



INSPECTIONS



THREE INSPECTIONS PER BUILDING: A LOGICAL EVOLUTION OF THE GCR APPROACH



In the realm of new building inspections, Quebec has come a long way since 2015! In less than 10 years, GCR has completely changed the role that the mandatory guarantee plan plays in preventing construction defects. Sure, it didn't happen overnight, and some might have liked to see it happen sooner.

But considering the meager state of new building inspection before we came onto the scene and the fact that we had to create a new approach from the ground up, we really had to make these big changes one at a time. It was important for us to do things properly, and get it right.

As of 2023, every new property registered with the mandatory guarantee plan is inspected by GCR at least once. Talk about a step forward! And contractors have followed GCR's lead, changing and improving their practices - so much so that the number of incidents of non compliance found on site has dropped by over 55% since 2017. It's hard to point to any more convincing evidence than that.

Now, does that mean our work is done? No. Is there still room for improvement? Definitely. Should we strive to have an even stronger presence on construction sites going forward? Absolutely. As you read through our 2025–2029 Inspection Program, you'll see that the next five years will be a turning point for inspection in Quebec. By the end of the five-year program in 2029, every building covered by the mandatory guarantee plan will be inspected at least three times. One of these inspections must be done before the walls are closed up: that is, when the building is ready for drywall to be installed. This is widely agreed to be probably the best time for an inspection, so that's what we're going to do.

GCR will be substantially ramping up its inspections every year up through 2029. In the first year, buildings constructed

by contractors with a Cote Qualité GCR score of B, C, D and N will be inspected twice. In 2025, an inspection before the walls are closed up will become mandatory for contractors with a D or N score, and starting in 2026, GCR will inspect these contractors' buildings three times. Since prefabricated modular homes and buildings held in co ownership are special cases, GCR will have specific procedures for these properties, as this Program explains.

We have opted to implement this new approach gradually to account for factors such as labour force availability, an expected increase in GCR registrations (and with it, a greater number of inspections to perform), and the level of risk that GCR will be shouldering. It's a pragmatic plan, and one I am very proud to present in the form of the 2025–2029 Inspection Program.

Buyers of new homes, and society at large, have high expectations when it comes to preventing construction defects and improving building quality. With this new Program, we want to reiterate that we are very much attuned to these expectations. In the past, the mandatory guarantee plan was seen as mainly coming into play after a building is delivered. Although this is still important, it's time to think differently. Quebec's mandatory guarantee plan is just as impactful during construction as it is after, and in both cases, the goal is the same: to protect buyers of new homes.

In closing, I would like to thank the Régie du bâtiment du Québec, the Quebec government, GCR's Board of Directors and all of GCR's employees for their support as we move in this new direction.

Enjoy your reading!

DANIEL LAPLANTE

GCR's President and CEO

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1. THE TANGIBLE IMPACT OF THE GCR APPROACH TO INSPECTION

1.1 AN IMPROVED APPROACH YEAR AFTER YEAR

Rome wasn't built in a day: GCR has made changes gradually over time to do everything possible to make sure the GCR approach works the way it should in real life.



1.2 GCR'S WORK

The numbers are clear: the GCR approach has created positive change in a number of areas.



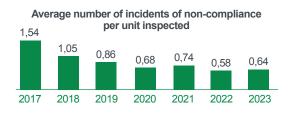
1.3 MEANINGFUL IMPROVEMENTS



reduction in incidents of non-compliance between 2017 and 2023

AN ILLUSTRATIVE EXAMPLE: FLASHING

In 2015, the construction industry was plagued by missing and improperly installed flashing. To address this problem, GCR implemented a number of measures, including for inspections, to encourage contractors toward greater compliance with flashing regulations—and it worked. When flashing is properly installed, there is a much lower chance that buyers will have to deal with water intrusion and mould.



Number of incidents of non-compliance caused by flashing per unit inspected



2. 3 INSPECTIONS PER BUILDING

2.1 BACKGROUND

As it currently stands, GCR inspects all buildings at least once. However, as GCR's new approach is rolled out over time, it will inspect more buildings every year, working up to three inspections for each building registered with the GCR by early 2029. Prefabricated modular homes and buildings held in co ownership are subject to different inspection plans that include specific special considerations. These plans are explained in the subsections below. By 2029, if 12,000 units are registered, then GCR expects to perform 36,000 inspections. GCR's new inspection program is set for rollout from 2025 to 2029. A report will be submitted to the Régie du bâtiment du Québec each year and any necessary adjustments will be made.

