



# 2023 New Home Buyers Report



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## About Tarion

A home is one of life's biggest purchases. As an independent, not-for-profit organization, Tarion provides Ontario's new home buyers and owners with peace of mind that their purchase is safeguarded through the province's new home warranty and protection program.

Tarion ensures consumer protection by providing free tools, guides and resources to help homeowners understand their builder's warranty and navigate warranty claims with confidence.

If a builder does not meet their warranty commitments, Tarion offers guidance to help homeowners ensure they receive the coverage they're entitled to, and when necessary, steps in to help resolve warranty claims.

## Why we wrote this report

As the organization tasked with administering Ontario's new home warranty and protection program, Tarion's mandate includes maintaining a fair, safe and informed new home marketplace and promoting the protection of the public interest, particularly for consumers.

Every year, as a new cohort of home buyers navigates a dynamic real estate market, the need for consumer education is ongoing.

To guide our efforts, we commissioned this report to gain a stronger understanding of Ontarians' journey into the new home warranty program and their overall awareness of the builder's warranty.

It's our hope that through continued efforts, all new homeowners in Ontario will be well-equipped to take advantage of the warranty program and get the well-built home and peace of mind they expect.

## Methodology

This survey was conducted by Environics Research between November 21st and December 1st, 2022. The online survey included 526 residents, aged 25-75, from across Ontario who intend to purchase either a pre-construction home or an existing home built in the past five years.



# What the warranty program covers

## Before you move in

Deposit protection and delayed closing coverage



- > **Covers** defects in work or materials that result in the detachment, displacement or deterioration of exterior cladding (such as brickwork, aluminum or vinyl siding)
- > **Covers** defects in work or materials in the electrical, plumbing and heating delivery and distribution systems
- > **Protects** against violations of the Ontario Building Code that affect health and safety

## After you move in

### 1 Year

from the date of possession

- > **Requires** that a home is constructed in a workmanlike manner and free from defects in material
- > **Protects** against Ontario Building Code violations
- > **Protects** against unauthorized substitutions
- > **Requires** the home to be fit for habitation

### 2 Years

from the date of possession

- > **Protects** against water penetration through the basement or foundation walls
- > **Protects** against defects in work or materials that result in water penetration into the building envelope

### 7 Years

from the date of possession

Covers major structural defects that:

- 1) **Result** in failure of a structural load-bearing element of the building
- 2) **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

**Learn more with our interactive Learning Module on [Tarion.com](https://www.tarion.com)**

# Roles in the warranty program



## Builder

- › Ensure that a home is built in accordance with Ontario's Building Code, is fit for habitation, and is free from defects in work and materials and major structural defects
- › Provide the homeowner with information about their warranty coverage at the time of purchase
- › Conduct a pre-delivery inspection (PDI) with the homeowner on or before the closing date and explain how the home's various systems work
- › Provide the homeowner with a warranty certificate upon their home's completion which indicates when the new home warranty takes effect
- › Be reasonably accessible to the homeowner to address customer service issues, including investigating issues with the home to determine if they are covered by the warranty
- › Resolve valid warranty requests in a timely manner by performing repairs or offering an acceptable alternative resolution



## Homeowner

- › Understand their home's warranty coverage and the process for making warranty service requests and claims
- › Participate in the pre-delivery inspection (PDI) by identifying incomplete, damaged or missing items and learning how to operate the home's systems
- › Properly maintain the home

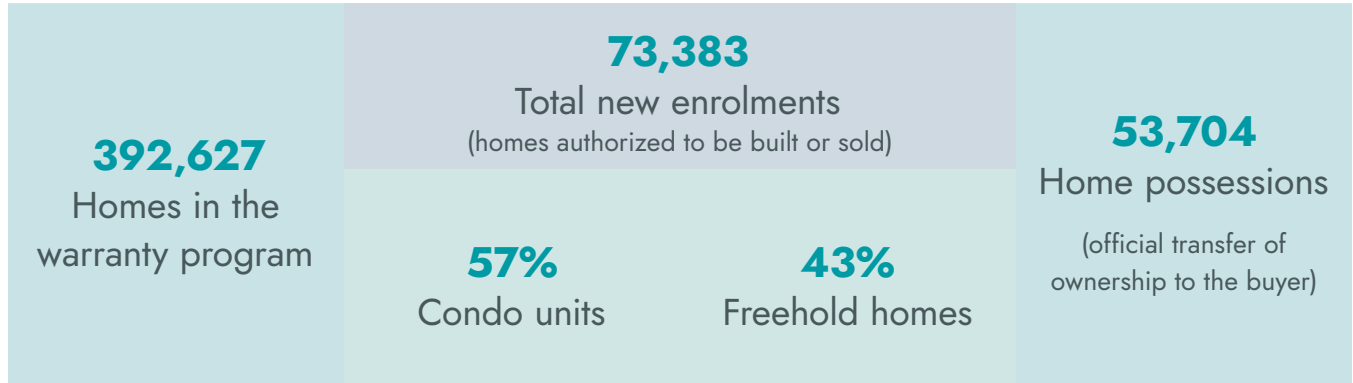
- › Bring any warranty service requests to the builder's attention in writing as soon as possible
- › Provide the builder with reasonable access to the home to investigate and address warranty service requests
- › If warranty assistance is needed from Tarion, submit the claim to Tarion within the appropriate timelines and with sufficient detail



## Tarion

- › Be an independent authority assisting in the fair resolution of disputes between homeowners and builders over warranty coverage, repairs or customer service
- › Assess warranty claims to determine if they are valid, either through an on-site inspection or an alternative method of investigation
- › In cases where a builder fails to address a valid warranty claim, resolve the claim directly with the homeowner
- › Manage a Guarantee Fund that provides compensation to the homeowner for warranty claims
- › Educate new homeowners and builders about the warranty process
- › Work proactively, through targeted inspections and the monitoring of customer service performance, to encourage improved building quality and customer service in the province

# By the numbers: Ontario's new home warranty program



Totals for 2022 valid as of December 31, 2022.



**We're  
here to help  
achieve fair outcomes  
– when we're needed**

Our data shows that in most cases, builders and homeowners are able to resolve warranty claims without needing assistance from Tarion.

For example, in 2022, more than 58,000 warranty claims were filed with Tarion, but only 14% of these claims were escalated to a request by the homeowner for a Tarion inspection. This means that the remaining 86% of claims were resolved by the builder and homeowner prior to the inspection, or the homeowner chose to withdraw the claim.

# Key findings

**Expected time to purchase:** In general, home purchase intenders fall into two broad categories. Six in ten (61%) can be considered Window Shoppers who intend to buy within 12 months from the time of the survey. The remaining four in ten (39%) are Serious Buyers who plan to buy a new home within the next six months.

**A home's age is a significant factor for a home buyer's peace of mind:** Half of respondents (50%) say that a home built in the last five years would give them the greatest peace of mind, with a pre-construction home coming in at a close second (39%).

**Demographics:** First-time buyers are more likely to be Millennials (46%) and single (54%), and are considering buying a condo (42%) or townhome (43%). Repeat buyers are Baby Boomers (86%) or Gen Xers (79%), and are married or in common-law relationships (71%).

**Immigrants and new Canadians play a big role in Ontario's new homes market.** One-third (35%) of Ontario's new home buyers were born outside of Canada, with an average span of 17 years since moving to Canada.

