individual functions with respect to their proposed role in building envelope renovation;
- (b) the applicant has the financial resources to undertake the building envelope renovations it proposes for the following 12 months;
- (c) the applicant and its directors and officers, if applicable, have sufficient experience in business management to properly manage building envelope renovations;
- (d) the applicant, its directors and officers if applicable, and employees have sufficient practical experience to undertake building envelope renovations;
- (e) the applicant has not constructed residential buildings or mixed use buildings that have suffered damage from unintended water penetration of the building envelope;
- (f) the past conduct of the applicant provides a reasonable indication of good business practices and reasonable grounds for belief that its undertakings will be carried out in accordance with all legal requirements;
- (g) the applicant, its directors and officers, if applicable, and employees have been reasonably prudent in updating their skills and in continuing their education in the field of building envelope science;
- (h) the applicant is reasonably able to provide or cause to be provided customer service on the building envelope being renovated after completion of that renovation.

Warranty provider conditions

9 Before agreeing to provide a materials and labour warranty or a water penetration warranty on a building envelope renovation, a warranty provider may make inquiries and impose conditions as follows:

- (a) to determine if the applicant has the necessary capitalization or financing in place, including any reasonable contingency reserves, to undertake the proposed building envelope renovation;
- (b) to determine if the applicant, its directors and officers, if applicable, and employees and

consultants possess a reasonable level of technical expertise to perform the proposed building envelope renovation, including specific technical knowledge or expertise in any building systems, construction methods, products, treatments, technologies and testing and inspection methods proposed to be employed;

(c) to determine if the applicant, its directors and officers, if applicable, and its employees and consultants have sufficient practical experience in building envelope science to perform the proposed building envelope renovation;

(d) to determine if the applicant has sufficient personnel and other resources to adequately undertake the proposed building envelope renovation in addition to any new homes or other building envelope renovations which the applicant may have undertaken;

(e) requiring that a building envelope renovator provide security in a form suitable to the warranty provider;

(f) establishing or requiring compliance with specific construction standards, not inconsistent with the building code and bylaws enacted under the authority of Part 21 of the *Local Government Act* or Part IX of the *Vancouver Charter*, for the building envelope renovation;

(g) restricting the applicant from performing building envelope renovations on some types of residential buildings or using some types of construction or systems;

(h) requiring the use of specific types of systems, consultants or personnel for the building envelope renovation;

(i) requiring that the building envelope renovation be designed, supervised or reviewed by a building envelope consultant acceptable to the warranty provider;

(j) requiring that the building envelope renovator provide a list of all building envelope consultants and other consultants who are or will be participating in the design or construction inspection, or both, of the building envelope renovation;

(k) requiring an independent review of the building envelope renovation plan or building envelope consultants' reports or any part thereof;

(l) requiring third-party verification or certification of completion of the building envelope renovation or any part thereof;

(m) providing for inspection of the building envelope renovation or any part thereof during construction;

(n) requiring ongoing monitoring of the building envelope renovation, or one or more of its components, following completion of the building envelope renovation;

(o) requiring that the building envelope renovator or any of the design professionals, engineering professionals or consultants maintain minimum levels of insurance, bonding or other security naming the holder and warranty provider as loss payees or beneficiaries of the insurance, bonding or security to the extent possible;

- (p) requiring that the building envelope renovator provide a list of tradespeople employed in the building envelope renovation and requiring evidence of their current trades certification, if applicable;
- (q) imposing on the building envelope renovator other restrictions or conditions the warranty provider considers necessary or advisable.

Circumstances in which materials and labour warranty insurance must be provided

10 The building envelope renovator must provide, for the benefit of the holder, materials and labour warranty insurance on the building envelope renovation for a period of at least 2 years after the date on which the building envelope renovation was substantially completed if

- (a) the total cost of the building envelope renovation is greater than or equal to the greater of
 - (i) \$10 000, and
 - (ii) \$2 000 for each self contained dwelling unit within the residential building, and
- (b) the building envelope renovation includes the replacement of 60% or more of the cladding surface of
 - (i) the residential building, or
 - (ii) a face of the residential building.

[en. B.C. Reg 360/2004, Sch. B, s. 2.]

