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# Home improvements: what you need to know

Superseded

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Consumer tips | Service Alberta

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## Preamble

Are you considering renovating the interior or exterior of your property? Whether you are a homeowner getting renovations or a contractor performing renovations, know your contract and what must be included in it.

You can enter a home renovation contract from anywhere: in person, at a business location, over the telephone and Internet, away from the business in your home. Examples of improvements to your home can include bathrooms, kitchens, flooring, landscaping, paving, or decks and fences. A business requesting an upfront payment before work commences, or payments before the renovation is completed is a prepaid contracting business in Alberta.

Special regulations under the *Consumer Protection Act* apply to prepaid contracting businesses in Alberta:

Prepaid contract means accepting money for construction or maintenance before goods and services are provided and work is complete; **and**

Prepaid contracting businesses look for work, discuss or finalize a contract away from their normal place of business (e.g. in your home).

A prepaid contracting business must be licensed by Service Alberta and post security (\$) with Service Alberta. If the business is negligent in performing its services or providing the goods, an affected consumer can submit a claim against the security. For more information call the Consumer Contact Centre in Edmonton at 427-4088, toll-free in Alberta at 1-877-427-4088 or visit <https://www.alberta.ca/ministry-service-alberta.aspx>.

For specific information relating to Prepaid Contracts, see page 7.

Check with Service Alberta to find out if a contractor is licensed as a prepaid contracting business at <http://www.servicealberta.ca/find-if-business-is-licenced.cfm>.

## Get written estimates

Get written estimates from more than one business. Provide each business with a detailed description of the work you want completed and the materials you want the contractor to use. Businesses cannot charge you for an estimate unless you are informed in advance and have expressly consented as per the *Consumer Protection Act*.

A written estimate should include:

- A complete description of the work that will be done.
- The type and quality of materials that will be used.
- The project start and completion dates.
- Itemized costs and the total price.
- A statement of any guarantees made by the contractor.
- The required method of payment

## Check references

The best way to find a home improvement contractor is through other satisfied customers. Ask around. Have any of your friends or neighbours had similar work done? If so, check out the quality and workmanship to decide if it meets your standards.

Contact your local Better Business Bureau. Check their reliability reports online for information about a specific company's complaint history.

### **Better Business Bureau (BBB)**

Northern Capital Regions and Quebec

Edmonton: 780-482-2341

Toll-free: 1-800-232-7298

<https://www.bbb.org/local-bbb/bbb-of-canada-northern-capital-regions-and-quebec>

### **Southern Alberta and East Kootenays**

Calgary: (403) 531-8784

<https://www.bbb.org/local-bbb/bbb-serving-southern-alberta-and-east-kootenay>

Another source of information may be your local homebuilders' association or related trade association. They may have a list of professional contractors who work in your area. Not all home renovators are members of a homebuilders association.

### **Canadian Home Builders' Association - Alberta**

In Edmonton: 780-424-1020

Email: [info@chbaedmonton.ca](mailto:info@chbaedmonton.ca)  
<https://www.chbaedmonton.ca/contact>

## Warning flags

### Avoid contractors who

- Knock on your door to tell you they just happen to be doing some work in the area and can give you a special price (most problems relating to home improvements involve contractors who solicit contracts door-to-door).
- Promise a discount if you allow them to use your home to advertise their work (the contractor has probably made the same offer to everyone).
- Quote a price without seeing the job.
- Demand a large down payment to buy materials (most reputable contractors maintain charge accounts with their suppliers).
- Refuse to give you a written contract outlining what they will do.
- Provide a post office box as their address or an answering service for a telephone number.
- Will not commit to a specific start and completion date.

### Hire qualified tradespeople

Check the qualifications of the tradespeople who will do the work. Specific trades such as electricians, plumbers and gasfitters must be certified to work in Alberta. A qualified tradesperson will be able to show you a pocket certificate issued by Alberta Advanced Education.

To find out if the tradespeople you are hiring need to be certified in Alberta or to verify an individual's status, contact your nearest Alberta Advanced Education Apprenticeship and Industry Training Office. A complete list of contact numbers is provided at the end of this publication.

