

Regulatory Bulletin

Choosing Your Licence Type: General Contractor or Developer

Overview

As part of your application to become a licensed residential builder, you need to identify whether your business activities over the coming year will classify you as a general contractor, developer, building envelope renovator, or a combination of the three. This applies whether you are seeking to obtain a new licence or to renew one.

You do not need to pay extra costs if you identify as multiple classifications when you renew your licence. However, if you change your status during the term of your licence, you will require a licence amendment. The fee for that change is \$100.

Once you have successfully completed your application, the Public Registry of Residential Builders will show your chosen licence type.

Choosing Your Classification

It's important you choose the classification that most accurately describes your work. The Homeowner Protection Act Regulation defines a **general contractor** as:

- › A residential builder that is engaged under contract by an owner, developer or vendor to perform or cause to be performed all or substantially all of the construction of a new home, and includes a construction manager and project manager.

A **developer** is defined as:

- › A residential builder that sells the residential builder's ownership in a new home, and includes a vendor that contracts with a general contractor for the construction of a new home.

For example:

- › If you buy land and develop it to sell new homes on spec, overseeing your own trades, you are both a **developer** and a **general contractor**.
- › If you buy land and develop it to sell new homes on spec, but hire a licensed general contractor to arrange the construction, you are a **developer**.
- › If you are hired by a land owner to build a custom home or a spec home for them, you are a **general contractor**.



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Regulatory Bulletins are a series of publications developed by BC Housing to provide information on the Homeowner Protection Act. All Regulatory Bulletins can be viewed at www.bchousing.org.

This bulletin and the website are for convenience only, they do not constitute legal advice. For complete details consult the Act and its regulations. For more information contact:

Licensing and Consumer Services | Branch of BC Housing

Phone: **604-646-7050**

Toll-free: **1-800-407-7757**

Fax: **604-646-7051**

E: licensinginfo@bchousing.org

W: www.bchousing.org

[@RegistrarBCH](https://twitter.com/RegistrarBCH)

A **building envelope renovator** is a third classification type open to you, provided you have the correct warranty coverage.

There are many other examples. If you are unsure which classification you should choose, please contact us for further advice.

Your CPD and Qualification Requirements

If you are a builder classified as a general contractor, you'll need to satisfy experience and education requirements to get a licence. If your licence is approved, you will also need to earn 20 Continuing Professional Development (CPD) points each year, as a condition of your licence.

Only general contractors constructing homes under Part 9 of the BC Building Code are required to apply for a Residential Builder Licence. General contractors working for a licensed developer to construct residential buildings under Part 3 of the BC Building Code are exempt from having to obtain a licence. However, if a general contractor who builds under Part 3 opts to be licensed, they must meet the qualification and CPD requirements.

If you're a builder who is classified only as a developer, you do not have to take CPD or satisfy experience and education requirements. You will be required to complete a declaration within your application to confirm that:

- › you will not take part in constructing Part 9 homes during the term of your licence, or
- › you will hire licensed general contractors to construct any Part 9 homes.

Failure to comply with this declaration may result in the suspension or cancellation of your builder licence or having your licence renewal denied.

If you are only a building envelope renovator, you have no CPD or qualification requirements to meet. The same is true if you are a building envelope renovator and developer meeting the above criteria.

Getting a Licence Amendment

If you need to change your licence type part way through your licence term, you can do so by logging on to your account through the Licensed Residential Builders portal and submitting a licence amendment. The fee for a licence amendment is \$100.

For example:

- › If you declare you are only a developer, but then decide to also be your own general contractor, for Part 9 homes, you can add the general contractor classification to your licence. However, you must now meet the qualification requirement, if you weren't previously assessed, and you must complete the CPD requirements as a condition of your licence.
- › If you have applied as a general contractor, but then decide to hire a licensed general contractor instead, you may change your licence type to developer. Simply complete the declaration and amend your licence. However, if you switch back to a general contractor classification later on, you would be required to gain the CPD points that you would have needed to earn, before you changed your licence type.

**Please note that if you submit an amendment to change your licence type from general contractor to developer, but we identify that you have been working as a general contractor during the licence term, your amendment will be denied. In this case, you would be required to remain licensed as a general contractor and complete CPD as a condition of your licence. If the conditions are met, the changes to your licence type can be made when you renew.

Consequences of Choosing the Wrong Licence Type

You must always keep your licence classifications up to date and notify us if your plans change by completing a licence amendment.

If you choose developer only as your licence type, you are exempt from having to meet the qualification requirements as a new builder and from completing CPD as a condition of your licence. If we become aware that you have been managing the

construction of a Part 9 home, without amending your licence type, you risk having your licence suspended and cancelled or having your renewal denied. Consequently, you would be required to re-apply for a new licence and would be subject to the qualification requirements as general contractor. You would also be required to show proof that you have completed the outstanding 20 CPD points in the year before your new licence application is submitted.

If you are unsure which classification to choose, or whether you need to change your licence type, call us for advice at **604-646-7050** or **1-800-407-7757**, or email licensinginfo@bchousing.org.



Builders classified as general contractors are required to take annual Continuing Professional Development (CPD) credits as a condition of their licence.

