



**Home  
Construction  
Regulatory  
Authority**

Home Construction Regulatory Authority  
40 Sheppard Avenue West, Fourth Floor, Suite 400  
Toronto, ON M2N 6K9  
Tel: 416-487-HCRA (4272) Fax: 416-352-7724

February 12, 2024

Delivered by registered mail to:

Kamal Hira  
Hira Custom Homes Inc.  
6746 Wellington Road 34  
Cambridge, ON  
N3C 2V4

Attention Kamal Hira:

**Re: NOTICE OF PROPOSAL TO REFUSE TO RENEW APPLICATION**

**The Registrar, Home Construction Regulatory Authority (“HCRA”) proposes to refuse to renew the licence of Hira Custom Homes Inc. under section 40(1)(a) of the *New Home Construction Licensing Act, 2017* (“NHCLA”).<sup>1</sup>**

**A. REASONS**

**Overview**

1. Hira Custom Homes Inc. (“Hira”) has been a licensed vendor/builder since 2000. In that time, there have been two previous investigations into its conduct and four honesty and integrity complaints at Tarion Warranty Corporation (“Tarion”). Kamal Hira (“Kamal”) is one of two Principal, Director, and Officers (“PDO”) of Hira.
2. Hira is now bankrupt. Before bankruptcy, it has attempted to sell homes that were already under an Agreement of Purchase and Sale (“APS”), has unjustifiably increased prices, and has provided false information to purchasers as well as the HCRA. As of September 2022, Hira is also no longer authorized to enrol homes in the Tarion warranty program.
3. On June 29, 2022, Hira applied to renew its licence. The Registrar of the HCRA proposes to refuse Hira’s application because of concerns about its financial responsibility, its ability to conduct business with honesty, integrity, and in accordance with the law, and its breach of licence conditions.

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<sup>1</sup> *New Home Construction Licensing Act, 2017*, SO 2017, c 33, Sched 1, available online here: [www.ontario.ca/laws/statute/17n33#BK44](http://www.ontario.ca/laws/statute/17n33#BK44).



## **The HCRA**

4. The HCRA regulates new home vendors and builders in accordance with the NHCLA and with the principle of promoting the protection of the public interest.
5. Part of the HCRA's oversight function includes considering concerns raised about applicants and licensees and taking appropriate action to protect the public as authorized by the NHCLA.

## **Particulars**

### *91 Troiless St, Caledon*

6. The HCRA received a complaint from the purchaser of 91 Troiless Street, Caledon about Hira's conduct.
7. The complainant signed an APS to purchase a new home from Hira for \$1,875,000 in 2018. Between 2018 and 2021, the complainant provided Hira deposits totalling \$750,000.
8. In 2021, relying on Hira's promises that the home would be completed within three months, the complainant sold the house they had been living in and moved to a rental. But Hira did not deliver the home as promised.
9. In 2022, after numerous delays, Hira demanded the complainant pay an additional \$250,000, claiming that it did not have enough money to finish building the house. Hira refused to close the transaction even in "as-is" condition. It claimed that it owed too much money to its lender/financier to profit on the sale at the agreed-upon price.
10. Accordingly, in March 2022, the complainant agreed to amend the APS to allow for an increase of \$175,000 from the initial price. Even then, Hira claimed an additional \$43,872.22 from the complainant upon closing because Hira could not afford to discharge the mortgage.
11. The transaction finally closed in December 2022 for \$2,294,038.94, with the complainant paying an additional \$419,038.94.



### *Hira's Conduct*

12. As set out above, Hira used unfair leverage against the complainant to extract hundreds of thousands of dollars in price increases. The complainant detrimentally relied on Hira's promises when they sold their homes based on the first closing date given. When Hira delayed closing, the complainant no longer had their previous home and had no choice but to pay additional funds to ensure they would be able to move into the one Hira was constructing.
13. While engaging in this scheme, Hira also sought new home buyers for these homes that were under contract. On at least one occasion, the complainant discovered real estate agents showing their home to potential purchasers while Hira was refusing to close on their properties.
14. When the HCRA sought Hira's position on the numerous concerns raised, Hira responded with lies and dishonesty. For example, Hira stated that the Town of Caledon ("Caledon") surprised Hira when construction was nearly complete by refusing to grant an occupancy permit unless Hira signed an agreement to install storm water culverts at a cost of up to \$450,000. Contrary to Hira's claim, Caledon stated that Hira was made aware of this requirement when the building permits were issued, with the cost being between \$80,000 to \$140,000.

