

APPENDIX 1

BUILDING ASSESSMENT REPORTS FREQUENTLY ASKED QUESTIONS

1. What is the purpose of the Building Assessment Report?

Please refer to Building Assessment Report Purpose and Intent document

2. Is a BAR a warranty claim?

A BAR is not a warranty claim. Therefore the information in the BAR does not predetermine a claim outcome or an outcome in a court case. If a claim is submitted by the owner/board the warranty provider will determine if the item in question is a warrantable defect.

3. Is the BAR a reserve fund study?

The BAR does not duplicate the reserve fund study, which is an inventory of depreciating property, life expectancy of the depreciating property and estimated costs of repairs or replacement of that property for a 25 year span. The Reserve Fund study can be completed by a broad range of individuals under the *Condominium Property Act* including appraisers, condominium managers and reserve fund planners.

4. What is a qualified person?

“Qualified person” means a professional engineer, a professional technologist, or a registered architect. See 1(1) (f) of the New Home Buyer General Regulation

5. What is common property and common facilities?

“Common property” has the same meaning as section 1(1)(f) of the *Condominium Property Act*

“Common facilities” has the same meaning as section 1(1)(g.1) of the *New Home Buyer Protection Act*

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6. Who can prepare a BAR?

A BAR is required to be prepared by a qualified person as defined under the New Home Buyer Protection (General) Regulation.

The residential builder is responsible for arranging for a qualified person to prepare the BAR within 180 days of the first transfer of title to a unit in the building.

Consulting professionals involved in the construction of the project may complete the BAR, if they meet the requirements of a qualified person.

There may be multiple individuals who contribute information to a BAR based on expertise, but the information must be compiled and submitted to the board by one qualified person.

Subject to terms and conditions, the Registrar may grant a residential builder an exemption to have a qualified person prepare the BAR (see Qualified Person Q.5 and the Bulletin on Qualified Persons).

7. What is meant by the term "defect and deficiency" in the section 4(2)(c) of the New home Buyer Protection General Regulation?

In the identification of construction defects and deficiencies the individual preparing the report can make reference to how these have been identified. This could include reference to the criteria and testing used and the point in time in which the construction defects and deficiencies were identified (i.e. visual inspection, during construction).

The person who prepares the BAR should identify construction defects and deficiencies in the building, if there are any – some buildings may be free of construction defects and deficiencies. Additionally, since the purpose of a BAR is to identify construction defects and deficiencies, the person who prepares the BAR is not required to forecast the future performance of the building.

8. Who receives the BAR?

The condominium board is the legal recipient of the BAR and the legislation requires that a builder hire a qualified person to prepare and provide a BAR to a condo board along with the warranty provider. This is to ensure the integrity of the report when given to a condo board. Provision of a copy of the BAR to the warranty provider provides follow up relative to the commencement of the warranty policy.

Within one week of receiving the BAR, the condominium corporation must serve any owner, purchaser or mortgagee of a unit in the condominium or phase of development of the condominium with notice that the BAR has been prepared.

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- A notice can be served to any owner, purchaser or mortgagee of the unit in either in written or electronic form.

9. Do all the systems listed in the regulation need to be included in the BAR?

Yes, so long as they exist and are considered part of the common property or common facilities. (see "Qualified person" 5.)

10. How does the BAR apply to condos that are developed in phases?

If the condominium is developed in phases a separate building assessment report must be prepared by a qualified person for each building in each phase of development. (i.e. multiple buildings within a condominium complex).

11. When is the BAR prepared?

For a newly built building included in a condominium plan, a BAR must be prepared within 180 days of the first transfer of title to a unit in the building.

12. When does the warranty policy commence for common property in a condominium development?

The protection period for common property or common facilities in a building will commence when:

- Title to an inhabitable unit in the building or in a phase of development of a condominium is transferred from the residential builder to the purchaser through an arm's length transaction **and**
- The residential builder has entered into an agreement with a qualified person to have that qualified person prepare the BAR for the building or the phase of development within 180 days of transfer of title

13. How does the requirement for the schedules of professional involvement apply to homes that are built without professional involvement?

For condominiums built without professional involvement under the Alberta Building Code. The content of the Schedules for Professional Involvement can be used as a guide or template to produce the BAR. Please also refer to the Registrar's Bulletin on the Building Assessment Report: Qualified Person.

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14. When is the BAR completed for a rental conversion?

It is the responsibility of the residential builder to ensure that all terms of the agreement with the individual preparing the BAR, including the complete preparation of a Building Assessment Report, is achieved within either:

- 180 days of the first transfer of title to a unit (for new condos) or
- 180 days before the sale or offering for sale of a unit in the building (for condos converted from apartments).

15. If a building was being converted to a condominium from a rental how does the owner determine how much warranty must be obtained?

The protection period for common property and common facilities for a multiple family dwelling originally built for rental purposes included in a condominium building will commence when:

- The date a unit in the building was first occupied as a rental unit, **AND**
- The date an accredited agency, accredited municipality or accredited regional services commission granted permission to occupy the unit as a rental unit.