2.2 THE THREE-INSPECTION APPROACH ROLLOUT PLAN

A. TWO KEY POINTS IN THE ROLLOUT PLAN





At least two inspections for all buildings

STARTING IN 2029



At least three inspections for all buildings

B. MAIN STAGES OF THE CONSTRUCTION PROCESS BASED ON THE COMPANY'S COTE QUALITÉ GCR SCORE



2025

2 inspections (one before the walls are closed up)

2026

Full inspection plan



2025

2 inspections

2027

Full inspection plan



2026

2 inspections

2028

Full inspection plan



2027

2 inspections

2029

Full inspection plan

*The full inspection plan consists of three inspections: one done before the walls are closed up (before the drywall is installed), and two done at two of the four other main stages of the construction process. See page 5 for details about these stages.



C. THE FULL ROLLOUT PLAN

The diagram below shows the plan for implementing the new approach in detail. GCR will begin the rollout by focusing on buildings constructed by contractors with lower Cote Qualité GCR scores, as they pose a greater risk to buyers and to GCR. By rolling out the new approach in a gradual and planned manner, GCR will be able to take a range of factors into account and adjust the plan as needed along the way.

SCORE	2025	2026	2027	2028	2029
AA					
A					
B & C					
D & N					



Mandatory inspection before walls are closed up



Inspection at one of the main stages of the construction process



2.3 GCR INSPECTIONS

Ideally, the contractor should be present for GCR inspections, but it is not required. During inspections, the GCR inspector will check a number of elements, based on the RBQ approved list of elements to be verified on site at each stage of the construction process. The inspector will look at whatever elements are observable at the time of their visit to the construction site.

The inspector's job is to ensure that the construction project is compliant with current construction norms and regulations, including the Quebec Construction Code. The inspector also takes into account the construction plans, the contractor's contractual obligations and manufacturer requirements. Any observed incidents of non compliance are recorded in a report that will be sent to the contractor within three working days.

A. THE TYPES OF OBSERVATIONS THAT THE REPORT MIGHT INCLUDE



PREVENTIVE NOTIFICATION

If, based on what it observes on site, GCR anticipates that any elements that have not been carried out or completed may contain deficiencies once finished, it will issue the contractor a preventive notification. The expectation is that the contractor will take any necessary action to bring the elements into compliance by the time the construction is completed. The contractor must provide evidence of the corrections. If the evidence is deemed insufficient, GCR may deduct points from the contractor's inspection rating and require further corrective action.



NON-COMPLIANCE

An incident of non-compliance occurs if the GCR inspector finds any element of the construction to be non-compliant with the current Quebec Construction Code, regulations, best practices and/or manufacturer requirements.

Incidents of non-compliance are categorized by level of risk (see the GCR website for details):











HIGH

2.4 THE FIVE STAGES OF THE CONSTRUCTION PROCESS

GCR performs inspections at one of the five main stages of the construction process. If a construction project is subject to the full inspection plan (three inspections), one inspection must be performed before the walls are closed up. The other two inspections will be performed at two of the four other main stages. GCR will aim to spread the inspections out between the four other stages as equally as possible.



FOUNDATION



FRAME



PRE WALL
CLOSING



EXTERIOR FINISH



FINISHES

2.5 PRE-WALL CLOSING INSPECTION

Inspections are extremely important in helping ensure builders deliver high quality work, no matter what stage of the construction process they are performed at. That said, as a keystone of GCR's new strategy starting in 2025, an even greater emphasis will be placed on conducting an inspection before the contractor closes up the building walls with drywall. The reason is quite simple: this type of inspection allows the inspector to check and observe the greatest possible number of elements of the construction. Once the walls are closed up, many of these elements are simply impossible to observe.

Full details about how this inspection is performed can be found on GCR's website. The website is kept up to date with any changes, but the broad strokes of the pre-wall closing inspection are given below.





For full details about the mandatory pre-wall closing inspection, click <u>here</u> ou scannez le code QR.



A. REQUIREMENTS FOR GCR TO PERFORM A PRE WALL CLOSING INSPECTION

In order for GCR to perform a pre wall closing inspection, all work that comes before the drywalling step must be complete. This includes all structural, insulating, water and air tightness, electrical, plumbing, heating, ventilation and air conditioning work. The installation of drywall must be the next step after the inspection. If any minor work is required before drywalling, the GCR inspector will assess whether he can authorize the contractor to close the walls up or if he need to plan another visit.

The contractor must notify GCR if any changes are made to construction elements after the pre-wall closing inspection but before the drywalling is done. GCR will decide whether to authorize the contractor to close the walls up or conduct a new inspection before giving the go ahead.



