

Last Updated: May 27, 2021

## 2. HONESTY AND INTEGRITY

Licensees must act with honesty and integrity and in compliance with the law. Under section 38 of the New Home Construction Licensing Act, 2017, this obligation on licensees is continuous and ongoing and applies to all conduct of a licensee in the course of their work as a builder and/or vendor.

Licensees are in a position of power relative to homebuyers. Consumers put their trust, faith, and money in the specific skills and expertise of licensees as part of the significant investment that goes into purchasing a home.

The HCRA expects licensees to engage with consumers with honesty, integrity, and in compliance with the law throughout the home building and buying process. This includes—but is not limited to—the negotiation of agreements of purchase and sale, contracts for contract homes, and any contractual matter that may arise after the licensee and a homebuyer have signed an agreement.

The HCRA expects that licensees will not exploit their relative power over homebuyers. For example, in renegotiating a contract, the HCRA would be concerned about a licensee who:

- Does not recommend that homebuyers obtain independent legal advice.
- Does not state that a homebuyer may have the option to insist that the licensee complete the contract as originally signed, subject to any termination or other clauses set out in the contract itself.
- Presents a misleading, false, or incomplete set of options available to a purchaser in the event of a renegotiation.

This is not an exhaustive list. The HCRA expects licensees to avoid conduct that would reasonably be regarded as being disgraceful, dishonourable, unprofessional, unbecoming a licensee, or likely to bring the new home construction and sales profession into disrepute.

Following review and information gathering in respect of a complaint about a licensee who may not have met the HCRA's expectations of acting with honesty and integrity, the Registrar may take certain actions, including a notice of proposal to suspend or revoke a licence, or to apply conditions to a licence.



# ADVISORY

Please note, on July 1, 2021, the regulation for the Code of Ethics and the Discipline and Appeals Committees will come into force. From that date, the HCRA Registrar may refer complaints of a potential breach of the Code of Ethics to the Discipline Committee.