Make sure the contractor and tradespeople have Workers' Compensation Board (WCB) coverage. Ask for the WCB number. If the tradespeople get injured and they are covered by WCB, they may be eligible for compensation. WCB may cover lost income, health care and other costs from a work-related injury or illness.

Also, ask to see an insurance certificate showing public liability and property damage coverage for all workers on the job. If uninsured workers hurt themselves on your property, you and the other party would have to agree on who is liable. If there is no agreement, court action may be needed to determine liability.

You can also check Service Alberta's online search tool. It allows consumers to search if a business/individual has had enforcement action taken against them by Service Alberta. Consumers can find out if an individual/business has been charged, convicted, had a licence suspension or cancellation, was issued a notice of administrative penalty or

director's order, or entered into an undertaking. It can be searched by name, by year of occurrence, type of business/industry, or by the type of enforcement action. The information is updated weekly. For more details, visit <http://www.servicealberta.ca/enforcement-actions.aspx>.

### **Contact your home insurance agent**

Before starting renovations, talk with your insurance representative to make sure you are covered for materials added during construction as well as construction-related fire and liability risks. You may require additional coverage.

### **Signing the contract**

Verbal contracts are hard to prove. Always insist on a written contract.

Any blank spaces on a printed form should be filled in with NA (not applicable) or NIL (nothing). Strike out anything you do not agree with and make sure you and the contractor initial the change. You can also ask that the contract be rewritten. To ensure you are protected, consider having the contract reviewed by your lawyer.

Once you sign a contract, it is legally binding. Be certain you and the contractor have agreed on the details of the work to be done, the materials to be used and the timing of the project before you sign.

### **Changes to the contract**

Make certain that any changes to the contract have your written approval and a signed statement from the contractor giving the increase or reduction in cost. If you are financing the work with a loan, find out if someone from the financial institution must also approve any changes.

### **Paying for the work**

The formal payment schedule should be clearly outlined in the contract. Most contractors will ask for a deposit or down payment. Find out if this is refundable and if so, under what conditions.

Contractors may also want interim or progressive payments after specific work is completed. Make sure the details – exactly what will be done and how much is to be paid – are part of the contract. Insist on a signed receipt for every payment.

Before declaring the job or part of the job is finished, meet with the contractor to inspect the work carefully. Wait until everything you have been promised is completed to your satisfaction before making the final payment or signing a completion certificate or any other document that releases the contractor from further responsibility.

## Liens

Be aware that suppliers or subcontractors may have the right to register a lien on your property if they are not paid for their work or materials. A lien is a notice claiming a right to be paid from the value of your property. Provisions of Alberta's *Prompt Payment and Construction Lien Act* may help you to protect yourself. For details, obtain a copy of the *Prompt Payment and Construction Lien Act* from the Queen's Printer website at <http://www.qp.alberta.ca/> or call toll-free in Alberta 310-0000 followed by 780-427-4952. Consult a lawyer for advice if you find that a lien is registered against your property.

## Working with prepaid contractors

### Prepaid contract requirements

- If a prepaid contract is worth \$200 or more, the Prepaid Contracting Business Licensing Regulation requires the contractor give you a written contract that includes:
- Full names and addresses for you, the contractor and, if applicable, the salesperson.
- The contractor's telephone number and fax, if applicable.
- The date and place of the contract.
- A detailed description of the quality or type of materials to be used and the services and work to be carried out under the contract.
- Itemized prices for all goods and services.
- The completion date of the services to be provided.
- A statement of your cancellation rights.
- The total price of the contract and the terms of payment.
- The delivery date for the goods and the commencement date for the services as well as the date when all services will be completed and goods provided.
- Full cost-of-credit disclosure including details about any security taken for payment.
- Your signature and the signature of the business's sales representative.

The contractor must give you a copy of the written contract at whichever of these times comes first:

- On or before the date the work begins.
- Within 10 days after you sign the contract.

### Cancelling certain contracts

If you are age 65 or older and intend to fund your home repairs through a home equity loan with the Government of Alberta under the Seniors Home Adaptation and Repair Program (SHARP), please refer to page 9 for more information about your rights to cancel certain contracts.