B. GCR'S AUTHORIZATION REQUIRED TO CLOSE UP THE WALLS

Under the GCR's new approach, the pre-wall closing inspection is mandatory, and the contractor must get GCR's authorization in order to close the walls up. If no incidents of non-compliance are found during this inspection, authorization may be given directly on site. However, if the contractor has corrective action to take, evidence of the corrections must be provided before GCR can authorize the contractor to close up the walls.



C. GCR MAY HAVE THE WALLS OPENED BACK UP IF THEY ARE CLOSED WITHOUT AUTHORIZATION

If the contractor proceeds to close the walls up without waiting for GCR's authorization, GCR may request to have the walls opened back up so that the inspection can be performed in accordance with GCR's inspection program. The contractor may also be subject to financial penalties, changes to their Cote Qualité GCR score, and/or a loss of accreditation.



D. GCR'S INSPECTION MUST NOT EXCEED THE TIME LIMIT AND CAUSE CONSTRUCTION DELAYS

GCR must complete the inspection in a timely manner so there are no delays in the construction work. To this end, the information that GCR has must be correct (key dates, scheduled time for wall closing, etc.). Just as the contractor has responsibilities with regard to letting GCR perform the inspection prior to closing up the walls (see section 3), GCR is responsible for performing the inspection within the time limit specified on its website. Once the time limit is up, the contractor may request GCR's authorization to proceed with closing up the walls.

2.6 IF THE GENERAL CONTRACTOR WILL NOT BE PERFORMING ALL OF THE MAJOR CONSTRUCTION WORK: ASSESSMENT BY GCR



There may be projects where the general contractor will not be performing all of the work that is generally associated with the main stages of the construction process (foundation, frame, pre-wall closing, exterior finish, finishes). The contractor must inform GCR when the project is registered if this is the case. GCR will analyze all relevant information, including the contract between the parties, to decide when the project should be inspected. The project may require all three inspections, or may require fewer, depending on the scope of the work to be performed and the contractor's Cote Qualité GCR score.

2.7 TWO INSPECTIONS FOR PREFABRICATED MODULAR HOMES



The methods used to build homes in a factory are not the same as for site-built homes, and prefabricated modular homes go through quality control processes. That said, GCR still finds incidents of non-compliance in prefabricated modular homes, and buyers still file claims for them. This is why GCR wants to ramp up its inspections of these kinds of homes, while keeping the unique aspects of this market in mind.

By the end of the rollout plan, launching in 2026 and concluding in 2029 (see the diagram below), GCR's practice will be to perform two inspections for each prefabricated modular home: one in the factory and one on site. To round out the inspections, reports from the factory's quality control program under CSA standard A277 will also be considered. As with other building types, GCR's rollout plan will take Cote Qualité GCR scores into account and begin by focusing on lower-scored contractors. For 2025, GCR will continue to use the same approach for prefabricated modular homes as it did in 2023 and 2024.

СОТЕ	2025	2026	2027	2028	2029
AA					
A	Same				
B & C	approach as in 2024				
D & N					

If two inspections will be performed, GCR will do one in the factory and one on site.



In-factory inspection or on-site inspection

As with other building types, manufacturers of prefabricated modular homes are required to provide GCR with accurate construction dates so the required inspections can be planned accordingly. They must also allow GCR to perform the on-site inspection before they can deliver the unit to the client.

2.8 BUILDINGS HELD IN CO-OWNERSHIP (SUBCLASS 1.1.2): 3 TO 5 INSPECTIONS AT MINIMUM, DEPENDING ON BUILDING SIZE

GCR's inspections of buildings held in co-ownership will also be adjusted to account for the unique nature of this building type.



A. PRE-WALL CLOSING INSPECTION ALSO MANDATORY

As with buildings that are not built for co-ownership purposes, a GCR inspection will be required before the walls are closed up. However, pre-wall closing inspections will not be performed for each unit, but rather for each group of units—for example, each floor—as it is not uncommon for drywall to be installed at multiple points of the construction process for these buildings. This may require GCR to make multiple inspection visits for a single building. The rollout plan for pre-wall closing inspections of condos is the same as in section 2.2-C.



B. POTENTIAL TARGETED INSPECTIONS

Buildings held in co-ownership can be constructed quite differently from single family buildings. For example, they might have much more complex mechanical, ventilation, plumbing and electrical systems. GCR therefore reserves the right to perform targeted inspections focusing on specific subjects.









Heating system

Ventilation system

Plumbing

Electrical system



C. MINIMUM NUMBER OF INSPECTIONS BASED ON BUILDING SIZE

GCR will take the size of the building held in co-ownership into account when deciding the minimum number of inspections to perform. All buildings with more than five units will be inspected by GCR at least five times. Buildings with five units or less will be inspected by GCR at least three times.



