

REGISTRAR INTERPRETATION BULLETIN

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BUILDING ASSESSMENT REPORT INTENTION AND PURPOSE

PURPOSE

The purpose of this bulletin is to provide clarity on the intention and purpose of the Building Assessment Report (BAR), which is a requirement for condominium developments under the *New Home Buyer Protection Act (NHBPA)*.

RELEVANT SECTIONS OF LEGISLATION

- Section 1.1(2) in the *New Home Buyer Protection Act*, , which states

Subject to subsection (5), the protection period in the case of common property or common facilities in a building is the 10-year period beginning when

- (a) the title to an inhabitable unit in the building or in a building in a phase of development of a condominium is transferred from a residential builder to a purchaser of a unit in an arm's length transaction, and
 - (b) the residential builder has entered into an agreement with a qualified person to have the qualified person prepare a building assessment report for the building or for the phase of development within 180 days of the transfer of title described in clause (a).
- Sections 4,5, and 6 in the *New Home Buyer Protection (General) Regulation*

DISCUSSION

A primary function of a Condominium Corporation is to maintain the common property and assets of the Corporation. To assist this function, Alberta's *NHBPA* and regulations set out a requirement for residential builders of common property, and assets of a Condominium Corporation, to prepare a BAR for the Corporation.

The intent of the BAR is to provide the Corporation – through proactive disclosure – an understanding of the common property being transferred to the Corporation.

The BAR is not intended to replace or supersede inspections which occur during the build, nor is it to act as a warranty, appraisal or guarantee. The BAR is not intended to provide an assessment of any other aspects of the building or common property beyond the systems identified in regulation.

Having a qualified individual(s) (as described in regulations), convey the systems of the common property, provides the Corporation with confidence and assists in understanding the building's condition, habitability, and safety, as they assume responsibility for the asset. It may also help inform what other tests they may want to pursue if necessary.

The BAR is intended to provide the Corporation with a general assessment of the common property and systems; however, the Corporation also has an onus to determine if they will undertake any additional assessments or tests, outside the parameters of the BAR, which may further inform their understanding and knowledge.

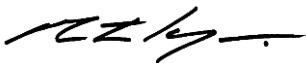
In preparing a BAR, the Schedules of Professional Involvement outlined in the Alberta Building Code could be a means to complete some of the BAR's required elements. Generally speaking however, the members of the Condominium Corporation are not professionals, so the intent of the BAR is to ensure that these schedules are compiled, packaged and explained to the Board, in accordance with section 4 of the *New Home Buyer Protection (General) Regulation*, as they relate to the common property associated with:

- The delivery and distribution systems;
- The building envelope;
- The mechanical systems;
- The surface water drainage systems; and
- The load bearing parts of the building.

While the Act and regulations determine the scope of the BAR, this does not preclude the qualified individual from providing additional information which they feel necessary for informed disclosure such as caveats, release of liabilities, means of testing and evaluating systems and components, accepted industry standards, and/or any required maintenance schedules associated with those systems and components.

For further details relating to specific interpretations and definitions associated with the BAR, please refer to the *NBPHA* and regulations or contact the New Home Buyer Protection Office.

Issue of this Registrar's Interpretation Bulletin is authorized by the Registrar.



Monte Krueger

July 9, 2015

Date