



Province of Alberta

FAIR TRADING ACT

# HOME INSPECTION BUSINESS REGULATION

**Alberta Regulation 75/2011**

Extract

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Alberta Queen's Printer  
5<sup>th</sup> Floor, Park Plaza  
10611 - 98 Avenue  
Edmonton, AB T5K 2P7  
Phone: 780-427-4952  
Fax: 780-452-0668

E-mail: [qp@gov.ab.ca](mailto:qp@gov.ab.ca)  
Shop on-line at [www.qp.alberta.ca](http://www.qp.alberta.ca)

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**ALBERTA REGULATION 75/2011**

**Fair Trading Act**

**HOME INSPECTION BUSINESS REGULATION**

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#### **Definitions**

- 1 In this Regulation,
  - (a) “Act” means the *Fair Trading Act*;
  - (b) “dwelling” means a residential dwelling and includes a garage or carport whether attached or not;
  - (c) “home inspection” means an opinion as to the condition of a dwelling based primarily on a non-invasive examination of readily accessible features and components of the dwelling;
  - (d) “home inspection business” means the business designated as the home inspection business under the *Designation of Trades and Businesses Regulation* (AR 178/99);
  - (e) “home inspection occupation” means the occupation designated as the home inspection occupation under the *Designation of Trades and Businesses Regulation* (AR 178/99);
  - (f) “home inspector” means an individual who is employed or otherwise engaged by one or more home inspection businesses to conduct home inspections;

- (g) “licensed home inspector” means a person who holds a conditional home inspector licence or a full home inspector licence;
- (h) “licensee” means the holder of a licence.

## **Part 1**

### **Licensing of Home Inspection Businesses and Home Inspectors**

#### **Division 1**

#### **Licensing of Home Inspection Businesses**

##### **Licence**

- 2(1)** The class of licence to be known as the home inspection business licence is established.
- (2)** A person who holds a home inspection business licence is authorized to engage in the home inspection business.

##### **Term of licence**

- 3** The term of a home inspection business licence expires on the last day of the 24th month after it is issued or renewed.

##### **Fee for licence**

- 4** The fee for a home inspection business licence is
- (a) in the case of a home inspection business having 3 or fewer licensed home inspectors, \$500,
  - (b) in the case of a home inspection business having more than 3 but fewer than 10 licensed home inspectors, \$700, and
  - (c) in the case of a home inspection business having 10 or more licensed home inspectors, \$900.

##### **Security**

- 5** No home inspection business licence may be issued or renewed unless the applicant submits to the Director
- (a) security that is in the form and in an amount approved by the Director, and

- (b) proof that the applicant has errors and omission insurance specifically in respect of the carrying on of the home inspection business covering at least \$1 000 000 per claim and \$2 000 000 aggregate for all claims within a one-year period.

**Insurance must be maintained**

**6(1)** A home inspection business shall not carry on its business without the insurance referred to in section 5(b).

**(2)** A home inspection business shall immediately notify the Director if it ceases to have the insurance referred to in section 5(b).

**Prohibition**

**7** A home inspection business shall not engage in the business of home inspections under a business name that is different from the name on the licence.

## **Division 2 Licensing of Home Inspectors**

**Licence**

**8(1)** The class of licence to be known as the conditional home inspector licence is established.

**(2)** The class of licence to be known as the full home inspector licence is established.

**(3)** An individual who holds either class of home inspector licence is authorized to engage in the home inspection occupation.

**(4)** An individual who holds either class of home inspector licence shall conduct home inspections only for a licensed home inspection business.

**Application for home inspector licence**

**9(1)** In this section,

- (a) “approved” means approved by the Director;
- (b) “Certified Master Inspector (CMI) designation” means a Certified Master Inspector (CMI) designation granted by the Master Inspector Certification Board, Inc.;
- (c) “Registered Home Inspector (RHI) designation” means a Registered Home Inspector (RHI) designation granted by

the Canadian Association of Home and Property Inspectors (Alberta).

**(2)** A person who wishes to obtain a full home inspector licence must submit to the Director proof satisfactory to the Director that the applicant is employed or otherwise engaged by a licensed home inspection business, and

(a) has

- (i) obtained a degree, diploma or certificate in home inspection from an approved educational institution, and
- (ii) satisfactorily completed a test inspection of a dwelling supervised by an approved educational institution or a licensed home inspector holding a Certified Master Inspector (CMI) designation or a Registered Home Inspector (RHI) designation,

or

(b) holds an approved home inspection designation or licence from an approved industry association or regulatory body.