**Most new home buyers hope to stay within range of their current residence.** In considering locations for their new home, a third (33%) are looking within their current neighbourhood and more than half (56%) plan to stay in the same town or city. Nearly half (49%) plan to move within their current region and one in five (21%) will move to a different region of the province. Only 5% are planning to leave the province.

**Energy efficiency has a surprisingly strong showing in important factors when shopping for a new home.** Top factors in choosing a new home include: home size and price (98%), energy efficiency of the home (96%) and its appliances (92%), the home's style or design (94%), the builder or building company's reputation (92%), and the home's warranty protection (91%).

**Residence vs. rental property:** A strong majority of home buyers (84%) plan to use the home as their primary residence, with 15% planning to use it as an investment property. However, for 58% of respondents, the potential to use the home as a rental property is also a factor when shopping for a home.

# Defining a new home buyer

At Tarion, we define a ‘new home buyer’ from the perspective of the new home warranty program. This means that in this report, a new home buyer means an individual who is buying a pre-construction or newly-built home that is less than seven years old and still covered by the statutory new home warranty.

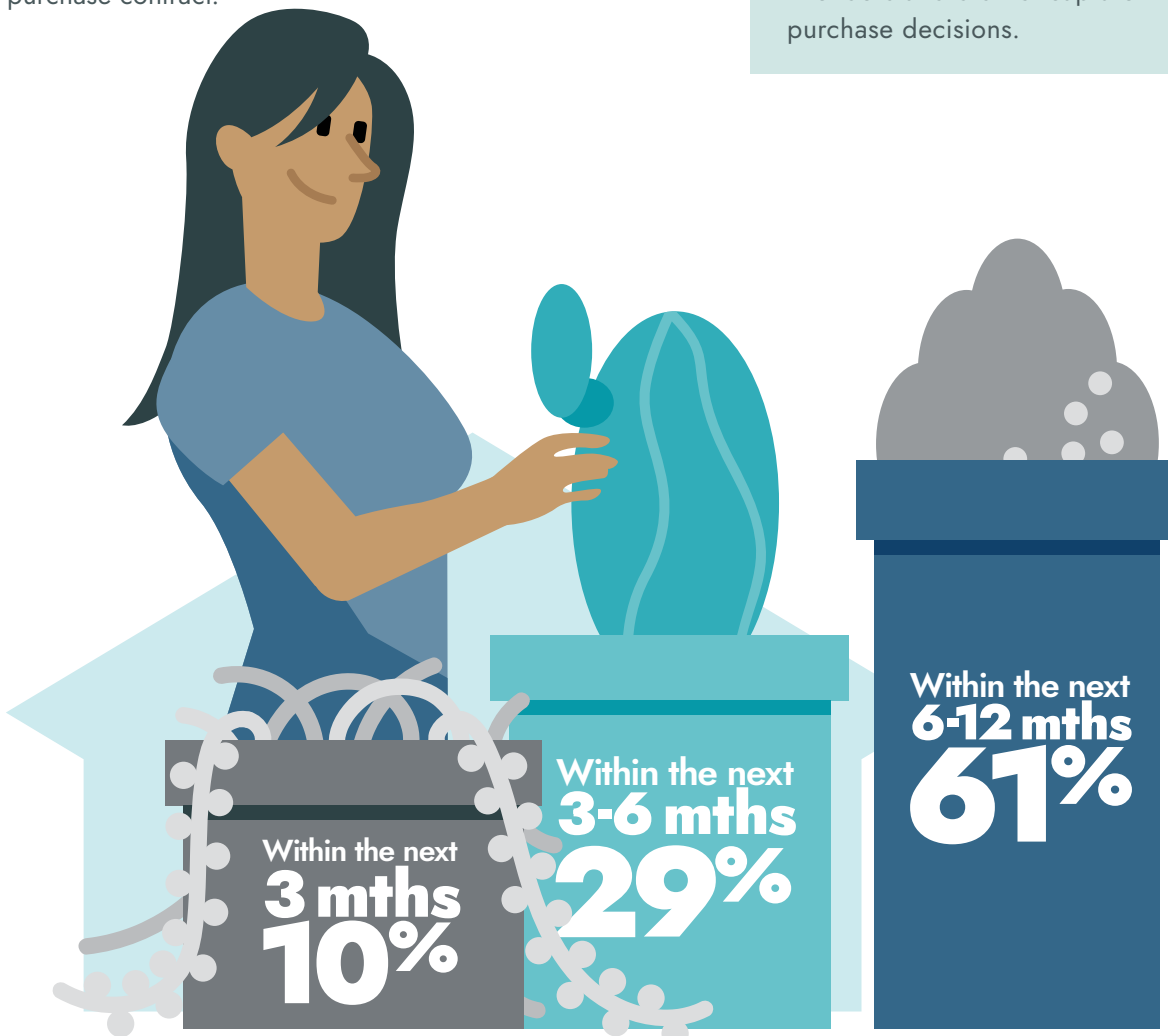
In Ontario’s new home marketplace, purchase intenders fall into two broad categories: Window Shoppers who intend to buy within the next year, and Serious Buyers who are closer to signing a purchase contract.

## Window Shoppers vs. Serious Buyers

At the time of this survey, six in ten (61%) respondents indicated that they plan to purchase a new home within the coming year. The remaining four in ten (39%) respondents were closer to finalizing a purchase, with 29% planning to buy within three to six months and 10% within three months of completing the survey.

### How many potential buyers end up purchasing a new or pre-construction home?

This survey was focused on home purchase intenders and did not capture final purchase decisions.

