

NEWS

Nobleford CAO asks: Is the Alberta New Home Buyer Protection Act worth it?

**By Stan Ashbee
Sunny South News**

Buying a new home is expensive. Families scrape by and save hard-earned money for years to purchase their “dream” home. But, what if their “dream” home becomes the house from hell? Alberta announced last year a mandatory new home warranty program but some Albertans, including Village of Nobleford Chief Administrative Officer (CAO) Kirk Hofman, have asked, “Is it worth it?”

As of Feb. 1 of last year, every new home built in Alberta is protected under warranty. Alberta’s New-Home Buyer Protection Act, according to the government of Alberta, encourages even higher quality standards, making sure new homes stand the tests of time. Alberta’s New Home Buyer Protection Act, the government of Alberta states online, mandates and regulates new home warranties in the province. The government of Alberta ensures legislation is complied with and tracks warranties on new homes.

Alberta Municipal Affairs provides tools to municipalities to ensure warranty coverage is in place before new construction permits are issued. The government enforces penalties against builders, warranty providers and others not complying with the Act — up to \$100,000 for first offences and up to \$500,000 for subsequent offences. In a recent e-mail, Hofman said Nobleford is a place where potential homeowners are invited to come and build a home at an affordable price and with minimum bureaucracy and red tape. “Nearly 200 people have taken Nobleford up on their offer since 2006, resulting in doubling the size of Nobleford and turning this struggling rural Alberta village into a prospering modern community. The new Alberta mandatory new home warranty program may make your dream of owning your own home even more difficult. The intent of the program

is to protect new home buyers from poor quality built homes that fall over time,” said Hofman, in the e-mail. This program, Hofman added in the e-mail, may be beneficial for communities that cannot or do not have controls in place or for multi-family condo-style buildings but has little merit for places like Nobleford that has

“Some municipalities may need this, but not Nobleford.”

— CAO Kirk Hofman

a strong history of diligence and quality controls in place. “Have you ever heard of a condo that does not have issues with foundations or the roof? The mandatory program requires home owners/builders to provide proof of warranty insurance before they can be issued development and building permits. The cost of this insurance is over \$3,000 and there is no guarantee the individual home build will be eligible for the insurance. If denied, they have the option to put up \$30,000 of their own money to be held by the program for 10 years,” he added.

According to Hofman, most home builders are young people building their own home for their family and on a budget. “We know they need help, that’s why we make the processes as simple and user-friendly as possible and we do as much work for them as we can. Nobleford is a municipal safety code council accredited agency that issues permits right at the front desk of the office and manages the inspection processes of building, plumbing, gas and electrical. All these permits cost about \$1,200 total, per new home. We are very effective and efficient in process and you can be building a home two weeks after your application is submitted and we walk beside you until completion. We have one of the best safety code

inspection systems in Alberta to help build quality safe homes. All construction has to meet the Alberta building code requirements,” stated Hofman, in the e-mail.

This mandatory program, Hofman noted, has added a complicated level of bureaucracy and takes a lot of time and adds thousands, if not tens of thousands of dollars to the cost of a new home. “Some people may just walk away from the dream of building or even owning their new home. This mandatory program has minimal impact on the large developers/builders but they are not going to build 40 new homes in Nobleford or any small rural village. Rural Alberta municipalities depend on individual home owner builds,” said Hofman, in the e-mail.

Nobleford Mayor Don McDowell and council, Hofman explained, believe the word “mandatory” should be removed and each municipality should have the option to be part of the program if they feel it’s appropriate.

“Some municipalities may need this, but not Nobleford. Nobleford council has sent a letter to the Alberta Minister of Municipal Affairs stating the Village of Nobleford is formally requesting an option to be exempt from the Alberta Mandatory New Home Warranty Program,” stated Hofman, in the e-mail.

According to Hofman, McDowell has brought this issue to the mayors and Reeves committee and the group has expressed concerns with the program and in-person to Alberta Minister of Municipal Affairs Diana McQueen at a February 2015 meeting in Lethbridge.

Hofman said on Mar. 30, Nobleford will place 38 new self-developed residential building lots up for sale with prices starting at \$22,000. “This is Phase 5 of the Centennial subdivision. Phase 3 and Phase 4 sold out in one day,” said Hofman, in the e-mail.

Hofman noted Park Enterprises is organizing a number of information sessions in southern Alberta. Including one in Lethbridge in the City Hall foyer on Mar. 27.