Water penetration warranty insurance

11 (1) If a building envelope renovator is required to provide materials and labour warranty insurance under section 10, the building envelope renovator must also provide, for the benefit of the holder, water penetration warranty insurance on the building envelope renovation for a period of at least 5 years after the date on which the building envelope renovation was substantially completed.

(1.1) Despite subsection (1), the water penetration warranty insurance need not be made applicable to damage to the parts of the cladding surface that are not part of the building envelope renovation.

(2) The building envelope renovator must obtain the water penetration warranty insurance required by subsection (1) from a warranty provider and that warranty insurance must provide coverage against,

- (a) if subsection (1) (a) applies, further defects in the building envelope; or
- (b) if subsection (1) (b) applies, further defects in the building envelope on each applicable face of a residential building.

(3) If a warranty provider establishes a limit on claims under a water penetration warranty required

by subsection (1), the limit must not be less than 125% of the total cost of the building envelope renovations covered by that warranty.

(4) In all other respects, and for the purposes of section 189.1 (3) of the *Insurance Act*, the water penetration warranty required by subsection (1) must provide, as applicable, at least the minimum standards of coverage set out in sections 2, 3 and 4 of Schedule 3.

[am. B.C. Reg. 360/2004, Sch. B, s. 3.]

Mandatory warranty conditions — Schedule 2

12 For the purposes of section 189.1 (2) of the *Insurance Act*, each materials and labour warranty and each water penetration warranty must include the mandatory warranty conditions set out in Schedule 2.

Warranty conditions

13 In addition to the conditions required under section 12, the following are conditions of every materials and labour warranty and water penetration warranty provided by a warranty provider on a building envelope renovation:

(a) if the warranty provider makes a payment or assumes liability for any payment or repair under a materials and labour warranty or a water penetration warranty,

(i) the warranty provider is subrogated to all rights of recovery of a holder against any person or persons who may have caused or contributed to the requirement for the payment or repair,

(ii) the warranty provider may bring an action at its own expense, in the name of the holder or of the warranty provider, to enforce such rights, and

(iii) the holder must fully support and assist the warranty provider in the pursuit of those rights if the warranty provider pursues such subrogated rights;

(b) implied or expressed warranties or representations made by a building envelope renovator to a holder are not binding on the warranty provider except as set out in the Act and this regulation or as set out in the applicable material and labour warranty or water penetration warranty;

(c) a holder must permit the warranty provider or building envelope renovator, or both, to enter the residential building at all reasonable times, on the giving of reasonable notice to the holder,

(i) to monitor the building envelope renovation or its components,

(ii) to inspect for required maintenance,

(iii) to investigate complaints or claims, or

- (iv) to undertake repairs under the materials and labour warranty or water penetration warranty;
- (d) if any reports are produced as a result of any of the activities referred to in paragraph (c), the reports must be provided to the holder on request;
- (e) a holder must provide to the warranty provider all information and documentation that the holder has available, as reasonably required by the warranty provider, to investigate a claim or maintenance requirement, or to undertake repairs under the materials and labour warranty or water penetration warranty;
- (f) to the extent that damage to a residential building is caused by the unreasonable refusal of a holder or occupant to permit the warranty provider or building envelope renovator access to the residential building for the reasons set out in paragraph (c) or to provide the information required by paragraph (e), such damage is excluded from the materials and labour warranty or water penetration warranty.

Optional exclusions

14 (1) A warranty provider may exclude any or all of the following items from a materials and labour warranty or water penetration warranty:

- (a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
- (b) any damage to the extent that it is caused or made worse by an owner, holder or third party, including by negligent or improper maintenance by anyone other than the building envelope renovator or its employees, agents or subcontractors;
- (c) any damage caused by the unreasonable failure of a holder to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to the warranty provider of a defect or discovered loss or a potential defect or loss;
- (d) any damage caused by insects or rodents and other animals, unless the damage results from non-compliance with the building code by the building envelope renovator or its employees, agents or subcontractors;
- (e) accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level of the underground water table which are not reasonably foreseeable by the building envelope renovator;
- (f) bodily injury or damage to personal property or real property which is not part of the residential building;
- (g) any defects in, or caused by, materials or work supplied by anyone other than the building envelope renovator, building envelope consultant or the employees, agents or subcontractors of either.