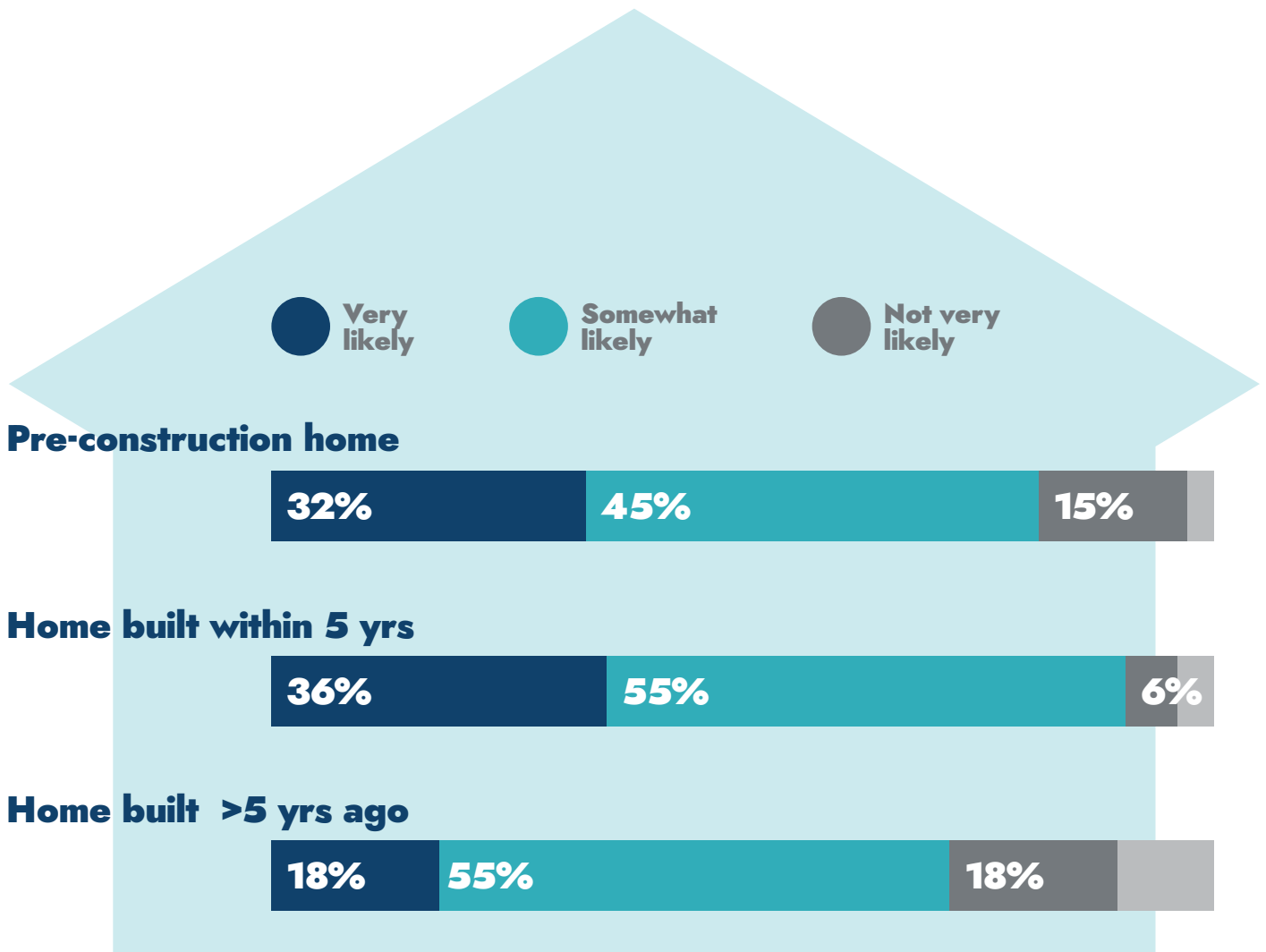


Q2. [All respondents, n=526] When are you planning to purchase a home?



## How new is new? Age of home under consideration

The vast majority of survey respondents (91%) said they were likely to buy a home built within the past five years. About three-quarters would consider a pre-construction home (77%) or a home built more than five years ago (73%).

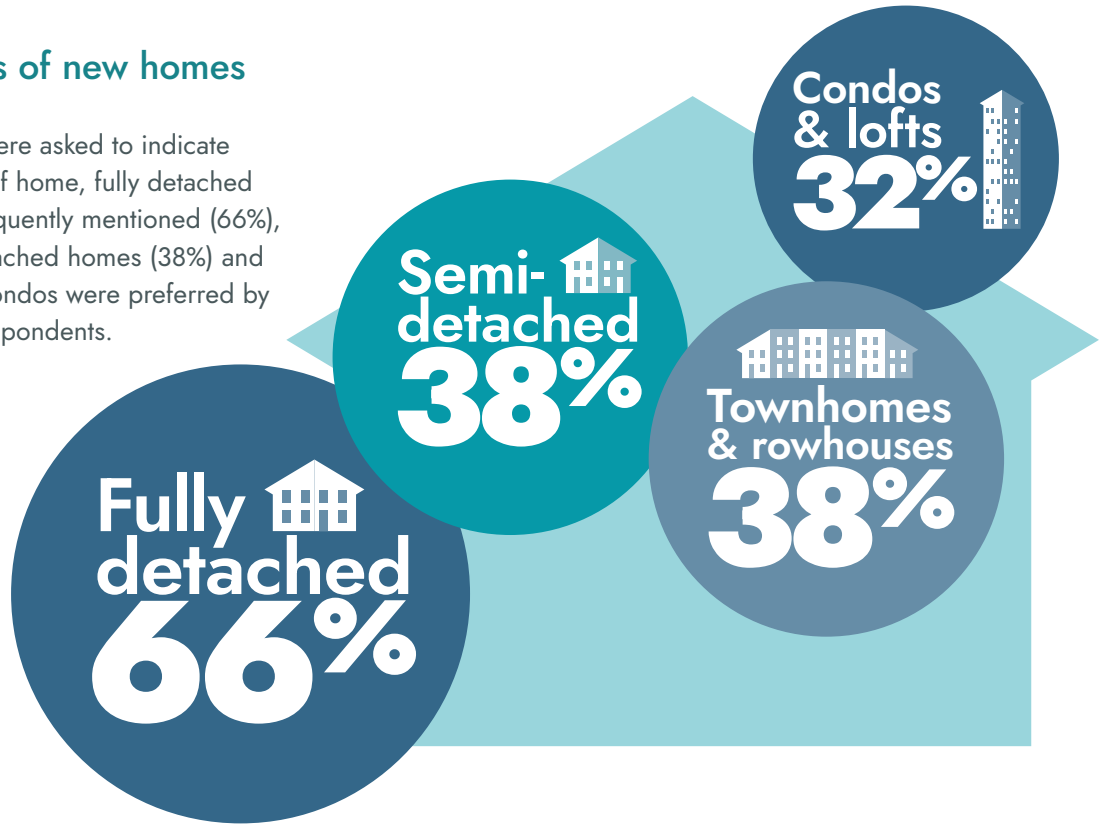


If a new home is under seven years old, it likely still has warranty coverage. [Learn more](#)

Q3. [All respondents, n=526] How likely are you to consider purchasing each of the following types of homes?

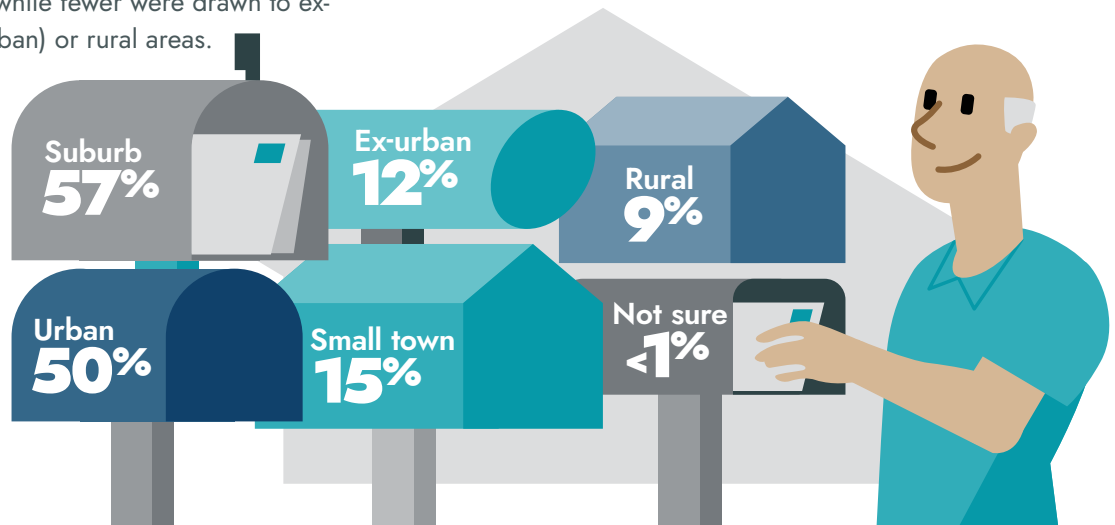
## Preferred types of new homes

When respondents were asked to indicate their preferred type of home, fully detached homes were most frequently mentioned (66%), followed by semi-detached homes (38%) and townhomes (38%). Condos were preferred by one-third (32%) of respondents.



