

THE GUIDE TO YOUR NEW HOME WARRANTY

For Residential Condominium
Conversion Projects



 **TARION**[™]
BUILDING CONFIDENCE

ABOUT TARION

Tarion Warranty Corporation has been regulating new home builders and providing warranty protection to new home buyers in Ontario for more than 40 years.

We ensure that one of life's biggest investments is protected. Almost every new home and condominium in Ontario is covered by a new home warranty. This warranty protection is provided by builders and backstopped by Tarion.

Over the years, we've stepped in to help many owners when their builder failed to fulfill their warranty obligations.

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

ACCESSIBILITY AT TARION

Tarion is committed to promoting the independence, dignity, integration, and equality of opportunity of persons with disabilities by ensuring the accessibility of our facilities and services. For more information and resources related to accessibility, visit our website.

QUESTIONS? ASK US!

1-877-982-7466

TARION.COM

WE HAVE THREE LOCATIONS ACROSS THE PROVINCE TO SERVE YOU IN PERSON:

TORONTO

5160 Yonge Street, 12th Floor
Toronto, ON M2N 6L9

OTTAWA

1580 Merivale Road
Nepean, ON K2G 4B5

LONDON

395 Wellington Road, Suite 214A
London, ON N6C 5Z6



GENERAL INFORMATION ABOUT CONDOMINIUM CONVERSIONS

The unit that you have purchased is part of a Residential Condominium Conversion Project (“RCCP”). A RCCP is the conversion of an existing non-residential building into a residential condominium where pre-existing elements of the original building, such as the façade or foundation, were retained and incorporated into the project. Pre-existing elements can form part of a unit or the common elements. In order to determine whether the pre-existing element is part of your unit or the common elements, you will need to check your disclosure package that came with your purchase agreement, or the registered Declaration and Description. There are some special things to know about pre-existing elements for RCCP’s:

- 1. DIFFERENT WARRANTY:** The warranty is different for the pre-existing elements. The first year work and materials warranty does not apply to pre-existing elements. All other statutory warranties are the same. All new elements of the RCCP have full warranties.
- 2. PRE-EXISTING ELEMENTS FUND:** Your builder may have set aside money if repairs were assessed as being required to the pre-existing elements of your unit for the first 7 years after the registration date of the condominium corporation. To find out if there was money set aside for a repair related to your unit, please refer to the Pre-existing Elements Fund Study that was part of your disclosure package when you signed your purchase agreement. If that document indicates that money was set aside for a pre-existing element repair that forms part of your unit, then please speak to your real estate lawyer to find out when those funds will be released to you. If the Pre-existing Elements Fund Study indicates that money was set aside for pre-existing element repairs relating to the common elements, then the newly elected Board of Directors can request that funds be released to the Condominium Corporation once turnover has taken place.

WARRANTY COVERAGE FOR RESIDENTIAL CONDOMINIUM CONVERSION PROJECTS

	WARRANTY COVERAGE	
	PRE-EXISTING ELEMENTS	NEW ELEMENTS
ONE YEAR – DEFECTS IN WORK AND MATERIALS		
ONE YEAR – UNAUTHORIZED SUBSTITUTIONS, ONTARIO BUILDING CODE VIOLATIONS		
TWO YEAR WARRANTY		
SEVEN YEAR MAJOR STRUCTURAL DEFECT WARRANTY		



PART 1: THE UNIT WARRANTY FOR OWNERS

GOOD NEWS: YOUR NEW CONDOMINIUM UNIT IS COVERED!

Your new condominium unit comes with a statutory warranty that begins before you move in, and last for seven years after you take occupancy.

The shared areas, or “common elements,” of your condominium project are also covered. For more information on the common elements warranty and process, see Part 2 of this package.

While your condominium corporation is responsible for managing the warranty on areas outside of your unit, it is up to you to manage the warranty for your own unit.

That’s why we’ve created this guide. We hope that it provides you with helpful information about your warranty coverage and the warranty process. We encourage you to take a moment out of this exciting and busy time to review it.

If you have any questions, feel free to contact Tarion. We’re here to help!

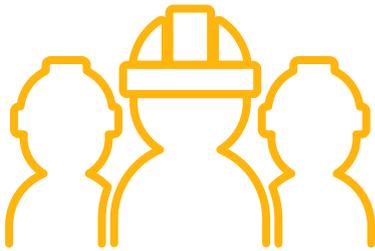


THE UNIT WARRANTY: WHO DOES WHAT



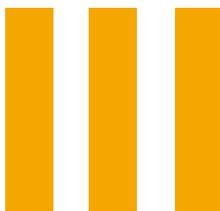
OWNER

- Reads through purchase agreement and reviews it with a lawyer.
- Attends the Pre-Delivery Inspection (PDI), and notes any deficiencies incomplete, damaged, or missing items on the PDI Form.
- Reviews and understands warranty coverage and the warranty claims process.
- Keeps track of deadlines for submitting warranty forms and requesting Tarion's assistance.
- Sends a copy of completed warranty forms to the builder.
- Stays in touch with the builder to ensure there are no miscommunications.
- Allows the builder access to the unit to fix any deficiencies.
- Maintains the unit.