**(3)** A person who wishes to obtain a conditional home inspector licence must submit to the Director proof satisfactory to the Director that the applicant is employed or otherwise engaged by a licensed home inspection business, and has completed, before the coming into force of this Regulation,

(a) at least 25 fee-paid home inspections, and

(b) a test inspection of a dwelling supervised by an approved educational institution or a licensed home inspector holding a Certified Master Inspection (CMI) designation or a Registered Home Inspector (RHI) designation,

and, in the opinion of the Director, has experience, knowledge and ability that affords reasonable grounds to believe that the applicant will be able to operate as a home inspector.

**(4)** The application and other information submitted under subsection (2) or (3) must, on the request of the Director, be verified by affidavit or in another manner that is satisfactory to the Director.

**(5)** A test inspection supervised by a person holding a Certified Master Inspector (CMI) designation or a Registered Home Inspector (RHI) designation before the coming into force of this

Regulation meets the requirements referred to in subsection (2)(a)(ii) and (3)(b) even though the supervisor is not licensed.

#### **Continuing education**

**10(1)** The Director may require a licensed home inspector to take additional training or courses, or both, in a program related to home inspections.

**(2)** If the Director requires a licensed home inspector to take additional training or courses pursuant to subsection (1), the Director may require the home inspector to submit to the Director proof of the home inspector's enrolment in and successful completion of the training or courses.

#### **Term of licence**

**11(1)** The term of a home inspector licence expires

- (a) in the case of a conditional home inspector licence, March 31, 2013, and
- (b) in the case of a full home inspector licence, on the last day of the 24th month after the licence is issued or renewed.

**(2)** Despite subsection (1)(a), in exceptional circumstances as determined by the Director, the Director may renew a conditional home inspector licence until March 31, 2014 if there is a reasonable expectation that the applicant will be qualified for a full home inspector licence by that date.

#### **Fee for licence**

**12** There is no fee for either class of home inspector licence.

#### **Renewal of full home inspector licence**

**13(1)** This section applies to the renewal of a full home inspector licence.

**(2)** A home inspector may apply to renew his or her licence before its expiry.

**(3)** A home inspector who ceases to be licensed for any reason, other than as a result of a decision of the Director under section 127 of the Act, may apply to renew his or her licence within 2 years from the date the home inspector ceases to be licensed.

**(4)** A home inspector who wishes to renew his or her licence must submit to the Director proof satisfactory to the Director that the applicant



- (a) has complied with section 10, and
- (b) is employed or otherwise engaged by a licensed home inspection business.

(5) A home inspector who obtained a licence as a result of meeting the requirement set out in section 9(2)(b) who is applying to renew his or her licence must continue to meet that requirement.

(6) An applicant referred to in subsection (2) must, in the opinion of the Director, have the experience, knowledge and ability that affords reasonable grounds to believe that the applicant will be able to operate as a home inspector.

#### **Employment of home inspector**

**14(1)** If a home inspector becomes employed or otherwise engaged by a home inspection business, the home inspection business shall, within 15 days, send the Director written notification of

- (a) the name of the home inspector, and
- (b) the date the home inspector became employed or otherwise engaged by the home inspection business.

(2) If a home inspector ceases to be employed or otherwise engaged by a home inspection business, the home inspection business shall, within 15 days, send the Director written notification of

- (a) the name of the home inspector, and
- (b) the date the home inspector ceased to be employed or otherwise engaged by the home inspection business.

#### **Duty to produce licence**

**15** Every home inspector shall produce his or her home inspector licence and a copy of the home inspection business licence for inspection, or provide details about those licences, that make it possible to determine if the person is licensed when requested to do so by

- (a) a consumer or potential consumer,
- (b) the person whose home is being inspected,
- (c) an inspector or the Director, or

- (d) a peace officer as defined in the *Provincial Offences Procedure Act*.

### **Division 3 General**

#### **General Licensing and Security Regulation applies**

**16** The *General Licensing and Security Regulation* (AR 187/99) applies to the home inspection business and to the home inspector occupation.

#### **Representations**

**17(1)** A licensee shall not make any representation, whether expressly or implied, that being licensed under this Regulation constitutes an endorsement or approval of the licensee by the Government of Alberta.

**(2)** Subsection (1) does not preclude a licensee from representing that the licensee is licensed under this Regulation.