## Preferred types of community

Both suburban and city life hold equal appeal for survey respondents, while fewer were drawn to ex-urban (beyond suburban) or rural areas.



**In Ontario, most new condos and freehold homes come with a builder’s warranty, regardless of the type of community they’re in. [Learn more](#)**

Q7. [All respondents, n=526] Which of the following types of homes are you considering purchasing? [MULTI-SELECT]

Q8. [All respondents, n=526] What type of community are you considering purchasing a home in? [MULTI-SELECT]

# Who's buying pre-construction and new homes in Ontario?

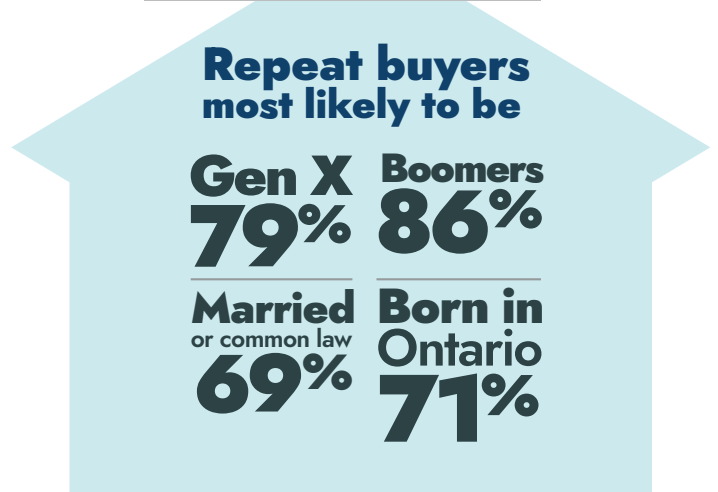
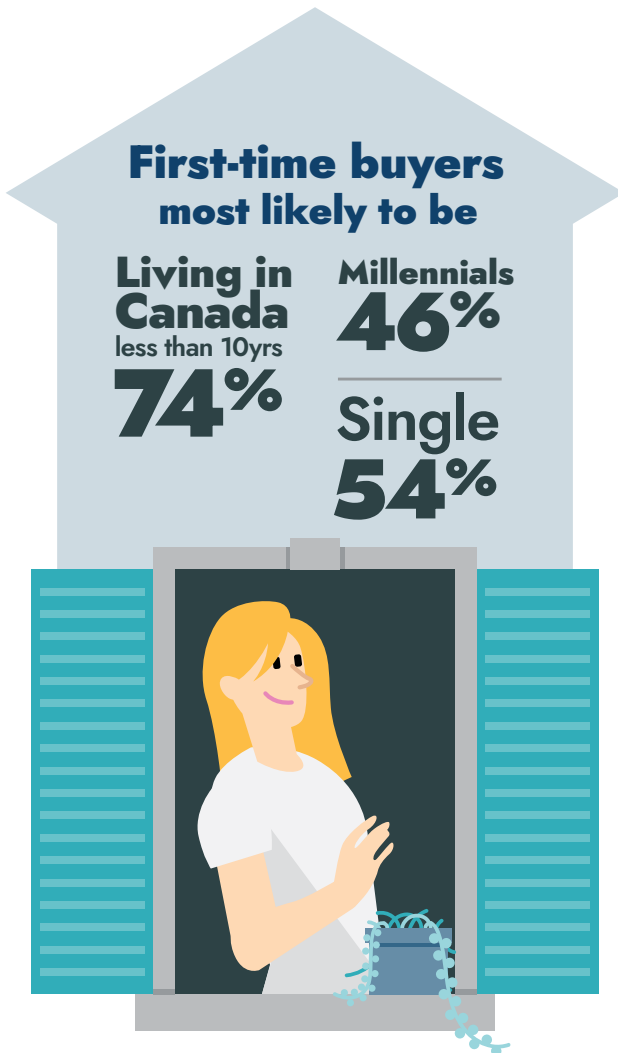
The report's survey sample of home purchase intenders reflects the diversity and demographic profile of Ontario's population.

## First time vs. repeat buyers

In Ontario, roughly one-third (35%) of those intending to buy a new or pre-construction home will be first-time home buyers. The remaining two-thirds (65%) are repeat home buyers.

According to the survey, first-time buyers are more likely to be Millennials (46%), single (54%) and newcomers to Canada within the past ten years (74%).

Repeat buyers are more likely to be older, either Baby Boomers (86%) or Gen Xers (79%) and either married or in a common-law relationship (69%). They are more likely to be born in Ontario (71%).

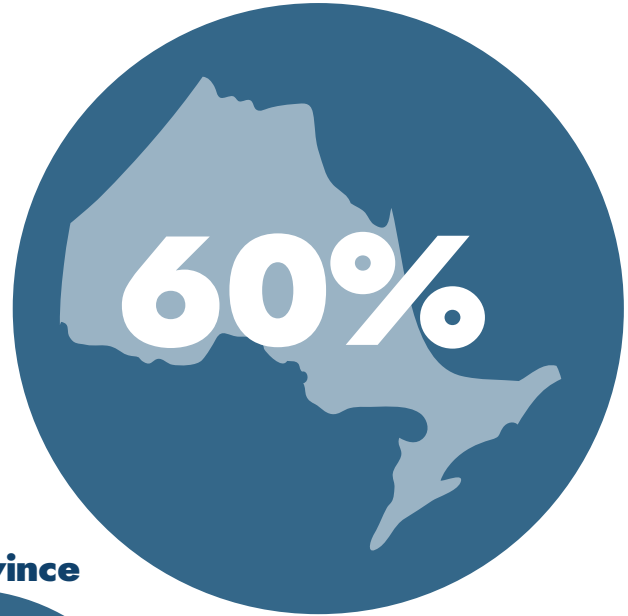


Q6. [All respondents, n=526] Will the home you purchase be: Your first time purchasing a home / Not your first time purchasing a home.

**Place of birth**

In a survey of Ontario residents, you might assume that the majority (60%) of respondents are Ontario-born. However, the survey found that more than one-third (35%) of home purchase intenders were born outside of Canada. On average, these respondents were well established in Canada with an average 17 years since their immigration.