### *Financial Risk*

15. Complaints about Hira initially arose because Hira did not have the funds to close its transactions. The mortgages for Hira's properties were larger than the APSs that Hira signed. As a result, Hira was not only unable to close the transaction, it was also at risk of losing the properties to Power of Sale.
16. Throughout the construction process, Hira requested that the complainant obtain construction loans on Hira's behalf to fund the construction of their home. This was not contemplated in the original APS. As seen above, Hira also requested significant advances on the purchase prices from the complainant.
17. On April 18, 2023, Hira declared bankruptcy.

### *Breach of Conditions*

18. On March 18, 2022, the HCRA sent Hira a letter outlining concerns about Hira not signing freehold addendums, communications with purchasers, up-charging without consent, and asking purchasers to obtain construction loans. On March 23, 2022, Hira consented to a condition being attached to its licence requiring it to complete the Financial Planning and Management course as well as the Legal Issues in Housing



course. On May 18, 2022, Hira requested but was denied an extension as it had not yet completed the courses. As of the date of issuing this Notice, Hira has still not completed these courses.

19. As such, Hira is in breach of the condition on its licence requiring it to take the two courses.

### **Grounds for the Proposal**

20. Under section 38(1)(b)(iii) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that having regard to the past and present conduct of Hira, that Hira can be reasonably expected to carry on business in accordance with the law and with integrity and honesty.
21. Under section 38(1)(b)(ii) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Hira, having regard to the past and present financial position of its officers and directors and of all interested persons in respect of its officers and directors, can reasonably be expected to be financially responsible in the conduct of its business.
22. Under section 38(1)(d) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Hira is not in breach of a condition of its licence.
23. Under section 38(1)(g) of the NHCLA, in the Registrar's opinion, granting a licence to Hira is contrary to the public interest.

### **Conclusion**

24. For the reasons stated above, and further to the mandate of the HCRA under section 3(3) of the NHCLA to maintain a fair, safe and informed marketplace and promote the protection of the public interest, the Registrar maintains that Hira is not entitled to be licenced under the NHCLA.

### **Amended or Additional Reasons or Particulars**

25. The Registrar may serve the Applicant with amended or additional reasons or particulars of conduct or financial position.



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## **B. RIGHT TO A HEARING**

**If you dispute this decision, you have the right to request a hearing before the Licence Appeal Tribunal (“Tribunal”) about this proposal.**

**To request a hearing, you must deliver a Notice of Appeal form within 15 calendar days after this Notice of Proposal is delivered to you, addressed to the following:**

Licence Appeal Tribunal  
PO Box 250  
Toronto, ON M7A 1N3  
LATregistrar@ontario.ca  
Phone: 416-326-1356  
Toll free: 1-888-444-0240  
TTY: Call the Bell Relay Service at 1-800-855-0511

AND

The Registrar  
Home Construction Regulatory Authority  
40 Sheppard Ave West, 4th Floor, Suite 400  
Toronto, Ontario M2N 6K9  
Legal@hcraontario.ca

**IMPORTANT NOTE: This is a notice of proposed action. If you choose not to dispute this decision, your Licence will be refused without any further advance notice to you.**

**If your Licence is refused, then you will be prohibited from acting or holding yourself out as a vendor or builder, offering to sell or transfer a new home, selling or transferring a new home, offering to construct a new home, or constructing a new home.**

The Notice of Appeal form and other information about hearings may be found on the Tribunal’s website at <https://slasto-tsapno.gov.on.ca/lat-tamp/en/>.

When an applicant or licensee delivers a Notice of Appeal form within the timeline set out above, a legal proceeding before the Tribunal will commence. The Tribunal may direct



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the Registrar to carry out the proposal or may substitute its opinion. The Tribunal may also attach conditions to its order or to a licence.

The HCRA cannot advise you about the appeal process. If you dispute this decision, you have the right to retain a lawyer or paralegal to represent you.

Information about this proposal will be reported publicly on the HCRA website <https://www.hcraontario.ca/> and the Ontario Builder Directory <https://obd.hcraontario.ca/>.

### **Contact Information**

If you have any questions about the reasons for the Proposal or wish to discuss this matter with the HCRA, please contact [Legal@hcraontario.ca](mailto:Legal@hcraontario.ca). If you have any questions about the appeal process or timelines, please contact the Tribunal at:

Licence Appeal Tribunal  
PO Box 250  
Toronto, ON M7A 1N3  
[LATregistrar@ontario.ca](mailto:LATregistrar@ontario.ca)  
Phone: 416-326-1356  
Toll free: 1-888-444-0240  
TTY: Call the Bell Relay Service at 1-800-855-0511

Dated at Toronto this 12<sup>th</sup> day of February, 2024.

A handwritten signature in black ink, appearing to read 'Wendy Moir'.

Wendy Moir  
Registrar, HCRA

CC: Robert William Smith  
MNP Ltd.  
201-557 Southdale Road East  
London, ON, N6E1A2  
via Registered Mail