(2) Subsection (1) (f) includes bodily injury, or damage to personal property, caused by mold.

[am. B.C. Reg. 360/2004, Sch. B, s. 4.]

**Warranty conditions respecting the costs included
in calculation of renovation cost limits**

15 (1) It is a condition of a warranty required by section 10 or 11 that if a building envelope renovation is performed on more than one building in a single strata plan, the limits of coverage under section 10 (3) or 11 (3) apply with respect to the cost of the renovation of each building.

(2) To calculate the cost of warranty claims in respect of the limits under a materials and labour warranty or water penetration warranty, a warranty provider may include the following:

- (a) the cost of repairs;
- (b) the cost of investigation, engineering and design required for the repairs;
- (c) the cost of supervising the repairs, including the cost of professional review of the repairs.

**Prohibited provisions and copy of amended contract
to the homeowner protection office**

16 (1) A warranty provider must not include in a materials and labour warranty or water penetration warranty any provision that requires a holder

- (a) to sign a release before repairs are performed under the materials and labour warranty or water penetration warranty, or
- (b) to pay a deductible for the repair of any defect covered by the materials and labour warranty or water penetration warranty.

(1.1) Subsection (1) (b) does not apply to a window that

- (a) is a component of a building envelope,
- (b) is removed from the building envelope for the purpose of a building envelope renovation,
- (c) is re-installed as part of the building envelope renovation, and
- (d) causes damage by unintended water penetration to the building.

(2) All exclusions, as permitted by this regulation, must be stated in the materials and labour warranty or water penetration warranty.

(3) Not less than 30 days before putting into public use a new or amended document or contract form intended for use by holders and containing the terms and conditions of a materials and labour warranty or water penetration warranty, a warranty provider must submit the document or contract form to the Homeowner Protection Office.

[am. B.C. Reg. 360/2004, Sch. B, s. 5.]

Deductions allowed for re-installed windows

16.1 (1) If section 16 (1.1) applies to windows re-installed as part of a building envelope renovation, a warranty provider may require the holder to pay a deductible of up to \$500 for each re-installed window that caused unintended water penetration.

(2) The maximum amount of the deductible under subsection (1) for each dwelling unit is \$1 000.

[en. B.C. Reg. 360/2004, Sch. B, s. 6.]

Consequences of not informing holder of maintenance requirements

17 (1) If coverage under a materials and labour warranty or water penetration warranty is conditional on a holder undertaking proper maintenance, or if coverage is excluded to the extent that damage is caused by the negligence of the holder with respect to maintenance or repair, such conditions or exclusions apply only to maintenance requirements or procedures the requirement for which the holder has been informed in writing by the building envelope renovator or warranty provider.

(2) To the extent that the original holder has not been provided with manufacturer's documentation or warranty information, or both, or with recommended maintenance and repair procedures for any component of a building envelope, the relevant exclusion is deemed to not apply.

Schedule of expiry dates to be provided to holder

18 A warranty provider must, as soon as reasonably possible after the commencement date for the materials and labour warranty or water penetration warranty, provide the original holder with a schedule of the expiry dates for coverages under the materials and labour warranty or water penetration warranty as applicable to the building envelope repair.

Holder to give warranty provider notice of defects

19 (1) Within a reasonable time after the discovery of a defect covered by a materials and labour warranty or a water penetration warranty, and before the expiry of the coverage of that materials and labour warranty or water penetration warranty, a holder must give the warranty provider and the building envelope renovator written notice of that defect which includes particulars of the defect in reasonable detail.

(2) The warranty provider may require that the notice under subsection (1) include

(a) the materials and labour warranty or water penetration warranty number, and

(b) copies of any relevant documentation and correspondence between the holder and the building envelope renovator.

Mitigation of damage by holder

20 (1) The warranty provider of a materials and labour warranty or a water penetration warranty may require a holder to mitigate any damage caused by defects in materials or labour or by water penetration, as set out in the materials and labour warranty or water penetration warranty.