**In Ontario**



**Outside Canada**



**Another province**



**With spouse/partner**



**On their own**



**With someone else**



**Don't know/Not sure**



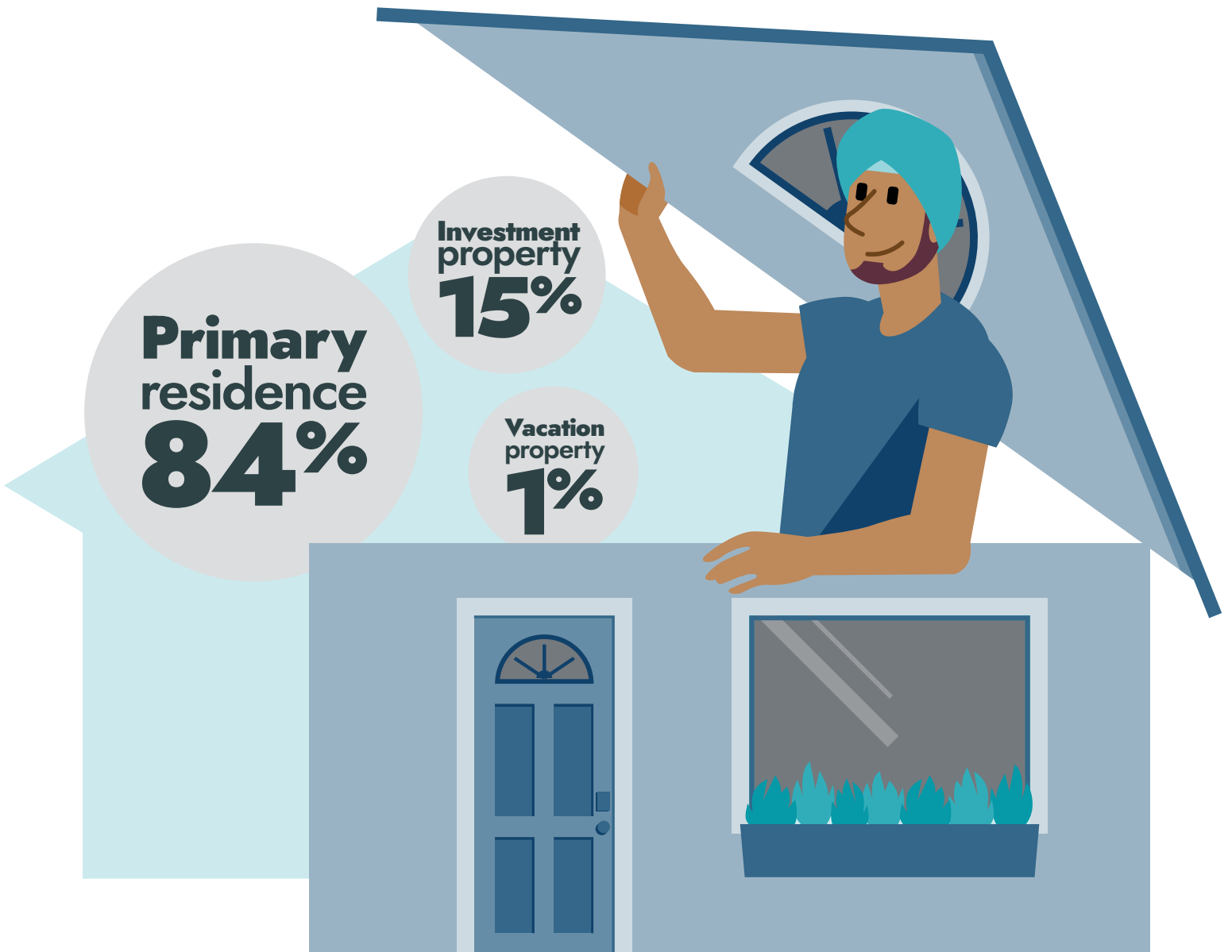
**Purchasing on their own or with a spouse**

Nearly two-thirds (63%) of respondents say they're planning to buy their next home with their spouse or common-law partner, while one-third say they're buying on their own. A small number (3%) of home buyers are planning to purchase a home with someone else.

*(note: no question number; this was part of the demographic profiling)  
Q10. [All respondents, n=526] Will you be purchasing your home ...*

## New home, sweet home

According to the survey, most new home buyers (84%) intend to use the new home as their primary residence. Only 15% are considering using the home purchase as an investment property.



### What qualifies as a home?

Under Ontario's New Home Warranties Plan Act, a dwelling that can be occupied year-round would be covered by the new home warranty.

Q9. [All respondents, n=526] Will you be purchasing your home as...

### Where are Ontarians planning to buy?

In planning their home purchase, survey respondents were mixed on their preferred location for their new home, whether close to their current residence or farther afield.

One-third (33%) are considering staying in the same neighbourhood, while more than half (56%) would like to stay within their current town or city. Others are considering moving farther away, with half (49%) staying in the same region of Ontario, one-third (33%) moving to a different region and a small number (5%) leaving the province altogether.



Q5B. [All respondents, n=526] Which of the following locations are you considering for the home you are planning to purchase? [MULTI-SELECT]

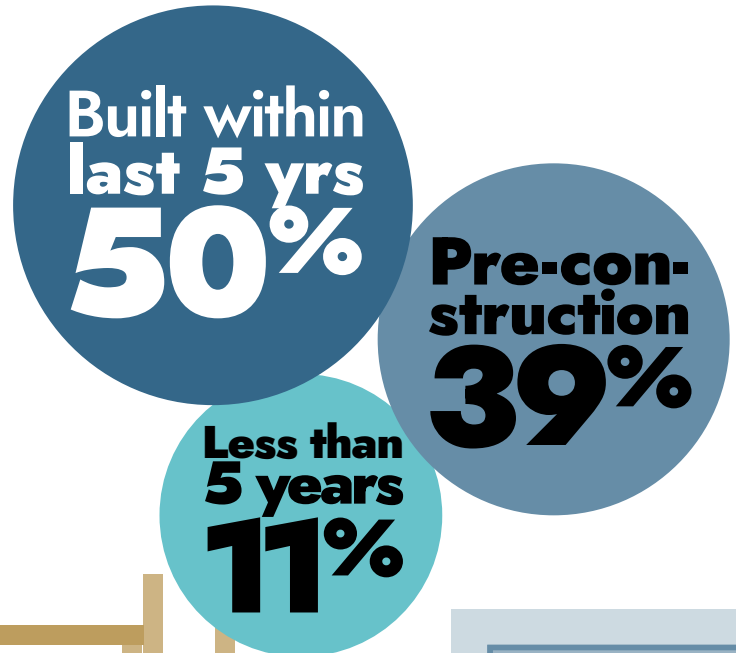
# Why choose a newly built or pre-construction home?

Amid a changing economy and dynamic real estate market, we wanted to gain a better understanding of what drives consumers to choose a new or pre-construction home versus buying a resale home.

Overall, survey respondents expressed that as a consumer, buying a new or pre-construction home was an important source of peace of mind.

## Buying new for greater peace of mind

As prospective home buyers, half of respondents (50%) say that a home built in the last five years would give them the greatest peace of mind, with a pre-construction home coming in at a close second (39%).



