

Condominium Corporation Information Package

A Guide to the Common Elements Warranty



About Tarion

In Ontario, most newly built homes come with a warranty that's provided by the builder and supported by Tarion, an independent, not-for-profit organization established by the provincial government.

At Tarion, we believe that every new home buyer deserves the peace of mind that they're getting the home they were promised. Our role is to ensure that Ontario's new home buyers receive the coverage they're entitled to under their builder's warranty.

For more information about us and to access helpful resources, visit our website at <u>tarion.com</u>, our Open Door blog, or follow us on Twitter, LinkedIn, Facebook, Instagram, or YouTube.



Introduction

Most newly built condominium projects in Ontario have warranty coverage on their common elements. Common elements are the shared areas of a condominium project that are located outside of the boundaries of individual units.

The common elements warranty begins on the date the Declaration and Description for the project is registered with the Land Registry Office, and lasts for a total of seven years. The customer service standard for the common elements warranty is outlined in Registrar Bulletin 02, available on Tarion's website.

For warranty purposes, the condominium corporation is the owner of the common elements.

The Role of the Condominium Corporation

The condominium corporation is responsible for managing the common elements warranty. This includes:

- > Understanding warranty coverage;
- > Submitting warranty claims;
- > Working with the builder to resolve warranty claims; and
- > Requesting Tarion's assistance, if required.

The purpose of this guide is to provide helpful information to condominium corporations so that they can successfully manage the common elements warranty.

If you have any questions about warranty coverage or the process for making a warranty claim, feel free to contact Tarion. We're here to help!



Condominium types and their coverage

Examples of common elements

- > Pools
- > Fitness Rooms
- > Lobbies
- > Parking Garages
- > Elevators
- > Hallways
- > Heating systems
- > Cooling systems
- **>** Balconies

Standard Condominium

This is the most common type of condominium project. A standard condominium can be completed in phases. The warranty for each phase begins on the date the Amendment to the Declaration is registered.

Common Element Condominium

This type of project is made up of homes that are built on a parcel of land that is tied to a common elements condominium corporation.

Vacant Land Condominium

This is a condominium plan that contains at least one unit with no structures on it at the time the Declaration and Description is registered.

Leasehold Condominium

This is a project in which the owner of a property leases it out to the Declarant (the body establishing the condominium). The term of the lease cannot be shorter than 40 years less a day or more than 99 years.

Warranty Coverage			
Units	Common Elements		
	×		
	×		



The Common Elements Warranty: Who does what



Condominium Corporation Board of Directors

- > Advises Tarion when turnover has occurred.
- > Hires a Performance Auditor.
- > Submits a warranty form or Performance Audit to Tarion within the applicable timeline.
- > Works with the builder to resolve warranty claim items.
- > Makes arrangements with unit owners if the builder requires entry to units to review or repair common elements.
- > Updates the Performance Audit Tracking Summary on an ongoing basis to advise which items have been resolved by the builder.
- > Provides a warranty resolution letter to the builder when items are resolved.
- > Requests Tarion's involvement, as necessary.
- > Resolves claims with Tarion, as necessary.
- > Submits an Appointment of Designate Form to appoint a designate(s) to do these tasks on behalf of the Board, e.g. the condominium manager.



Condominium Manager

- > Provides assistance to the Board.
- > Advises Tarion when turnover has occurred.
- > Ensures the Board receives all required turnover documentation (e.g. RB19 final report, if applicable).
- > Is aware of applicable common elements warranty documentation/ processes/ information.
- > Ensures proper and timely resolution of warranty claims.
- > Engages Tarion as required to facilitate warranty disputes.



Builder

- > Completes the Turnover Checklist and Delivery Confirmation Form and provides it to Tarion.
- > Turns over all documents, such as the RB19 Final Report, to the Board at turnover.
- Works with the Board or its designate to resolve warranty claim items.
- > Updates the Performance Audit Tracking Summary on an ongoing basis to advise which items have been resolved, which items will be resolved, and which items will not be resolved.
- > Provides proper notice to the Board or its designate for entry to the building or property to review or repair items.
- > Obtains written acknowledgment from the Board when items are resolved.