BUILDER

- Provides information about Tarion at or before the Pre-Delivery Inspection (PDI).
- Conducts a PDI of the completed home before the purchaser takes possession.
- Provides a completed Certificate of Completion and Possession (CCP) for the unit.
- Abides by the warranty regulations and timelines, as set out in the Ontario New Home Warranties Plan Act.
- Follows the customer service standard described in Builder Bulletin 42 to address warranty items as required by Tarion.



TARION

- Ensures that new home builders provide the warranty coverage that owners are entitled to under the Ontario New Home Warranties Plan Act.
- Works with owners and builders to help resolve disputes about warranty coverage.
- Licenses all new home and condominium builders in Ontario.
- Provides a variety of information and resources to help owners and builders understand their rights and obligations under the Ontario New Home Warranties Act.

THE PRE-DELIVERY INSPECTION (PDI)

The Pre-Delivery Inspection (PDI) takes place when your new unit is ready for occupancy. It is your first opportunity to view your completed unit and assess its condition before you take occupancy.

THE PURPOSE OF THE PDI IS TO CREATE A WRITTEN RECORD OF:

1. Items that are damaged, incomplete, or missing.
2. Items that are deficient in terms of their workmanship or materials.
3. Anything that is not operating properly.
4. Items that cannot be assessed because they cannot be viewed properly or are inaccessible.
5. Substitutions without your consent of items you selected or were promised in your purchase agreement.

THE PDI FORM

Your builder will provide a PDI Form. If you identify a defect during your PDI, your builder should note it on the PDI Form to prove that it existed before you moved in. When you are done, review the list and ensure it is complete – you will be asked to sign it. The PDI Form will be the official record of the condition of your home before you took occupancy.

LEARNING ABOUT YOUR UNIT

At your PDI, your builder is also responsible for explaining how the various systems in your home work – including the heating, electrical, plumbing, and air conditioning. It is very important that you understand how to operate your unit's systems. If you do not use them correctly, you could affect your warranty coverage.

THE CERTIFICATE OF COMPLETION AND POSSESSION/WARRANTY CERTIFICATE

At or before the PDI, your builder will give you a copy of the Certificate of Completion and Possession (CCP). This document is your warranty certificate. It contains your unit's enrolment number with Tarion and the occupancy date, which is also the start date of your unit's statutory warranty.

For more resources to help you with your PDI, including a comprehensive checklist of items to inspect and video series, visit our website.



THE PDI: FREQUENTLY ASKED QUESTIONS

1

CAN I BRING SOMEONE WITH ME TO MY PDI, OR SEND SOMEONE ON MY BEHALF?

Yes. You can have someone accompany you during the PDI or send a designate to attend on your behalf. If you plan to send a designate, you should notify your builder in advance by completing Tarion's Appointment of Designate Form (available on tarion.com). This form gives your designate the authority to sign the PDI Form and Certificate of Completion and Possession on your behalf.

2

CAN I SUBMIT THE PDI FORM TO TARION AS A WARRANTY CLAIM?

No. The PDI Form is not the same as a Tarion warranty form, such as the 30-Day Form. It is simply a formal record of your new home's condition before you moved in. You must use a Tarion warranty form to make a warranty claim. If items listed on your PDI Form have not been resolved, you should list them on the 30-Day Form.

3

WHAT HAPPENS TO THE PDI FORM?

Once the PDI Form has been completed and signed, your builder will give you a copy for your records. Tarion will ask your builder to submit the original form to us if you request a conciliation inspection or whenever we need it.

4

WHAT ABOUT AREAS OUTSIDE OF MY UNIT?

Condominium common elements, or the shared areas outside your unit, are not included in the PDI of your unit. If you see any damage or defects in the common elements, you should notify the Board of Directors or the Condominium Manager. If you are not sure of what the boundaries are between your unit and the common elements, refer to your Disclosure Statement or registered Declaration and Description.

5

WHAT IF THE BUILDER MADE CHANGES TO MY SELECTIONS WITHOUT TELLING ME?

If your purchase agreement gave you the right to select certain items of construction or finishing, such as colours and styles, these usually cannot be substituted without your written consent. Make note of any "unauthorized substitutions" on the PDI Form. After you take occupancy, submit them on a 30-Day Form to Tarion.