AT LEAST 5 INSPECTIONS for buildings with more than 5 units



AT LEAST 3 INSPECTIONS for buildings with 5 units or less

3. CONTRACTOR RESPONSIBILITIES

3.1 THE FIVE CONTRACTOR RESPONSIBILITIES

Under the 2025–2029 Inspection Program, GCR will be ramping up its inspections every year through 2029, and will count on the cooperation and professionalism of contractors to carry out this important undertaking. In addition to being responsible for the quality of the buildings delivered to their clients, contractors must fulfill the responsibilities described below.

A. REGISTER THE BUILDING ON TIME

The contractor must register the building either when the building permit is issued, when the contract with the buyer is signed or when construction begins, whichever occurs first.

Failure to register a building on time may jeopardize GCR's inspections.

B. PROVIDE ACCURATE CONSTRUCTION DATES AND KEEP THIS INFORMATION CURRENT

Buildings can be easily registered online through the Zone GCR. The contractor must provide the construction start and end dates, as well as the date that the walls will be closed up.

The contractor must provide accurate dates and update them with any changes that occur.

Contractors who encounter issues using the Zone GCR can instead email this information to planification@garantiegcr.com.

C. SCHEDULE THE INSPECTIONS

The contractor is responsible for scheduling the pre-wall closing inspection. They should not wait for GCR to contact them.

Contractors also cannot schedule an inspection the day before. There will be a minimum holding time between the date of the inspection request and the date that the inspection is performed.

All scheduling procedures will be shared with the contractor and posted on GCR's website.

D. WAIT FOR GCR'S AUTHORIZATION TO CLOSE UP THE WALLS

As stated on page 6, the contractor must get GCR's authorization before they can proceed with closing up the walls of the property.

E. ADDRESS INCIDENTS OF NON-COMPLIANCE AND SUBMIT EVIDENCE TO GCR

The contractor must also email evidence of the corrections (be it photographic evidence, video evidence or an attestation from a professional) to GCR at suivi@garantiegcr.com. The contractor must notify GCR if they are unable to make the corrections within 10 days and must give a reasonable time frame for the corrective action.

3.2 POTENTIAL CONSEQUENCES OF FAILING TO PROVIDE REQUIRED INFORMATION



ADDITIONAL INSPECTION BY GCR



LATE FEE FOR LATE OR INCOMPLETE REGISTRATION



IMPACT ON COTE QUALITÉ GCR SCORE



WALLS OPENED BACK
UP IF CLOSED WITHOUT GCR'S
AUTHORIZATION



ADDITIONAL FINANCIAL GUARANTEES REQUESTED



LOSS OF GCR ACCREDITATION



4. INSPECTION RATING AND TECHNICAL RATING

4.1 INSPECTION REPORT AND INSPECTION RATING

After a building is inspected, an inspection report is written and sent to the contractor within three working days of the inspection. The report will identify the incidents of non-compliance observed on site by level of risk, any preventive notifications issued, best practices followed by the contractor (see section 5.2), and finally, the overall inspection rating out of 90. Details about the inspection rating system are provided in the table below.

OBSERVATION TYPE	IMPACT ON THE INSPECTION RATING	IMPACT ON THE COLLABORATION SCORE IF NOT CORRECTED
Best practices	+ 2 points (max. 10 points)	N/A
Preventive notification	No impact	Based on risk level
Low risk incident of non-compliance	• 1 point	• 1 point
Average risk incident of non-compliance	• 2 points	• 2 points
High risk incident of non-compliance	8 points	• 3 points

4.2 HOW THE TECHNICAL RATING IS CALCULATED

To determine a contractor's technical rating (one of the components of the Cote Qualité GCR score*), GCR draws on the contractor's past inspections. A project gets a rating for each inspection based on the incidents of non-compliance found in the inspection and the best practices that have been incorporated. An average rating is then calculated for each project. For example:

PROJECT	INSPECTION	INSPECTION RATING (out of 90)	AVERAGE INSPECTION RATING (out of 90)	POINTS FOR BEST PRACTICES (max. 10 points per project)	PROJECT RATING (out of 100)	
	1	88		79 4	83	
Project 1	2	74	79			
	3	75				
	1	80	83			
Project 2	2	86		6	89	
	3	83				
	1	84	87			
Project 3	2	90		8	95	
	3	87				
				Average rating	89	
				Contractor's technical rating	Α	

The contractor's project ratings are averaged out to give a technical rating, which follows the grading scale below.