Tarion

- > Provides information about warranty coverage and the warranty process.
- > Delivers a Registrar Bulletin 02 presentation that explains the warranty process.
- > Chairs common element meetings as required to facilitate disputes and progress on the resolution of warranty claims.
- > Acts as a resource for warranty and/or building questions.
- > Conducts conciliation inspections as required.

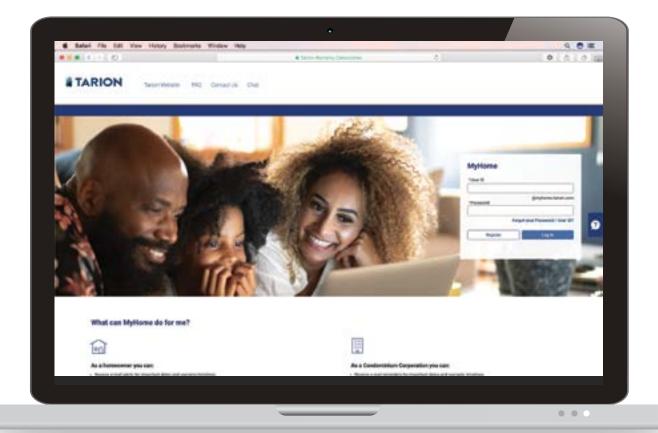
MyHome: The easiest way to manage your common elements warranty

Quickly submit warranty forms and documents

Receive e-mail reminders for important warranty dates and timelines

Access the Performance Audit Tracking Summary

Receive electronic correspondence instead of paper



Register for MyHome as soon as possible after your condominium's registration date!

Got to myhome.tarion.com

Tips for Condominium Corporations



Understand the responsibilities of becoming a member of the Board of Directors.



Review the Declaration and Description to have a clear understanding of unit and common element boundaries. Include unit questionnaires with the Performance Audit.



Appoint a designate to work with Tarion and the builder on behalf of the Board throughout the warranty claims process.



Keep track of warranty timelines. Know when a warranty claim can be submitted, and when to ask Tarion for help. The best way to stay on top of things is to register on MyHome.