DEPOSIT PROTECTION

Your deposit on a condominium unit is protected by Tarion, up to a maximum of \$20,000.

Deposit protection covers you in cases where:

- Your builder is unable to complete the sale of your new unit because of bankruptcy;
- Your builder fundamentally breaches the purchase agreement; or,
- You have a right to terminate your purchase agreement.

Condominium deposits in excess of \$20,000 and up to an additional \$20,000 are protected by the excess deposit provisions of the Condominium Act.

If you would like to make a claim for a deposit refund, please contact us.



THE DELAYED OCCUPANCY WARRANTY

There are circumstances that might delay your unit's completion. For this reason, your builder may extend your occupancy date to new dates that are specified in your purchase agreement. If your occupancy date is delayed beyond the allowable extensions, your builder will be required to compensate you.

THE TARION ADDENDUM

Your builder must attach a special supplement to your purchase agreement called a *Tarion Addendum*.

The Addendum includes information such as:

- when your builder expects to finish your condominium unit;
- the latest dates permitted for extensions and occupancy;
- all fees and charges that may be added to the purchase price; and
- the period during which you may terminate your purchase agreement

The first page of the Addendum is the *Statement of Critical Dates*, which summarizes the occupancy and extension dates. Both you and your builder must sign it.

UNAVOIDABLE DELAYS

In rare situations, your occupancy date may be delayed due to unavoidable events, such as a strike or fire. Your builder must inform you at the beginning of the delay and include an estimate of how long the delay is expected to last. Your builder must also provide written notice to you as soon as the delay has ended.

WHO IS ELIGIBLE FOR DELAYED OCCUPANCY COMPENSATION?

You may be eligible for Delayed Occupancy compensation if:

- Your Firm Occupancy Date is not met, or
- Your occupancy is delayed beyond the Outside Occupancy Date and you exercised your right to terminate the purchase agreement during the Purchaser's Termination Period described in your Addendum.

COMPENSATION

Compensation includes a fixed amount of \$150 a day for living expenses (meals and accommodation) for each day of delay beyond the Firm Occupancy Date, plus other costs incurred by you as a result of the delay (such as additional moving and storage costs).

If your builder fails to give you at least 10 days' notice of delay of the Firm Occupancy Date, compensation is payable from 10 days before the Firm Occupancy Date (i.e., an additional \$1,500 (10 days x \$150)).

The maximum amount of delayed occupancy compensation payable is \$7,500.

MAKING A DELAYED OCCUPANCY CLAIM

If you are entitled to delayed occupancy compensation, you must submit a claim to your builder and Tarion within one year after you take occupancy or terminate the purchase agreement.

KEEP YOUR RECEIPTS

If you experience a delay, be sure to hold onto all receipts and other supporting documents for the costs you incur. Tarion will ask for copies along with your claim.

THE ONE YEAR WARRANTY



WHAT'S COVERED	WHAT'S NOT COVERED
<ul style="list-style-type: none"> • Defects in workmanship and materials related to new elements • Defects that cause the home to be unfit for habitation • Ontario Building Code violations • Major structural defects • Unauthorized substitutions 	<ul style="list-style-type: none"> • Defects in workmanship and materials related to pre-existing elements • 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 "acts of God" • Damage caused by municipal services or other utilities

HOW TO SUBMIT A ONE YEAR WARRANTY CLAIM

You have two opportunities in the first year to submit a one year warranty claim to Tarion:

1. **DURING THE FIRST 30 DAYS:** Use the 30-DAY Form to notify Tarion of outstanding warranty items during the first 30 days of possession of your unit. You may include items that were listed on your Pre-Delivery Inspection Form that have not yet been addressed, as well as new items that you have discovered since taking possession of your unit

YOU MAY SUBMIT ONLY ONE 30-DAY FORM. TARION WILL ONLY ACCEPT AND ACT ON THE FIRST 30-DAY FORM THAT YOU SUBMIT ON TIME. PLEASE SEND A COPY OF YOUR FORM TO YOUR BUILDER.

2. **DURING THE LAST 30 DAYS:** Your Use the Year-End Form to notify Tarion of outstanding warranty items during the last 30 days of the first year of possession of your unit (with the submission deadline being the anniversary of your unit's date of possession).

YOU MAY SUBMIT ONLY ONE YEAR-END FORM. TARION WILL ONLY ACCEPT AND ACT ON THE FIRST YEAR-END FORM THAT YOU SUBMIT ON TIME. PLEASE SEND A COPY OF YOUR FORM TO YOUR BUILDER.