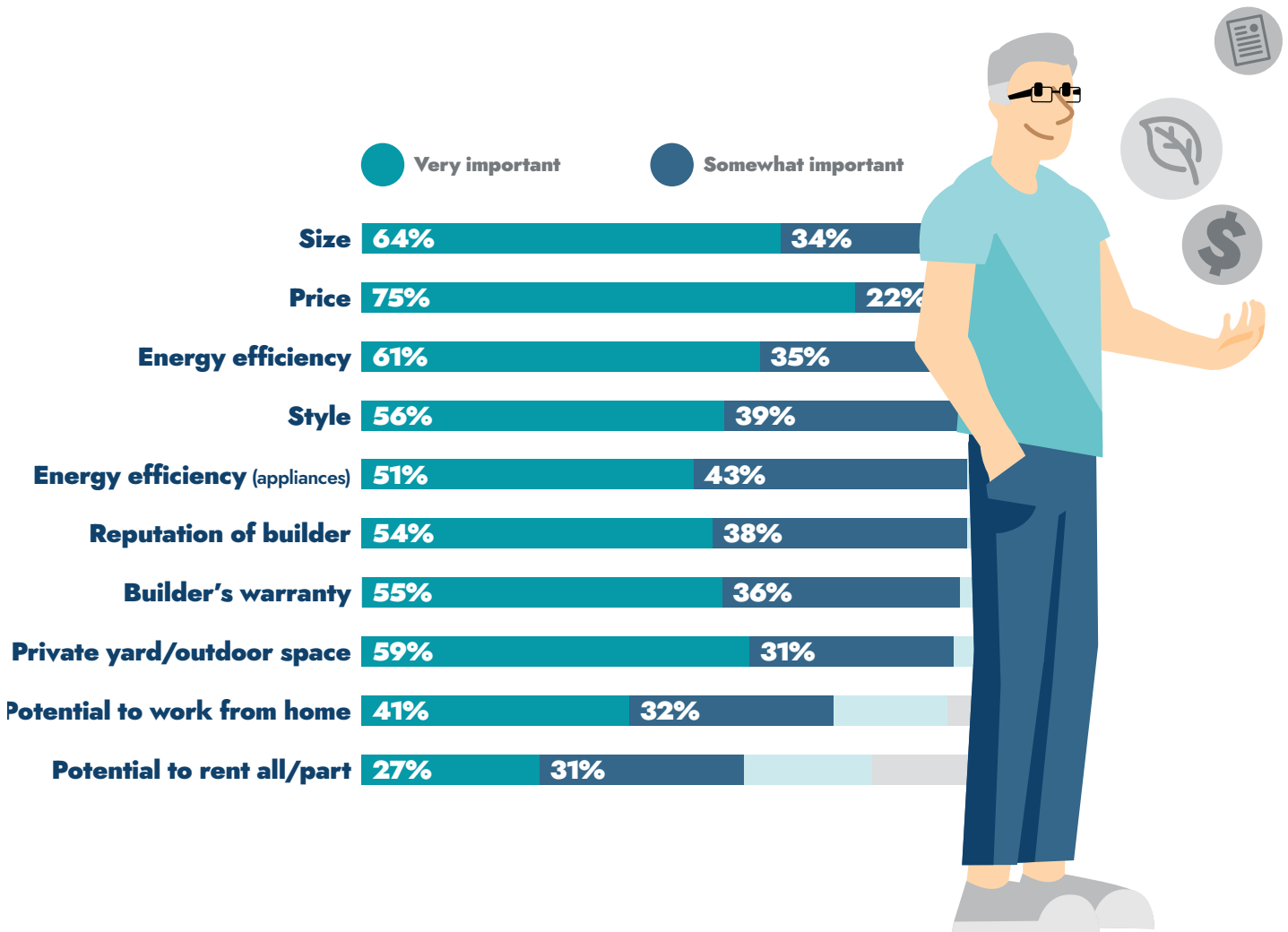
Q4. [All respondents, n=526] Based on what you know now, which of the following would be most likely to give you the greatest sense of peace of mind as a buyer? [SINGLE-SELECT]

## Top factors when shopping for a home

For survey respondents, size and price were the most important factors when shopping for a home (both 98%), as well as the home’s style or design (96%). Interestingly, the energy efficiency of the home (96%) and its appliances (92%) were also top considerations.

Consumer protection factors fall in the middle, with a builder’s reputation (92%) and the new home warranty protection (91%) considered important.

Lower down in the list, but still significant, are factors related to how the home will be used: nine in ten (90%) consider it important to have a yard or private outdoor space, and seven in ten (72%) want the potential to work from home. Interestingly, nearly six in ten (58%) like having the option to rent all or part of their home – despite the vast majority of home buyers intending to use their new home as their primary residence.



Q14. [All respondents, n=526] How important are each of the following as considerations to you when shopping for a home?



## Why buy a home built in the past five years?

When we asked why buying a home built within the past five years would give survey respondents the greatest peace of mind, some common themes emerged. Respondents primarily liked the idea of purchasing a turnkey home that is fairly new and ready to move in, with any issues resolved and no immediate need for maintenance or renovations.

### What survey respondents said:

*"A home built more than five years ago tends to have more issues. Pre-construction has lots of risk at a price point higher than post construction properties. A home built within five years, you tend to get more better market value and less issues as it's relatively new."*

**Ready to move in**  
**19%**



**Layout is already there**  
**17%**



**Not old/fairly new**  
**27%**

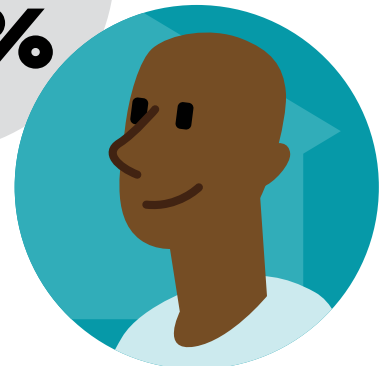


*"I feel like new home builds are getting very rushed and mistakes are made whereas a slightly older home seems less risky because if mistakes were made, they'd be fixed by now."*

**No renos/repairs needed for a while**  
**12%**



**Issues are known/resolved**  
**13%**



*"Knowing the home is new limits the potential for expensive repairs and provides property value growth opportunities. Pre-construction offers similar features, but the completion dates can cause significant wait times."*

Q5. [Respondents who selected a home built within the last 5 years in Q4, n=263] Please explain why you chose the answer you did – please be as specific as possible. [OPEN-END]

## Why buy pre-construction?

In considering a pre-construction home purchase, survey respondents were most drawn to the idea of having a brand new home that they can customize to their tastes.

### What survey respondents said:

*"Because a pre-construction home is made of new materials and new equipment/appliances. This is important to me because it means there should be nothing to fix for at least 10 years. Also, there is a warranty to fix any broken things."*

**Stronger/  
safer/  
no damage  
8%**



**Brand  
new home  
29%**



*"[A] new home comes with peace of mind guarantees. Also, new home construction standards and energy efficiency [are] better than [what they were] previously."*

*"I'm able to choose all the selections that I want and also that I would be covered under warranty if anything happens."*

**Ability to  
customize  
35%**



Q5. [Respondents who selected a pre-construction home in Q4, n=204] Please explain why you chose the answer you did – please be as specific as possible. [OPEN-END]