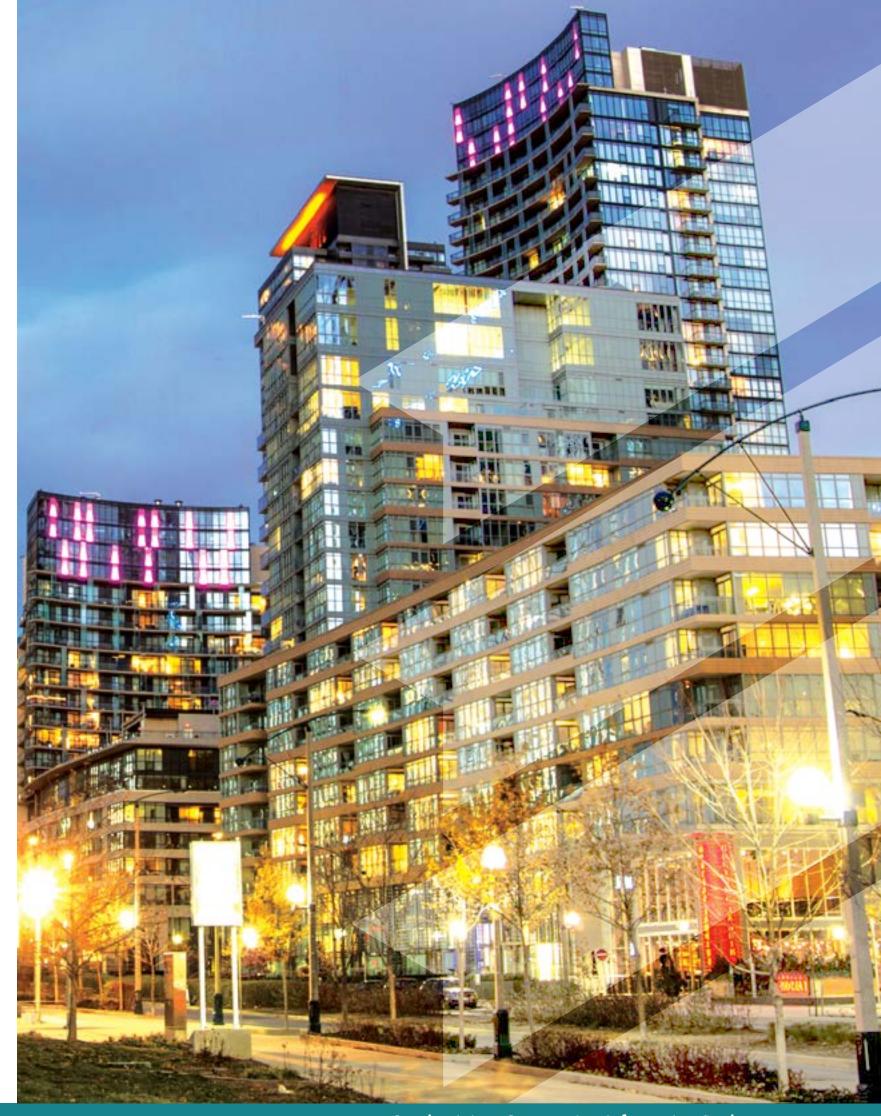
Keep the lines of communication open with the builder. Send a copy of the warranty claim to the builder. Work with the builder to resolve the claim items. Update the Performance Audit Tracking Summary every 90 days.



Keep unit owners informed about concerns and repairs related to the condominium's common elements.



Maintain the condominium building. Keep in mind that improper maintenance can affect warranty coverage on the common elements.



The One Year Warranty



WHAT'S COVERED

- > Defects in workmanship and materials
- Defects that cause the building to be unfit for habitation
- > Ontario Building Code violations
- > Major structural defects
- > Unauthorized substitutions

WHAT'S NOT COVERED

- Normal wear and tear
- > Normal shrinkage of materials
- > Settling soil
- > Secondary damage to personal property
- > Damage resulting from improper maintenance
- > Alterations, deletions or additions made by the owner
- > Damage resulting from an act of God
- Damage caused by municipal services or other utilities

How to Submit a One Year Warranty Claim

To make a warranty claim under the one year warranty, the condominium corporation must submit a First-Year Common Elements Claim Form or a Performance Audit to Tarion with a Performance Audit Tracking Summary by midnight of the first anniversary of the registration date. As many First-Year Common Elements Claims Forms can be submitted as required within the one year warranty period.

EXAMPLE

If the warranty start date is January 14, 2025, a First-Year Common Elements Claim Form or a Performance Audit must be submitted by January 14, 2026.



The Two Year Warranty



WHAT'S COVERED

- > Water penetration through the basement or foundation
- > Water penetration through the building envelope
- > Defects in the electrical, plumbing and heating delivery and distribution systems
- Detachment, displacement or deterioration of the exterior cladding
- Violations of the Ontario Building Code that affect health and safety
- > Major structural defects

WHAT'S NOT COVERED

- Normal wear and tear
- > Normal shrinkage of materials
- > Settling soil
- > Secondary damage to personal property
- > Damage resulting from improper maintenance
- > Alterations, deletions or additions made by the owner
- > Damage resulting from an act of God
- Damage caused by municipal services or other utilities

How to Submit a Two Year Warranty Claim

To make a warranty claim under the two year warranty, the condominium corporation must submit a Second-Year Common Elements Claim Form or a Second-Year Performance Audit with a Performance Audit Tracking Summary to Tarion by midnight of the second anniversary of the registration date.

