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This bulletin is for informational purposes only. Please be sure to consult the relevant City of Kelowna bylaw.

PURPOSE

To inform staff, developers, builders, subcontractors, designers and consultants about the requirement to provide home warranty insurance/Home Protection Office (HPO) documentation for self-contained dwelling units (i.e. carriage houses, suites within accessory buildings) within the City of Kelowna.

BACKGROUND

The City of Kelowna has been contacted by the HPO regarding changes to the interpretation/regulations for the requirement to provide home warranty insurance/HPO documentation for self-contained dwelling units.

These requirements are outlined in an HPO bulletin titled Laneway Housing and the Homeowner Protection Act (see included) and are available on the HPO website (www.hpo.bc.ca).

Secondary suites located within a principle dwelling unit are exempt from the requirement to provide home warranty insurance/HPO documentation.

IMPLEMENTATION

The requirement to provide home warranty insurance/HPO documentation will be effective immediately for all self-contained dwelling units. It is the responsibility of the applicant to ensure that the requirements outlined by the HPO are met and that documentation is provided to the Building & Permitting Branch at the City of Kelowna prior to a building permit being issued.

Any questions regarding these requirements or other unique warranty circumstances should be directed to the HPO at 1-800-477-7757.



Laneway Housing and the *Homeowner Protection Act*

The "laneway housing" recently approved by the City of Vancouver is similar in nature to "coach houses" and the increasingly popular "detached legal suites" in other areas of the province, and are all considered new homes under the *Homeowner Protection Act* (the *Act*):

- Section 1 of the *Act* defines "new home" as:

"new home" means a building, or portion of a building, that is newly constructed or being constructed and is intended for residential occupancy, and includes

(a) a self-contained dwelling unit that is

(i) detached, or

(ii) attached to one or more other self-contained dwelling units,

(b) a building having 2 or more self-contained dwelling units under one ownership,

(c) common property, common facilities and other assets of a strata corporation,

(d) any building or portion of a building of a class prescribed by the regulations as a new home to which this Act applies, and

(e) a home that is or is being substantially reconstructed,

but does not include a manufactured home unless otherwise prescribed;

- Section 22(1) of the *Act* says: "A person must not build a new home unless the new home is registered for coverage by home warranty insurance provided by a warranty provider."
- Section 20 of the *Act* permits an exemption from home warranty insurance and licensing if an Owner Builder Authorization is issued by the HPO for a proposed home
- Section 2 of the *Homeowner Protection Act Regulation* (BC Reg 29/99) allows for certain outright exemptions from the home warranty insurance (and licensing) requirements in the *Act*

Laneway housing fits within the definition of "new home" in the *Act*. Therefore, any builder planning to build such units would have to be licensed by the HPO and provide home warranty insurance for the units. Laneway housing is not described in the exemptions listed in the regulation. A laneway house might be eligible for an Owner Builder Authorization, but would likely not be approved if it was built by a third-party builder instead of the owner, and not if it was rented out instead of used personally in the first year.

For more information or assistance in understanding how a specific case fits within the legislation, please contact the HPO at 1-800-477-7757.