(2) Subject to subsection (3), for defects covered by a materials and labour warranty or water penetration warranty, the duty of the holder to mitigate is met through timely notice in writing to the warranty provider.

(3) The holder must take all reasonable steps to limit the damage to the residential building if the defect requires immediate attention.

(4) To the extent that damage to the building envelope of a residential building is caused or made worse by the failure of a holder to take reasonable steps to mitigate as set out in this section, such damage may, at the option of the warranty provider, be excluded from the materials and labour warranty or water penetration warranty, as applicable.

Application of provisions of the Act

21 Provisions of the Act that apply to residential renovators apply to building envelope renovators.

Schedule 1

Building Envelope Renovation Schedule

The purpose of this Schedule is to provide a record of information concerning building envelope renovations that are governed by the requirements of the *Homeowner Protection Act* and the regulations under it.

SECTION 1 — PROJECT IDENTIFICATION:

.....
Strata Corporation Number (*If Applicable*)

.....
Street Address

.....
City/town Postal Code

.....
Strata Council President / Building Owners Phone Number

.....
Property Manager (*If Applicable*) Phone Number

SECTION 2 — IDENTIFICATION OF BUILDING ENVELOPE CONSULTANT:

.....
Name Designation: (P.Eng., MAIBC, Other —

Specify)

.....
Street Address

.....
City/town Province Postal Code

.....
Phone Number Cell Phone Fax Number Email

SECTION 3 — IDENTIFICATION OF BUILDING ENVELOPE RENOVATOR:

.....
Name Contact Person

.....
Street Address

.....
City/town Province Postal Code

.....
Phone Number Cell Phone Fax Number Email

SECTION 4 — TESTING PERFORMED IN DETERMINING THE SCOPE OF REPAIRS:

(Describe in detail the type and extent of testing completed or supervised by the building envelope consultant to identify the residential building components in need of building envelope renovations.)

SECTION 5 — SCOPE OF REPAIRS:

(Describe in detail the portions of the residential building or buildings that will undergo building envelope renovations, the specific components to be repaired or replaced, and the nature of the work that is to be completed.)

SECTION 6 — REPAIR COSTS:

(Indicate the approximate repair cost of the building envelope renovation, including all applicable taxes. If the repair is to be phased, indicate the estimated cost of each phase and the total overall cost once all repairs are be completed.)

SECTION 7 — MAINTENANCE REQUIREMENTS:

(Specify the scope, nature and timing of owner maintenance that will be required following the completion of building envelope renovations, including the estimated annual cost of such owner maintenance.)

SECTION 8 — DECLARATION / ACKNOWLEDGMENTS:

A. BUILDING ENVELOPE CONSULTANT

I hereby declare that I have read and understood the relevant provisions of the *Homeowner Protection Act* and related regulations and declare that, with respect to this building envelope renovation, I am the building envelope consultant and that the information contained in this building envelope renovation schedule, to the best of my knowledge, is complete, true and accurate.

.....
 Signature Date

B. BUILDING ENVELOPE RENOVATOR

I hereby declare that I have read and understood the relevant provisions of the *Homeowner Protection Act* and related regulations and declare that with respect to this building envelope renovation I am the building envelope renovator and that the information contained in this building envelope renovation schedule, to the best of my knowledge, is complete, true and accurate.

.....
 HPO Licence Number Expiry Date

.....
 Signature Date

C. STRATA CORPORATION / HOLDER

I hereby acknowledge that I/we have received and have read a copy of this building envelope renovation schedule and that to the best of our understanding the information is complete, true and accurate.

.....
 Signature Date Title (Holder, Strata President Etc.)

SECTION 9 — BUILDING PERMIT INFORMATION:

(To be completed by the municipality or regional district prior to issuing a building permit.)

.....
 Municipality or Regional District Building Permit No. Date Permit Issued

Schedule 2

[section 12]

Mandatory Warranty Conditions

Mediation

1 (1) In this section:

"mediation" means a collaborative process in which 2 or more parties meet and attempt, with the

assistance of a mediator, to resolve issues in dispute between them;

"mediation session" means a meeting between 2 or more parties to a dispute during which they are engaged in mediation;

"mediator" means a neutral and impartial facilitator with no decision making power who assists parties in negotiating a mutually acceptable settlement of issues in dispute between them;

"roster organization" means any body designated by the Attorney General to select mediators for the purpose of this regulation.