EXAMPLE

If the warranty start date is January 14, 2025, a Second-Year Common Elements Claim Form or a Second-Year Performance Audit must be submitted by January 14, 2027.

For more information about which defects and conditions are covered or not covered by the warranty, please see the

Common Element Construction Performance Guidelines, available at Tarion.com.

What happens after you submit a warranty claim?

The One Year and Two Year Warranty Process

This section outlines the standard process for resolving common elements warranty claims. However, this does not mean that all common elements warranty claims must be resolved in this way. At no time does the warranty process described here prevent the condominium corporation from resolving all claimed items with the builder. Tarion can assist at any time during this process by holding common elements meetings to facilitate discussion.

STEP 1: The Builder's Initial Repair Period



The builder has until the end of 18 months from the first anniversary of the registration date to resolve all warranted items listed on the First-Year and Second-Year Common Elements Claim Forms or Performance Audits. During this time, the condominium corporation and the builder are required to provide updates to Tarion every 90 days using the Performance Audit Tracking Summary.

Working with the Builder

The condominium corporation is required to provide the builder with reasonable access during regular business hours to review claim items and complete repairs. Appointments should be scheduled at times that are mutually convenient to the builder and the condominium corporation at least 24 hours in advance. The builder may require access to units.

STEP 2: Opportunity to request a Tarion Conciliation



If the builder does not resolve all items covered by the warranty by the end of 18 months from the first anniversary of the registration date, the condominium corporation can request a conciliation from Tarion by completing the Common Element Request for Conciliation Claim Form. The condominium corporation must submit a request for conciliation within 60 days following the end of the builder's repair period. If a conciliation is not requested from Tarion during this time, Tarion will consider all of the claim items to have been withdrawn.

Conciliation Deposit

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The condominium corporation must provide Tarion with a deposit of \$1000.00 + HST along with the request for conciliation. This deposit is refunded to the condominium corporation if Tarion determines that one or more items assessed is covered by the warranty.

STEP 3: The Builder's Pre-Conciliation Repair Period



conciliation to repair or resolve all of the outstanding claim items that are covered by the warranty.

The builder has 90 days from the date the condominium corporation requests a

Anniversary + 18 Months + 60 Days + 90 Days

STEP 4: Tarion conducts the Conciliation



Anniversary + 18 Months + 60 Days + 90 Days + 150 Days The purpose of the conciliation inspection is to provide Tarion with the opportunity to inspect the unresolved or disputed claim items and determine if they are covered by the warranty. Tarion may request documentation and information from the condominium corporation and the builder.

Tarion will conduct the conciliation between 90 and 150 days after the condominium corporation's request for conciliation. After the conciliation, Tarion will issue a Warranty Assessment Report, which will set out Tarion's position on all the conciliated items. In some cases, the Warranty Assessment Report may indicate that further investigation is needed.

STEP 5: The Builder's Post-Conciliation Repair Period



If the Warranty Assessment Report indicates that an item is covered by the warranty, the builder has a final 90 days from the report date to repair or resolve it.

Anniversary + 18 Months + 60 Days + 90 Days + 150 Days + 90 Days

Reminder

At no time does the warranty process described here prevent the condominium corporation from resolving all claimed items with the builder. Tarion can assist during this process by holding meetings to facilitate discussion.

STEP 6: Tarion settles the claim



If the builder does not resolve items that are covered by the warranty within 90 days of the report date, Tarion will settle these items directly with the condominium corporation.

Anniversary + 18 Months + 60 Days + 90 Days + 150 Days + 90 Days + 90 Days

The Seven Year Warranty



WHAT'S COVERED

The seven year warranty provides coverage for major structural defects, and is outlined in Tarion's Registrar Bulletin 03. Registrar Bulletin 03 was revised in July, 2012 to include, among other things, a new definition for what constitutes a major structural defect.