## View the current version of this publication at <https://open.alberta.ca/publications/home-improvements-what-you-need-to-know>

### cancelling a prepaid contract

When a written contract has been solicited, agreed upon or signed at your home or at another location away from the contractor's normal place of business, the *Consumer Protection Act* allows you to cancel the contract up to 10 days after you receive your copy. You do not have to give a reason for cancellation.

To cancel, you must deliver your notice by any method (personal service, fax, email, registered mail, courier) that allows you to prove the date of your notice. The notice can be sent to the address on the contract. If you did not receive a copy of the contract or there is no address for the business, you can deliver your notice to any address of the business known by you, the address of the salesperson or any address on record with the government.

The legislation also states that if you give notice other than by personal service or verbally, your cancellation is deemed to be given on the date it was sent. Keep a copy of your notice.

You may keep goods that have been delivered to you under the contract until the contractor refunds your money or returns any trade-in you may have given as part of the agreement. The contractor must provide you with a full refund within 15 days of your cancellation notice. After you have received your refund, you should allow the contractor to pick up the goods and the business should remove them within 21 days of cancellation.

If the work started before the end of the 10-day cancellation period, you are still allowed to cancel the contract. However, the contractor has the right to ask that you pay a reasonable amount for the work that was done up to the time you cancelled. The contractor must refund your money before asking you to pay for the services already provided.

### Extended cancellation rights

Your cancellation rights can be extended for up to one year from the date the prepaid contract was signed if:

- The contractor was not licensed when you signed the contract.
- The sales contract did not include all the information listed in Section 35 of the *Consumer Protection Act*, including the required cancellation statement.
- The goods were not provided within 30 days of the delivery date specified in the contract or an amended date that both you and the seller agreed to in writing.
- The services were not started within 30 days of the delivery date specified in the contract or an amended date that both you and the seller agreed to in writing.

### If you have problems

Sometimes things can go wrong despite your best efforts.

If the completion date passes or it seems that the contractor has abandoned the job, start by sending a registered letter to the contractor. State the date you expect the contractor to finish the job and inform the contractor that if the deadline is not met, you will hire another contractor to finish the work using the money remaining from the original contract. Do this only after you have received an estimate from another contractor.

Other options for handling problems include:

- Following the dispute resolution process outlined in your contract, if applicable.
- Registering a complaint with your local Better Business Bureau.
- Making a written report to your municipal inspection department if you believe work does not meet Building Code standards.

You can file a complaint with Service Alberta if the job was misrepresented, the supplier defaulted on a prepaid contract or if you suspect the business is not following the requirements of the *Consumer Protection Act*. For more details, visit <https://www.alberta.ca/file-consumer-complaint.aspx>.

You may have to consider legal action for compensation if you are unable to resolve your dispute with the contractor. More information on the civil claims process is available at <https://albertacourts.ca/pc/areas-of-law/civil/claims>.

### **Seniors Home Adaptation and Repair Program (SHARP)**

The Seniors Home Adaptation and Repair Program (SHARP) is a low-interest home equity loan program to help seniors finance needed repairs, adaptations and renovations to their homes.

General eligibility requirements:

- 65 years or older
- single seniors and senior couples with an annual income of \$75,000 or less
- a maximum loan of \$40,000
- homeowners must have a minimum of 25 per cent equity in their primary residence

Under SHARP, you have cancellation rights if you sign a contract for home repairs, adaptations and renovations and it is determined you are ineligible for a loan:

- You may cancel a contract without cost or penalty if you apply to SHARP within 45 days of the date you sign a contract, provided you have not accepted the delivery of goods or services (in whole or in part).
- If you are not approved to receive a SHARP loan and you have not received goods or services agreed to in the contract, you have 30 days from the date of notification of your ineligibility to cancel any contract.

- Contract cancellation means you are not required to begin or pay for the home repairs or renovations agreed to in the contract and the contractor must provide you with a full refund within 15 days of your cancellation notice.

SHARP cancellation rights do not apply once you accept (for example, receive or install) goods or services (in whole or in part).

To cancel a contract, you must be able to confirm the date you provided written notice of your intention to cancel, including, but not limited to: hand delivery, registered mail, courier, or fax. Please see page 8 for best practices on how to cancel a contract.