### **Part 2 Home Inspection**

#### **Home inspection**

**18** A home inspection business shall ensure that a home inspection is conducted only by a licensed home inspector.

#### **Home inspection contract**

**19** A home inspection business shall ensure that every home inspection contract

- (a) is in writing,
- (b) is legible, and
- (c) includes the following:
  - (i) the consumer's name and address;
  - (ii) the home inspection business's name and licence number, business address, including street address, telephone number and, if applicable, fax number and e-mail address;
  - (iii) the name and licence number of the home inspector conducting the inspection;

- (iv) the date of the contract;
- (v) the date on which the home inspection is to occur;
- (vi) the date the completed home inspection report is to be provided to the consumer;
- (vii) the address of the dwelling to be inspected;
- (viii) if the contract does not include an inspection of any of the following features or components of the dwelling, a statement, to be initialled by the consumer, indicating that fact:
  - (A) roofing, flashings or chimney;
  - (B) exterior, including lot gradings, walkways, driveways, retaining walls, patios and decks;
  - (C) structure;
  - (D) electrical;
  - (E) heating;
  - (F) heat pumps and cooling;
  - (G) insulation;
  - (H) plumbing;
  - (I) interior;
- (ix) if the contract does not include an inspection of mould or asbestos, a statement, to be initialled by the consumer, indicating that fact;
- (x) a statement that unless expressly stated in the contract, the contract does not include an inspection of any outbuildings or other structures not attached to the dwelling other than a garage or carport;
- (xi) a statement that the inspection will be non-invasive unless the parties agree to specified invasive procedures;
- (xii) if all or any part of the home inspection is to be subcontracted to another home inspection business, the name and licence number of that home inspection business and a statement, to be initialled by the consumer, indicating that fact.

**Contract to be signed**

**20** A home inspection business shall ensure that before a home inspection occurs,

- (a) the home inspection contract is signed by the home inspection business and by the consumer, and
- (b) the name of each signatory to the contract is printed legibly beside or below the signature.

**Contract to be provided to consumer**

**21** The home inspection business shall provide the consumer with a copy of the signed home inspection contract at the time the contract is signed.

**Prohibited wording**

**22** A home inspection business shall not include a clause in a home inspection contract or home inspection report that

- (a) limits the liability, or the amount of liability, of the home inspection business or the home inspector for breach of contract or negligence, or
- (b) limits the time for making any claim against the home inspection business or home inspector.

**Home inspection report**

**23(1)** A home inspection business shall ensure that every home inspection report

- (a) is in writing,
- (b) is legible,
- (c) addresses the condition of the following features or components of the dwelling, except for those that have been excluded by the home inspection contract under section 19:
  - (i) roofing, flashings or chimney;
  - (ii) exterior, including lot gradings, walkways, driveways, retaining walls, patios and decks;
  - (iii) structure;
  - (iv) electrical;

- (v) heating;
- (vi) heat pumps and cooling;
- (vii) insulation;
- (viii) plumbing;
- (ix) interior,

and

- (d) makes recommendations on any identified deficiencies for each of the features or components referred to in clause (c) that are included in the inspection, and anything else that is made part of the inspection.

(2) A recommendation to obtain an expert opinion meets the requirements of a recommendation under subsection (1)(d).

#### **Report to be provided to consumer**

**24** A home inspection business shall provide a copy of the completed home inspection report to the consumer on or before the date set out in the home inspection contract.

#### **Compensation for damage**

**25** A home inspection business shall compensate the owner or occupant of a dwelling for any damage caused by a home inspection of the dwelling unless

- (a) the damage was reasonable and necessary to perform the home inspection, and
- (b) the owner of the property consented in writing to the damage to be caused by the home inspection.

#### **Prohibitions**

**26(1)** Neither a home inspection business nor a home inspector shall disclose the contents of a home inspection report, except

- (a) with the written permission of the consumer,
- (b) as required by law, or
- (c) if, in the opinion of the home inspector, there is a serious health or safety risk.

(2) A home inspection business shall not enter into a home inspection contract if the home inspection would result in a conflict

of interest for the home inspection business or a home inspector employed or otherwise engaged by the home inspection business.

(3) A conflict of interest under subsection (2) includes a payment from a person other than the person for whom the home inspection report is to be prepared.

(4) A home inspector shall not conduct a home inspection if the home inspection would result in a conflict of interest for the home inspector.

(5) A conflict of interest under subsection (4) includes a payment for a home inspection from a person other than the home inspection business.

(6) Neither a home inspector nor a home inspection business shall provide a consumer with an estimate of the cost of any repair or improvement to a dwelling as a result of a home inspection.

### **Part 3 Offences and Unfair Practices**

#### **Offences**

**27** A contravention of section 6, 7, 8(4), 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25 or 26 is an offence for the purposes of section 162 of the Act.

#### **Unfair practices**

**28** A contravention of section 18, 19, 20, 21, 22, 23, 24, 25 or 26 is an unfair practice for the purposes of section 5(d) of the Act.

### **Part 4 Expiry and Coming into Force**

#### **Expiry**

**29** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on August 31, 2016.

#### **Coming into force**

**30** This Regulation comes into force on September 1, 2011.





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