(2) If a dispute between a warranty provider and a holder arising under a materials and labour warranty or water penetration warranty cannot be resolved by informal negotiation within a reasonable time, the holder may, at the holder's sole election, require that the dispute be referred to mediation by delivering to the warranty provider a written request to mediate.

(3) If the holder delivers a request to mediate under subsection (2), the warranty provider and the holder must attend a mediation session in relation to the dispute.

(4) In addition to the requirements of subsection (3), a warranty provider or a holder may invite to participate in the mediation any other party to the dispute who may be liable.

(5) Within 21 days after the holder has delivered a request to mediate under subsection (2), the parties must, directly or with the assistance of an independent, neutral person or organization, jointly appoint a mutually acceptable mediator.

(6) If the parties do not jointly appoint a mutually acceptable mediator within the time required by subsection (5), the holder may apply to a roster organization which must appoint a mediator taking into account

(a) the need for the mediator to be neutral and independent,

(b) the qualifications of the mediator,

(c) the mediator's fees,

(d) the mediator's availability, and

(e) any other consideration likely to result in the selection of an impartial, competent and effective mediator.

(7) Promptly after a roster organization selects the mediator under subsection (6), the roster organization must notify the parties, in writing, of that selection.

(8) The mediator selected by a roster organization is deemed to be appointed by the parties effective the date of the notice sent under subsection (7).

(9) The date, time and place of the first mediation session must be scheduled by the mediator, and the first mediation session must occur within 21 days of the appointment of the mediator.

- (10) Despite subsection (3), a party may attend a mediation session by representative if
- (a) the party is under legal disability and the representative is that party's guardian ad litem,
 - (b) the party is not an individual, or
 - (c) the party is a resident of a jurisdiction other than British Columbia and will not be in British Columbia at the time of the mediation session.
- (11) A representative who attends a mediation session in the place of a party referred to in subsection (10)
- (a) must be familiar with all relevant facts on which the party, on whose behalf the representative attends, intends to rely, and
 - (b) must have full authority to settle, or have immediate access to a person who has full authority to settle, on behalf of the party on whose behalf the representative attends.
- (12) A party or a representative who attends the mediation session may be accompanied by counsel.
- (13) Any other person may attend a mediation session if that attendance is with the consent of all parties or their representatives.
- (14) At least 7 days before the first mediation session is to be held, each party must deliver to the mediator a statement briefly setting out
- (a) the facts on which the party intends to rely, and
 - (b) the matters in dispute.
- (15) Promptly after receipt of all of the statements required to be delivered under subsection (14), the mediator must send each party's statement to each of the other parties.
- (16) Before the first mediation session, the parties must enter into a retainer with the mediator which must
- (a) disclose the cost of the mediation services, and
 - (b) provide that the cost of the mediation will be paid
 - (i) equally by the parties, or
 - (ii) on any other specified basis agreed by the parties.
- (17) The mediator may conduct the mediation in any manner he or she considers appropriate to assist the parties to reach a solution that is timely, fair and cost-effective.
- (18) A person must not disclose, or be compelled to disclose, in any proceeding, oral or written information acquired or an opinion formed, including, without limitation, any offer or admission made in anticipation of or during a mediation session.

(19) Nothing in subsection (18) precludes a party from introducing into evidence in a proceeding any information or records produced in the course of the mediation that are otherwise producible or compellable in those proceedings.

(20) A mediation session is concluded when

(a) all issues are resolved,

(b) the mediator determines that the process will not be productive and so advises the parties or their representatives, or

(c) the mediation session is completed and there is no agreement to continue.

(21) If the mediation resolves some but not all issues, then at the request of all parties the mediator may complete a report setting out any agreements that the parties to the mediation have made as a result of the mediation, including, without limitation, any agreements made by the parties on any of the following:

(a) facts;

(b) issues;

(c) future procedural steps.