### **If you do not intend to apply to SHARP**

You will be asked by your contractor to confirm in writing that you were notified about the program available to help eligible seniors with the cost of home repairs and have chosen to waive your SHARP cancellation rights. All of your rights under the *Consumer Protection Act* and its regulations continue to apply.

For more information on the Seniors Home Adaptation and Repair Program, please contact:

#### **Alberta Supports Contact Centre**

Edmonton: 780-644-9992

Toll-free in Alberta: 1-877-644-9992

[alberta.ca/seniors-home-adaptation-repair-program.aspx](https://www.alberta.ca/seniors-home-adaptation-repair-program.aspx)

### **For more information**

#### **Service Alberta**

##### **Consumer Contact Centre**

In Edmonton: 780-427-4088

Toll-free in Alberta 1-877-427-4088

<https://www.alberta.ca/ministry-service-alberta.aspx>

#### **Queen's Printer Bookstore**

You may purchase Acts and regulations from the Queen's Printer Bookstore:

Suite 700, Park Plaza

10611 - 98 Avenue, Edmonton, Alberta T5K 2P7

Edmonton: 780-427-4952

Toll-free in Alberta: Dial 310-0000 then 780-427-4952

These are also free for you to download in the "pdf" or "html" formats at

<http://www.qp.alberta.ca/>

## Canada Mortgage and Housing Corporation (CMHC)

Information to help assess requirements before starting a home renovation project.

<https://www.cmhc-schl.gc.ca/en/buying/mortgage-loan-insurance-for-consumers/cmhc-home-renovation-financing-options>

## Canadian Home Builders' Association

Information about planning your home improvements and hiring a contractor

<https://www.chba.ca/>

### Get it in Writing

A program of the Canadian Home Builders' Association. Information is available on home renovation topics including choosing a contractor, written estimates and other consumer protection tips.

[https://www.chba.ca/CHBA/Renovating/DIY\\_or\\_Hire\\_a\\_Pro.aspx](https://www.chba.ca/CHBA/Renovating/DIY_or_Hire_a_Pro.aspx)

### Contract checklist

The following checklist highlights information that should always be included in a home renovation contract.

- A detailed description of the work to be done. Include blueprints if appropriate.
- A statement of the type and quality of materials to be used.
- A statement of any work that is to subcontracted (e.g. plumbing and wiring).
- A statement that identifies who is responsible for getting all necessary permits and ensuring that inspections and approvals by local authorities will be done at the proper times. The homeowner is ultimately responsible for making sure necessary permits are in place before work starts.
- A statement that all work will be done according to local codes.
- A statement that the contractor is responsible for removing all debris as soon as construction is completed.
- A clearly itemized payment schedule including any hold-back provisions under the *Prompt Payment and Construction Lien Act*.
- A statement of all warranties explaining what is covered, for how long and what will be done if there are problems.
- A Certificate of Insurance showing the contractor's public liability and property damage insurance.

- If the home improvements involve a substantial amount of money, you may want to consider additional protection such as a performance bond in the event the contractor fails to complete the work.
- The contractor's Workers' Compensation Board number.
- A statement outlining any cancellation rights.
- A statement outlining how problems will be resolved.
- Your signature and that of the sales representative.

## **Prepaid Contract Checklist**

### **Prepaid contract requirements**

If a prepaid contract is worth \$200 or more, the Prepaid Contracting Business Licensing Regulation requires the contractor give you a written contract that includes:

- Full names and addresses for you, the contractor and, if applicable, the salesperson.
- The contractor's telephone number and fax, if applicable.
- The date and place of the contract.
- A detailed description of the quality or type of materials to be used and the services and work to be carried out under the contract.
- Itemized prices for all goods and services.
- The completion date of the services to be provided.
- A statement of your cancellation rights.
- The total price of the contract and the terms of payment.
- The delivery date for the goods and the commencement date for the services as well as the date when all services will be completed and goods provided.
- Full cost-of-credit disclosure including details about any security taken for payment.
- Your signature and the signature of the business's sales representative.

The contractor must give you a copy of the written contract at whichever of these times comes first:

- On or before the date the work begins.
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