If the condominium corporation is making a seven year warranty claim, please refer to the information below:

The first arm's length purchase agreement for a unit in the project was signed before July 1, 2012

WHAT'S COVERED

- Defects that result in failure of a load-bearing portion of the building or materially and adversely affects its load-bearing function
- Defects that materially and adversely affect the use of the building for the purpose of which it was intended

WHAT'S NOT COVERED

- > Normal wear and tear
- > Normal shrinkage of materials
- > Settling soil
- > Secondary damage to personal property
- > Damage resulting from improper maintenance
- > Alterations, deletions or additions made by the owner
- > Damage resulting from an act of God
- Damage caused by municipal services or other utilities

The first arm's length purchase agreement for a unit in the project was signed on or after July 1, 2012

WHAT'S COVERED

- > Defects that result in failure of a structural load-bearing element of the building
- > Defects that materially and adversely affect the ability of a structural load-bearing element of the building to carry, bear and resist applicable structural loads for the usual and ordinary service life of the element
- > Defects that materially and adversely affect the use of a significant portion of the building for usual and ordinary purposes

WHAT'S NOT COVERED

- > Normal wear and tear
- > Normal shrinkage of materials
- > Settling soil
- > Secondary damage to personal property
- > Damage resulting from improper maintenance
- > Alterations, deletions or additions made by the owner
- > Damage resulting from an act of God
- > Damage caused by municipal services or other utilities
- > Elevating devices
- > Appliances that form part of the heating or cooling system

How to Submit a Seven Year Warranty Claim

To make a warranty claim under the seven year warranty, the condominium corporation must submit a Major Structural Defect Common Elements Claim Form to Tarion at any time after the end of the second year, but no later than the expiry of the seven year anniversary of the registration date.

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For more information about which defects and conditions are covered or not covered by the warranty, please see the

Common Element Construction Performance Guidelines, available at Tarion.com.



Warranty Exceptions for Emergency Situations

An emergency is any warrantable deficiency within the control of the builder that, if not attended to immediately, would:

- a) likely result in substantial damage to the common elements;
- b) represent an imminent and substantial risk to the health and safety of any occupants of the condominium project; and/or
- c) result in one or more units in the condominium project being uninhabitable.

Examples of emergency situations

- > Complete loss of heat between September 15 and May 15;*
- Complete loss of air conditioning between May 15 and September 15;
- > Gas leak;*
- > Complete loss of electricity;*
- Complete loss of water;*
- > Complete stoppage of sewage disposal;*
- > Plumbing leakage that requires the entire water supply to be shut off;

- Major collapse of any part of the condominium project's exterior or interior structure;
- Major water penetration through the walls or ceilings of common elements:
- > A large pool of standing water upon or within the common elements that may affect health and safety;
- > Loss of use of all elevators; or
- > Any situation where, in the opinion of Tarion, the home is uninhabitable for health or safety reasons.

What to do in an emergency situation:

- 1 Call the emergency contact telephone number provided by the builder.
- 2 If you are unable to reach the builder, or if the builder does not correct the situation within 24 hours, contact Tarion for further assistance.
- 3 If damage to builder installed materials results, do not repair it. If the condominium corporation cannot reach Tarion or the builder, and have no other option but to have the work completed, the condominium corporation or a contractor should correct the emergency condition only and document the problem with pictures, both before and after if possible.
- 4 Submit an Emergency Form to Tarion as soon as possible after correcting the emergency condition, with a copy to the builder. Forms are available by calling Tarion. Include all receipts/invoices for work and materials.
- 5 If the builder is responsible for the emergency item, they will repair any resulting damage within 30 days of your notice to them and Tarion. If the builder fails to repair the resulting damage, Tarion will work with the condominium corporation directly to resolve the matter.

Frequently Asked Questions

When does the warranty on common elements begin?

The condominium's common elements warranty begins on the date the project's Declaration and Description or Amendment to the Declaration is registered.

What do we do if we receive a complaint from a unit owner regarding a problem inside their unit?

Inform the unit owner that their unit comes with its own warranty, and that it is their responsibility to make warranty claims to the builder and Tarion for deficiencies located within the boundaries of their unit.