# How consumers are preparing to buy

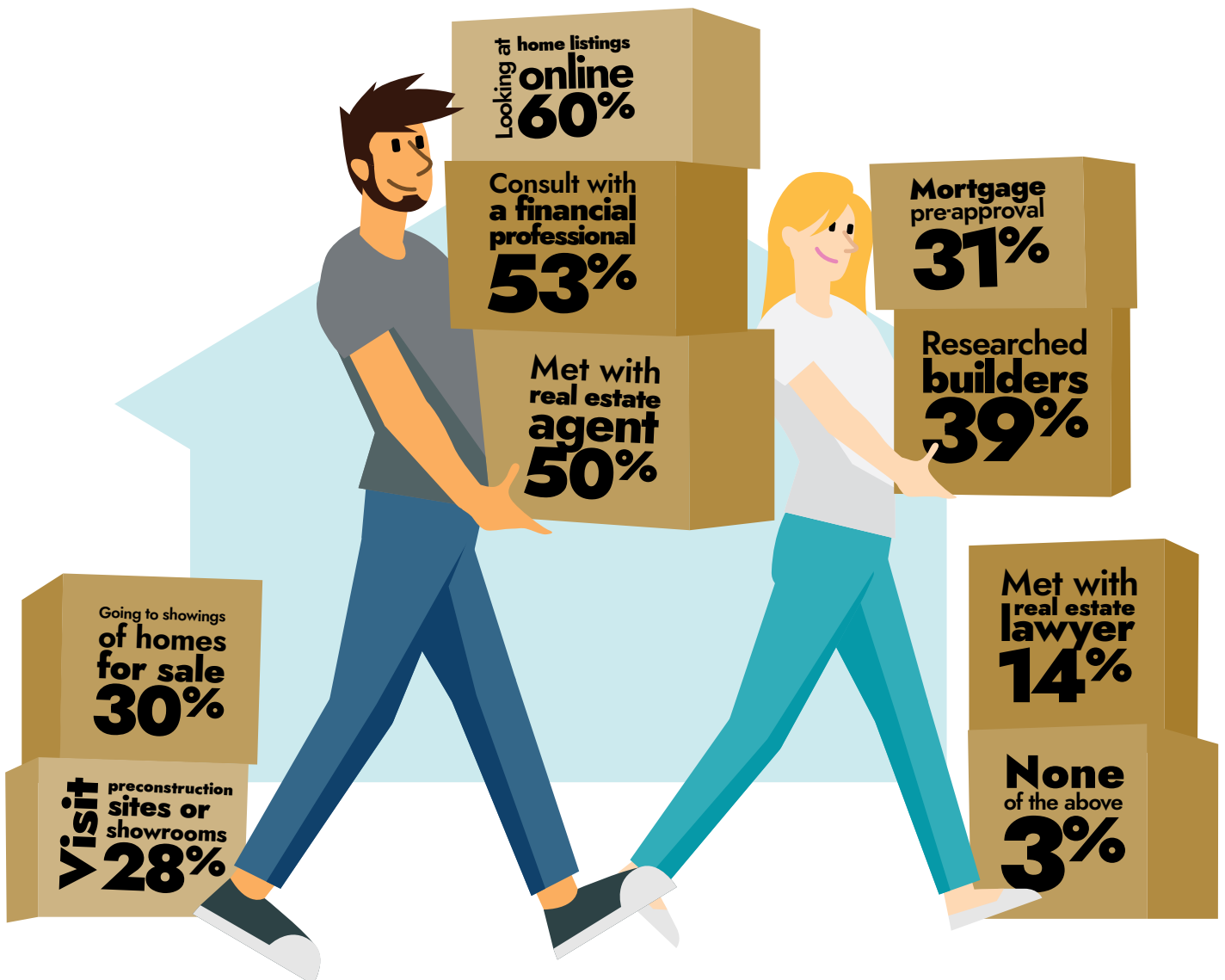
A home purchase is one of the few investments that can also be considered a major life event. In our survey, we set out to explore the ways that Ontario’s consumers typically get ready to buy a home, and the due diligence steps they complete along the way.

## Getting ready to buy

When preparing to buy a home, survey respondents most commonly report having looked through home listings online, discussed their financial situation with a financial advisor or professional (53%) and met with real estate agents (50%).

Three in ten respondents (31%) have obtained a mortgage pre-approval, and 28% of respondents say they’ve visited a pre-construction site or showroom.

Interestingly, only four in ten (39%) respondents have researched information on new home builders.



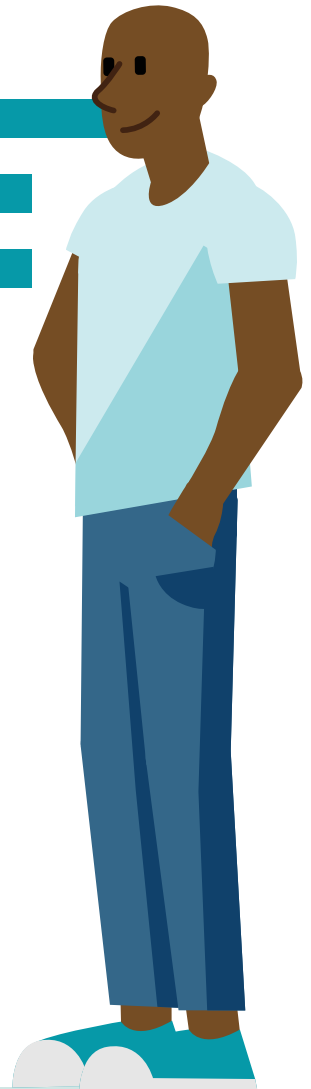
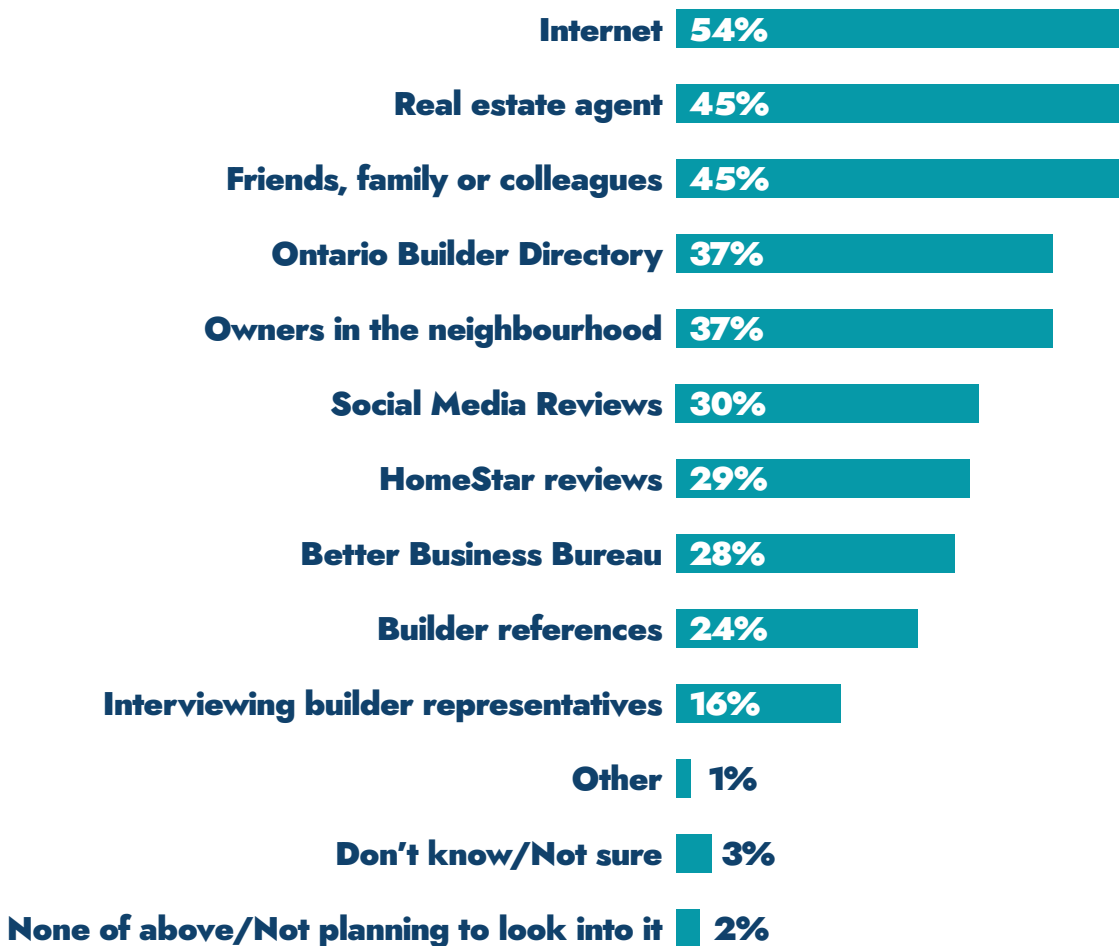
Q13. [All respondents, n=526] Which of the following activities have you done in preparation for purchasing your new home? [MULTI-SELECT]

## Researching the builder

Although 92% of respondents believed that the builder’s reputation is an important factor in shopping for a home, only about half (54%) report having done a general internet search to investigate the builder’s reputation. Recommendations from real estate agents (45%) and friends and family (45%) are other top sources that home buyers have either used or intend to use.

