

February 2014

Number 1

Page 1 of 4

MANUFACTURED HOMES FOR RESIDENTIAL USE

DISCUSSION

This bulletin has been developed to clarify the application of the *New Home Buyer Protection Act* (NHBPA) and *Regulations* to the construction of manufactured homes which are intended for residential use.

DEFINED TERMS

The words and terms in italics in this Bulletin have the following meanings that are specific to this Bulletin only.

Manufactured home means a home that is subject to the requirements of the Alberta Building Code and that is defined as constructed under section 1(1)(p) of the NHBPA,

- (i) as an individual pre-assembled unit intended for delivery to a residential site, or
- (ii) from a number of pre-assembled units that are intended for delivery to and assembly at a residential site;

Residential builder means a person who engages in, arranges for or manages all or substantially all of the construction or reconstruction of a new home, or agrees to do any of those things, and includes a general contractor, but does not include an owner builder as defined under section 1(1)(dd) of the NHBPA.

For manufactured homes, the residential builder is the person who directly enters into a contract with the owner.

Permit Issuer means an accredited agency, accredited municipality, or an accredited regional services commission as defined under section 1(1)(v) of the NHBPA.

1A. Manufactured homes built, but not sold prior to February 1, 2014

A residential builder who has an inventory of built manufactured homes that, where appropriate, have received the code compliance label from Alberta Municipal Affairs, but have not been sold through a contractual agreement prior to February 1, 2014 are not required to obtain the required home warranty coverage.

The residential builder will be required to provide the owner and permit issuer with appropriate documentation that proves that the construction completion date for the manufactured home occurred prior to February 1, 2014.

Appropriate documentation accepted would be either the date the Alberta Municipal Affairs code compliance label has been affixed or in cases where homes are not substantially completed in the manufacturer's facility, the manufacturers' record of completion date.

1B. Manufactured homes sold and construction completed prior to February 1, 2014, but permit not required until post-February 1, 2014

In cases where the residential builder and owner have signed a contract for the construction of a manufactured home with a siting/installation date post February 1, 2014 but the construction is completed prior to February 1, 2014, the residential builder is not required to obtain the required home warranty coverage.

The residential builder will be required to provide the owner or permit issuer with appropriate documentation that proves that the construction completion date for the manufactured home occurred prior to February 1, 2014.

Appropriate documentation accepted would be either the date the Alberta Municipal Affairs code compliance label has been affixed or in cases where homes are not substantially completed in the manufacturer's facility, the manufacturers' record of completion date.

2. Manufactured home construction not completed by February 1, 2014

In cases where a contract for the construction of a manufactured home has been entered into between a residential builder and owner,

- the construction of the manufactured home has commenced prior to February 1, 2014 and is ongoing, and
- no building permit has been issued by an authorized permit issuer

The residential builder will not be required to obtain the required home warranty coverage from a third party warranty provider.

The residential builder will be required to provide the owner and permit issuer with a copy of the original purchase agreement contract that clearly indicates the date that the contract was signed by both parties.

3. Manufactured homes not substantially completed in manufacturer's facility

In cases where the construction of a manufactured home begins in a manufacturer's facility, but further on-site construction is required when the home reaches the residential site, a code compliance label from Alberta Municipal Affairs would not be affixed to the structure.

Manufactured homes that require further on-site construction, such as finishing heating/ventilation installation and attaching roof trusses will require additional permits to be obtained for the remaining work to be completed on site.

The residential builder would be responsible for providing the owner with written confirmation of the work completed in the factory. This written confirmation can be used to support the application to a local municipal authority for the release of appropriate permits for on-site construction required to complete the home.

For manufactured homes built after February 1, 2014 that are not substantially completed in the manufacturer's facility, residential builders will be required to obtain the required home warranty coverage from a third party warranty provider.

For more information on Alberta Building Code requirements and code compliance labels, please contact your local municipal authority.

4. Home building kits constructed at residential sites

Some homes are sold to consumers as a complete package home kit, which includes pre-cut and pre-framed building components. These pre-packaged home kits are intended for substantial construction by owner-builders or contractors on site.

Home building kits do not fall under the manufactured homes category.

If home building kits are constructed by the owner, they may apply for owner-builder authorization under the *New Home Buyer Protection Act* with Alberta Municipal Affairs.

If the owner contracts the construction of a home building kit, the contractor will be considered a residential builder and will be required to obtain the required home warranty coverage from a third party warranty provider.

For more information about the Home Warranty program, visit www.HomeWarranty.alberta.ca or contact the New Home Buyer Protection Office, Municipal Affairs by phone at 1-866-421-6929 or by email at HomeWarranty.inquiries@gov.ab.ca.

For more information on Alberta Building Code requirements and code compliance labels, please contact your local municipal authority.

5. All manufactured homes built post February 1, 2014

Where a manufactured home is constructed in a manufacturer's facility and is delivered to the residential site as one whole unit or in separate modular sections after February 1, 2014, the residential builder will be required to obtain the required home warranty coverage from a third party warranty provider.

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



Diane McLean

February 11, 2014

Date