What happens if we change our designate?

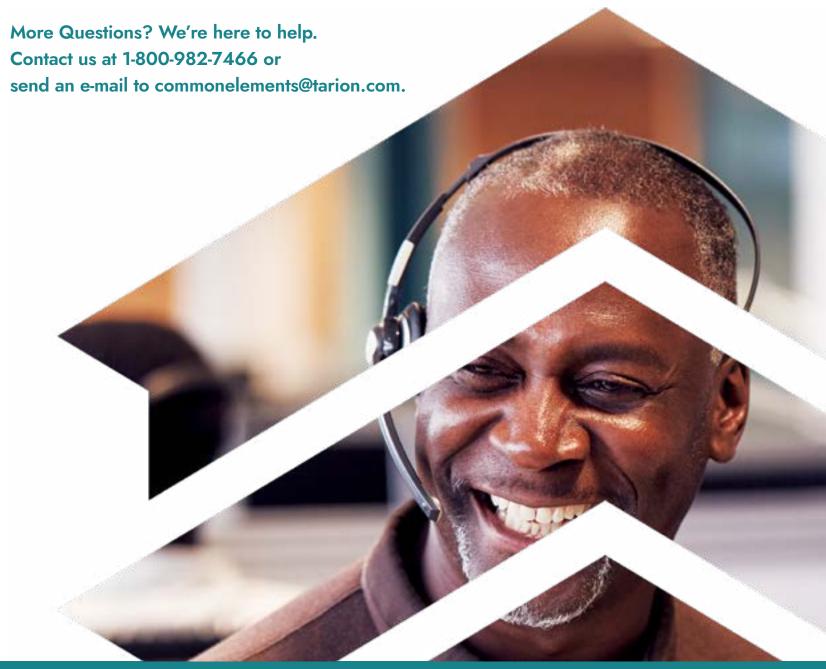
Notify Tarion of a change in designate as soon as possible by completing and submitting the Appointment of Designate Form.

How do we determine if something belongs to a unit or to the common elements?

If you are unsure of the boundaries between units and common elements, refer to "Schedule C" of the Declaration and Description.

What if we disagree with Tarion's decision in the Warranty Assessment Report?

For items Tarion has found to be not warranted in the Warranty Assessment Report, Tarion will issue a Decision Letter to the condominium corporation setting out rights of appeal to the Licence Appeal Tribunal.



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Condominium Corporation Information Package

^{*}Emergency situations due to the failure of a municipality or utility to provide the service are not within the builder's control

Glossary of Terms

Amended Declaration: A Standard Condominium Corporation that is registered in phases. The date of registration for subsequent phases is the warranty start date for each phase.

Board of Directors: A group, generally made up of unit owners, that has been elected to manage the business affairs of the condominium corporation, including policies, finances, maintenance, and repairs.

Builder: A "builder" is a person who undertakes the performance of all the work and supply of all the materials necessary to construct a completed home whether for the purpose of sale by the person or under a contract with a vendor or owner. A person can register with Tarion as a builder, as a vendor or as both a vendor and a builder.

Common Elements: All of the property in a residential condominium development located outside of unit boundaries. The common elements for a project are identified in the Declaration and Description.

Common Elements Construction Performance Guidelines: A Tarion publication that includes the most commonly reported common elements items and indicates whether they are covered by the warranty.

Common Element Warranty Claim Form: A form used by a condominium corporation to make a common elements warranty claim to Tarion. These forms include the First Year, Second Year, Major Structural Defect, and Common Elements Emergency Claim Forms. A Performance Audit may be submitted instead of a claim form.

Conciliation: A process in which Tarion determines whether an item listed on a Common Elements Request for Conciliation Form is covered by the warranty. A conciliation may also be used to determine whether Tarion agrees with a repair or a builder's proposed repair or settlement offer.