Transfer of warranty to subsequent holders

2 (1) A materials and labour warranty or water penetration warranty pertains solely to the residential building for which it provides coverage and no notice to the warranty provider is required on a change of ownership.

(2) All of the applicable unused benefits under a materials and labour warranty or water penetration warranty are automatically transferred to any subsequent holder on a change of ownership.

Handling of claims

3 (1) A warranty provider must, on receipt of a notice of a claim under a materials and labour warranty or a water penetration warranty, promptly make reasonable attempts to contact the holder to arrange an evaluation of the claim.

(2) The warranty provider must make all reasonable efforts to avoid delays in responding to a claim under a materials and labour warranty or water penetration warranty, evaluating the claim and scheduling any required repairs.

(3) If, following evaluation of a claim under a materials and labour warranty or water penetration warranty, the warranty provider determines that the claim is not valid or not covered under the materials and labour warranty or water penetration warranty, the warranty provider must notify the holder of the decision in writing, setting out the reasons for the decision.

(4) The notice under subsection (3) must also set out the rights of the parties under the third party

dispute resolution process referred to in section 1 of this Schedule.

(5) Repairs must be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of materials and labour.

(6) On completion of any repairs, the warranty provider must deliver a copy of the repair specifications to the holder along with a letter confirming the date the repairs were completed and referencing the repair warranty provided for in section 4 of Schedule 3.

Disclosure of claims history

4 (1) On receipt of an inquiry from a holder or a member of a strata corporation or other corporation that is a holder regarding the claims experience of a residential building to which a materials and labour warranty or a water penetration warranty applies, the warranty provider must provide the holder or member of the strata corporation or other corporation with a history of claims.

(2) The history of claims referred to in subsection (1) must include, for each claim, not less than the following information for both the residential building and, if applicable, the associated common property:

- (a) the type of claim that was made;
- (b) the resolution of the claim;
- (c) the type of repair performed;
- (d) the date of the repair;
- (e) the cost of the repair.

Schedule 3

Minimum Standards of Coverage

[sections 10 and 11]

Materials and labour warranty

1 (1) Despite section 1 of Schedule 3 to B.C. Reg. 29/99, the Homeowner Protection Act Regulation, the minimum coverage for the materials and labour warranty on a building envelope renovation is 2 years for any defect in materials and labour and for non-compliance with the building code described in subsection (2).

(2) Non-compliance with the building code is considered a defect covered by home warranty insurance if the non-compliance

- (a) constitutes an unreasonable health or safety risk, or
- (b) has resulted in, or is likely to result in, material damage to the residential building.

Water penetration warranty

2 The minimum coverage for the water penetration warranty is 5 years for defects in the building envelope renovation, including a defect which permits unintended water penetration that causes, or is likely to cause, material damage to the residential building.

Living-out allowance

3 (1) If repairs are required under a materials and labour warranty or water penetration warranty and damage to the residential building, or a portion of it or the extent of the repairs renders the residential building or portion of it uninhabitable, the labour and materials warranty or water penetration warranty must cover reasonable living-out expenses incurred by the holder, or, in the case of a strata corporation or other corporation, members of that strata corporation or other corporation.

(2) If a warranty provider establishes a maximum amount per day for living-out expenses, that maximum amount must be not less than \$100 per day for the complete reimbursement of the actual accommodation expenses incurred by a holder or member of a holder corporation at a hotel, motel or other rental accommodation up to the day the residential building or portion of it is ready for occupancy, subject to the owner receiving 24 hours advance notice that the residential building will be ready for occupancy on that day.

Warranty on repairs and replacements

4 (1) All repairs and replacements made under a materials and labour warranty or water penetration warranty must be warranted against defects in materials and labour until the later of

(a) the first anniversary of the date of completion of the repair or replacement, and

(b) the expiry of the applicable labour and materials warranty or water penetration warranty coverage.

(2) All repairs and replacements made under a labour and materials warranty or water penetration warranty insurance must be completed in a reasonable manner using materials and labour conforming to the building code and industry standards.

[Provisions relevant to the enactment of this regulation: *Homeowner Protection Act*, S.B.C. 1998, c. 31, section 32; *Insurance Act*, R.S.B.C. 1996, c. 226, section 192]