AA	A	В	С	D	N
91 and more	81 to 90	71 to 80	45 to 70	Less than 45	Not scored

4.3 COLLABORATION SCORE

If a contractor fails to correct the incidents of non compliance found on site or provide the required documents, up to 10 points may be deducted directly from their Cote Qualité GCR score.

*The Cote Qualité GCR score is calculated using the technical rating, financial rating and satisfaction rating (number of claims). See the GCR website for details.

5. OTHER ASPECTS THAT GCR INSPECTS

5.1 PLANS



Plan inspection is crucial to GCR's risk management. It allows for preventive action to be taken by analyzing the elements of construction to be verified and identifying situations before construction begins, reducing the risk of incidents of non-compliance on site. GCR can request architectural plans for residential buildings subject to section 87 of the Regulation respecting the guarantee plan for new residential buildings or subject to the Architects Act, CQLR c. A-21. GCR will also request the building sheet (or equivalent filled out by a professional) submitted to the municipality for the permit application. Architectural plans (elevations and sample sectional views) and any other documents deemed relevant may also be requested at any time and for any type of building, when the project is being assessed or when required under the Quebec Construction Code. For example, architectural plans are required for reinforced concrete work or for projects that include indoor parking garages for more than four vehicles, which require mechanical ventilation.

5.2 BEST PRACTICES

Best practices are elements that are not a requirement of code, standards or regulations, but instead represent added value for buyers. Contractors are encouraged to incorporate one or more of the best practices listed on the GCR website into their projects.





For full details about GCR's best practices, click <u>here</u> or scan the QR code.

5.3 THE COLONNE VERTÉBRALE DE GCR: RELIABLE DATA FOR MORE EFFECTIVE ACTION

GCR is the only organization in Quebec that collects evidence of incidents of non-compliance found upon inspection and issues identified in buyer claims, stored in what is known as the Colonne vertébrale de GCR.

GCR uses the information in the Colonne vertébrale to make its inspections more effective, provide contractors with the best technical training and share information about issues of priority concern. Every year on its website, GCR posts a list of the top 10 types of non-compliance found in inspections and the top 10 recurring issues most often identified in claims.





To see these two lists, click <u>here</u> or scan the QR code.

6. A WEALTH OF INFORMATION FOR BUYERS

GCR's mandate is to administer the mandatory guarantee plan, and it does so in accordance with the Regulation respecting the guarantee plan for new residential buildings. Under the Regulation, buyers of new homes - and the public at large- have access to certain types of information about construction contractors' work.

6.1 BUYERS HAVE ACCESS TO INSPECTION REPORTS



Under both section 73 of the Regulation and the RBQ's Politique d'information sur l'entrepreneur, GCR provides information about every company in its Accredited Business Directory. Anyone can consult this public directory free of charge to find out a company's accreditation status, the number of claims recognized by GCR, and any arbitration decisions concerning the company. Each company's profile also includes all incidents of non-compliance found in GCR inspections in the last two years.

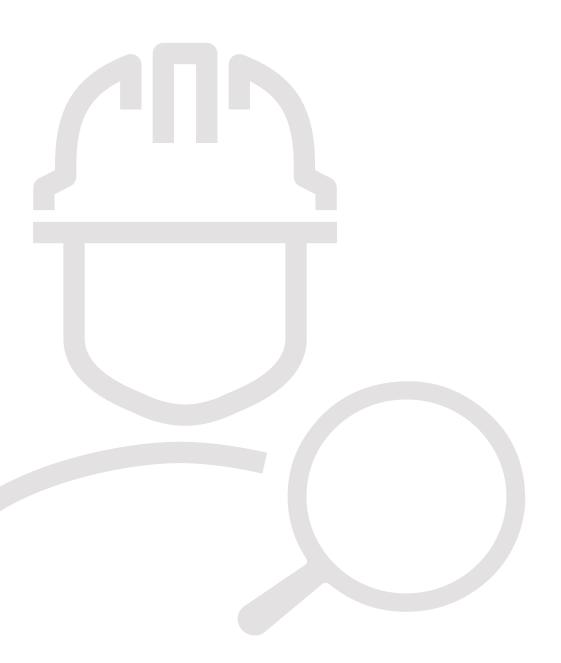
6.2 INCIDENTS OF NON-COMPLIANCE IN GCR'S DIRECTORY



Under section 73 of the Regulation, buyers of new properties covered by the mandatory guarantee plan can request access to documents concerning their building, including all GCR inspections. If a buyer so requests, GCR will provide all inspection reports and evidence that any incidents of non-compliance that GCR found have been corrected.

The fact that this information is available to buyers of new homes and the general public is all the more reason for contractors to ensure a high level of building quality for new home buyers.







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