Condominium Corporation: The corporation created or continued under the Condominium Act, 1998. Among other responsibilities, the condominium corporation manages the common elements warranty.

Date of Registration: The date on which the condominium project's Declaration and Description or Amendment to the Declaration is registered. This date is also the common elements warranty start date.

Declaration & Description: Both of these are legal documents under the Condominium Act, 1998. Among other things, they provide a description of the common element boundaries and list the ownership proportion allocated by unit

Designate: An individual who is selected by the condominium corporation's Board of Directors to act as the contact between the corporation and Tarion for matters related to the common elements warranty.

Licence Appeal Tribunal: An independent tribunal created by the Ontario government to provide consumers with an impartial appeal process.

MyHome: An online service created by Tarion for condominium corporations to manage the common elements warranty.

Performance Audit: A mandatory audit of a condominium project's common elements to determine if there are any deficiencies. The Performance Audit is performed by an Performance Auditor hired by the condominium corporation.

Performance Audit Tracking Summary: A tool that the condominium corporation, builder and Tarion use to track the resolution of warranty items identified in the Performance Audit. Condominium corporations must submit a completed Performance Audit Tracking Summary to Tarion along with every Performance Audit

Performance Auditor: An individual hired by the condominium corporation to conduct an audit of the common elements. The auditor holds a certificate within the meaning of the Professional Engineers Act or a certificate of practice within the meaning of the Architects Act.

Registrar Bulletin 02: A Tarion document that outlines the customer service standard for residential condominium common elements warranty claims, including the process for submitting claims, the timelines for resolving them, and the role of Tarion.

Registrar Bulletin 03: A Tarion document that outlines the seven-year major structural defect warranty and claims process.

Repair: Activity that the builder undertakes to resolve a warranty claim item. Repair may involve restoration, alteration, or partial or full replacement of materials or equipment. Builders must choose a repair method that satisfies the requirements of the applicable item in the Common Elements Construction Performance Guidelines.

Reserve Fund: A special account separate from the condominium corporation's operating budget that is used to pay for common element repairs and replacements.

Turnover: A meeting where unit owners elect a new Board of Directors. This meeting is held no more than 21 days after the declarant ceases to be the registered owner of a majority of the units in a project.

Vendor: A "vendor" is a person who sells on his/her own behalf a home not previously occupied to an owner. A person can register with Tarion as a builder, as a vendor or as both a vendor and a builder.

Warranty Assessment Report: A report issued by Tarion after a conciliation that contains Tarion's assessment of items listed on a Common Elements Request for Conciliation Form.





Contact us

- Tarion.com
- customerservice@tarion.com
- 1 877 982 7466

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- @Tarion.ON
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- in @tarion_on
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The Vendor/Builder must submit this form by email to <u>commonelements@tarion.com</u> within 7 days of the turnover meeting along with the Tarion Warranty Certificate and a copy of the Declaration and Description (if not already provided).

Section 1: Condominium Corporation Information

Condominium Corporation Name		Municipal Address			
Common Element Enrolment #		Condominiun	n Manager Na	ame	
Condominium Manager Telephone #		Condominiun	n Manager En	nail	
Section 2: Turnover Meeting Info	rmation	1			
Turnover Meeting Date	Turnover Meetin	Turnover Meeting Time		Turnover Meeting Venue	
Section 3: Vendor/Builder Inform	nation				
Vendor/Builder Name	HCRA	Licence #	Contact N	lame	
Section 4: Elected Board Member	·s				
First & Last Name	Posit	ion on Board		Email	

First & Last Name	Position on Board	Email



First & Last Name	Position on Board	Email

Section 5: Acknowledgement of Documents and Items

The newly elected Condominium Corporation's Board of Directors hereby acknowledges receipt of the following documents and items:

Documents/Items	Board Member Name	Initial
Ontario New Home Warranties Plan Act (Tarion) Requirements. If applicable, a bound copy of the B19 Final Report which must include the following documents: • All Milestone Reports associated with the project • The Condominium Declaration as filed with the Land Titles Office • All Design Certificates • Field Review Declaration • Project Architect final clearance • Geotechnical Consultant final clearance • Structural Consultant final clearance • Mechanical Consultant final clearance • Electrical Consultant final clearance • Interior Design Consultant final clearance • Acoustical Consultant final clearance • Site Work Consultant final clearance • Landscape Architect final clearance	Board Member Name	Initial
Occupancy permits		
Tarion Documents:		



First-Year Form for Condominium Common

Condominium Corporation Information Form

 Elements Second-Year Form for Condominium Common Elements Major Structural Defect Form for Condominium Common Elements Common Element Emergency Form Conciliation/Claim Inspection Request Form for Condominium Common Elements Registrar Bulletin 2 (Common Elements Claims Process) Appointment of Designate Form for Common Elements Statutory Warranties Condominium Corporation Information Package (CCIP) 	
Date:	
Director Signature:	
We have authority to bind the corporation.	
/endor/Builder Name:	
Vendor/Builder Representative:	
Vendor/Builder Representative Signature:	
have authority to bind the corporation.	



Appendix A

Upon turnover by the Declarant to the newly elected Condominium Corporation's Board of Directors, the following documents and items are required to be provided pursuant to the Condominium Act.

Note: This may not be a complete list of documents and Tarion recommends that the Condominium Corporation consult with its legal counsel.

Documents and Items

- 1. The Seal of the Corporation
- 2. Minute Book
- 3. Registered Declaration and Registered By-Laws
- 4. Minutes of Owners Meetings and Board Meetings
- 5. Rules and Regulations of the Corporation
- 6. Operating Budget for the First Year of the Corporation (e.g., costs of performing services like landscape maintenance, pool maintenance, property management and accounting)
- 7. Copies of all agreements, including:
 - Management contracts
 - Deeds
 - Leases
 - Licences
 - Easements
 - Encroachment Agreement
 - Registered Shared Facilities Agreement
- 8. Copies of all insurance policies
- 9. Bills of Sale or Transfers for all items that are assets of the Corporation but not part of the property
- 10. Corporation records, including:
 - Mortgage
 - Unit leases
 - Financial (A financial audit should be conducted to ensure that all association revenue and expenses are accounted and a financial report for the association that includes:
 - Balance sheet
 - Income and Expense Statement for the preceding year
 - Balance of association fund or control of them including bank signature cards
 - All association personal property including an inventory list of closed units (details of units sold, rented, or remaining unsold)
 - Current Disclosure Statement



- 11. All Existing Warranties and Guarantees for all equipment, fixtures and chattels included in the sale of either the units or common elements that are not protected by warranties given directly to a unit purchaser
- 12. Bill of Sale attached with a List of Furniture and Equipment
- 13. As-Built Drawings, including:
 - Architectural
 - Structural
 - Engineering
 - Mechanical
 - Electrical
 - Plumbing
- 14. As-Built Specifications, indicating all substantive changes, if any, from the original specifications
- 15. All existing plans for underground site services, site grading, drainage and landscaping, and television, radio or other communications services
- 16. All other existing plans and information not already listed that are relevant to the repair or maintenance of the property
- 17. All financial records of the corporation and of the declarant relating to the operation of the corporation from the date of registration of the declaration and the description
- 18. If the meeting is held after nine months following the registration of the declaration and description, the reserve fund study that is required within the year following the registration of the declaration and description
- 19. All reserve fund studies that have been completed or are required to have been completed at the time the meeting is held, other than the reserve fund study that is required within the year following the registration of the declaration and description
- 20. A copy of the most current disclosure statement delivered to a purchaser of a unit in the corporation under section 72 of the Condominium Act before the meeting
- 21. All other material that the regulations made under the Condominium Act required to be given to the board
- 22. If the condominium corporation is a phased condominium, a copy of the "phasing statements" that are to have been included in the disclosure statement for the unit sales pursuant to section 147(1) of the Condominium Act