Only 37% of respondents have checked the Ontario Builder Directory to ensure that the builder is licensed to build and sell homes in Ontario.

### Sources for learning a builder’s reputation



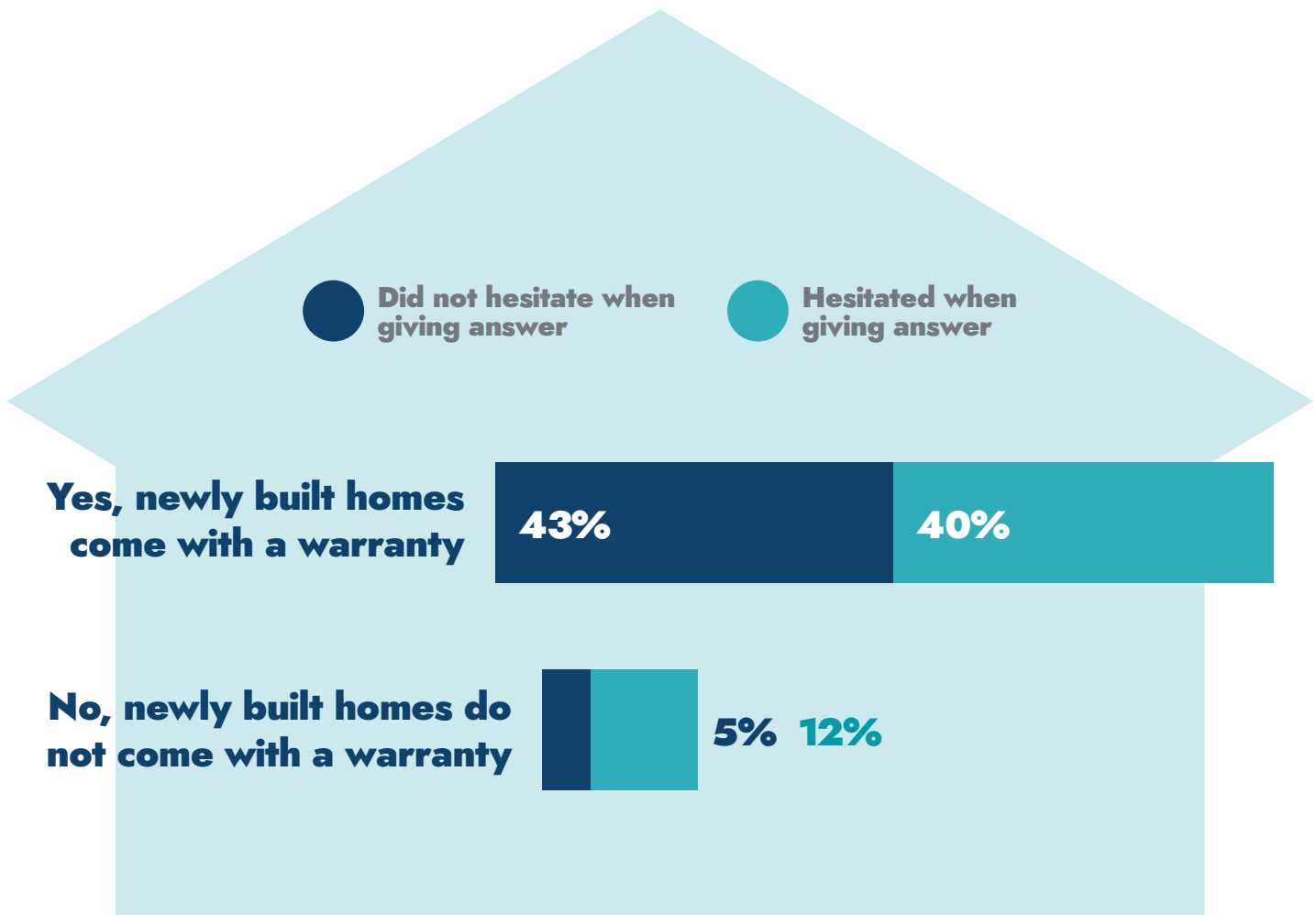
In Ontario, home builders are regulated by the Home Construction Regulatory Authority (HCRA). If you’re thinking of buying a pre-construction home, check the [Ontario Builder Directory](#) to make sure your builder is registered and check their record.

Q15. [Respondents who stated reputation of the builder is very/somewhat important, n=483] You mentioned that the reputation of the home builder is important. Which of the following sources have you investigated or plan to investigate to learn about the reputation of any home builders? [MULTI-SELECT]

## Awareness of the builder’s new home warranty

According to the survey, home purchase intenders had a strong awareness that new homes in Ontario come with a warranty provided by the builder. Eight in ten (83%) respondents were aware of the home warranty, though nearly half of this group (40% of all respondents) hesitated when giving an answer.

In addition, half of respondents correctly understood that the warranty is provided by the builder, not the Ontario government or an administrative authority.



Q17. [All respondents, n=526] To the best of your knowledge, do newly built homes in Ontario come with a warranty?  
 Q18. [All respondents, n=526] Did you hesitate when providing your answer to the prior question about whether newly built homes in Ontario come with a warranty?  
 Q19. [All respondents, n=526] Newly built homes in Ontario do come with a warranty. To the best of your knowledge, who is responsible for providing the new home warranty?

# Supporting Ontario's home warranty with consumer education

Overall, these survey results suggest that home buyer interest in newly built and pre-construction homes is high relative to older homes. Although consumers seem to be taking the right steps in their decision-making, we encourage all new home buyers to research their builder and understand the coverage available to them through the new home warranty program.

Tarion's website is a helpful source of tips, free guides and tools to help Ontario's new home owners make the most of their home warranty.

Learn more about Tarion and Ontario's new home warranty program at [Tarion.com](https://www.tarion.com).

## If you're buying a pre-construction home:

- Check the [Ontario Builder Directory](#) to ensure your builder is licensed.
- When requesting upgrades, make sure to confirm all the details in writing with your builder.
- Know how much of your deposit is protected under the builder's warranty.
- Before you sign a purchase agreement, review it with a real estate or condo lawyer to ensure you understand all terms and conditions, and what happens in case the sale is delayed or terminated.

## If you're buying a home built in the last seven years:

- Confirm that your home is [registered in the warranty program](#).
- Sign up for Tarion's [MyHome portal](#) to easily manage warranty claims, stay on top of important deadlines and reach out to Tarion for assistance when you need it.





## We're here to help



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