THE TWO YEAR WARRANTY

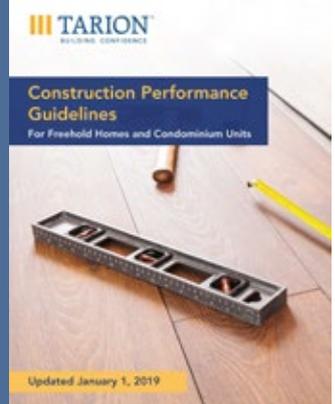
YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
WHAT'S COVERED		WHAT'S NOT COVERED				
<ul style="list-style-type: none"> • Water penetration through the basement or foundation walls • Water penetration through the building envelope • Defects in the electrical, plumbing and heating delivery and distribution systems • Detachment, displacement or deterioration of the exterior cladding • Violations of the Ontario Building Code that affect health and safety • Major structural defects 		<ul style="list-style-type: none"> • 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 "acts of God" • Damage caused by municipal services or other utilities 				

HOW TO SUBMIT A TWO YEAR WARRANTY CLAIM FOR YOUR UNIT

You can submit a two year warranty claim at any time during the second year. Use the **SECOND-YEAR FORM** to notify Tarion of outstanding warranty items covered by the two year warranty or the major structural defect warranty. You can submit as many Second-Year Forms as required. Please send a copy of your form to your builder.

WONDERING IF IT'S COVERED?

For more information about which construction defects are covered or not covered by the warranty, please refer to the Construction Performance Guidelines, available at Tarion.com.



THE SEVEN YEAR WARRANTY



WHAT'S COVERED	WHAT'S NOT COVERED
<ul style="list-style-type: none"> • 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 loadbearing 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 	<ul style="list-style-type: none"> • 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 "acts of God" • Damage caused by municipal services or other utilities

HOW TO SUBMIT A SEVEN YEAR WARRANTY CLAIM FOR YOUR UNIT

To make a warranty claim under the seven year warranty, you must submit a **MAJOR STRUCTURAL DEFECT FORM** to Tarion at any time after the end of the second year, but no later than seven years from the warranty start date. Please send a copy of your form to your builder.

MYHOME: THE EASIEST WAY TO MANAGE YOUR UNIT WARRANTY

Schedule a Tarion inspection

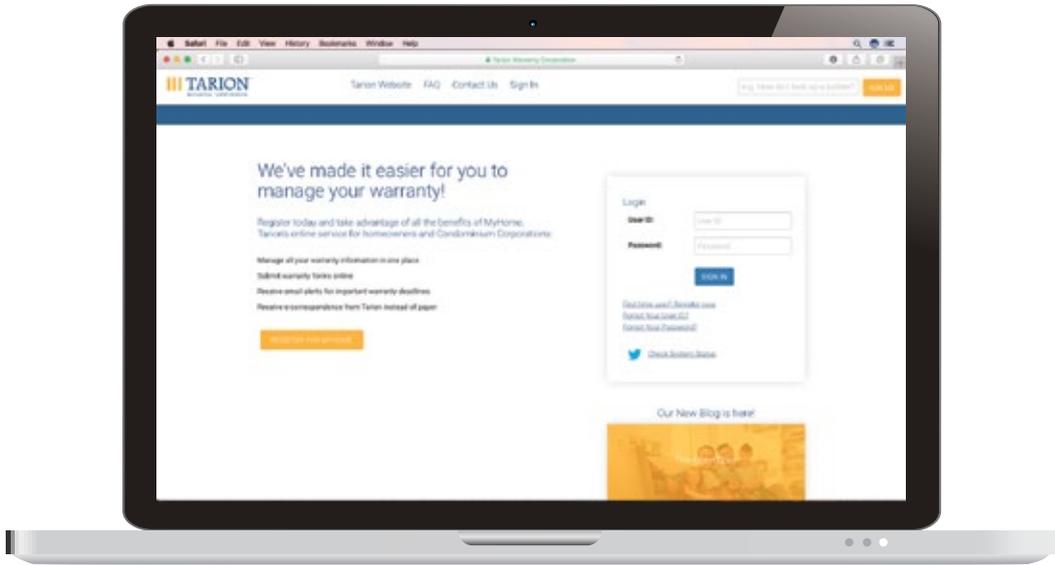
Manage all your warranty information in one place

Receive e-mail reminders for important warranty deadlines

Receive electronic correspondence instead of paper

Complete and submit warranty forms easily and conveniently

Attach photos and other supporting documents



REGISTER FOR MYHOME AS SOON AS POSSIBLE AFTER YOU TAKE OCCUPANCY! GO TO MYHOME.TARION.COM, OR DOWNLOAD THE APP FROM THE APP STORE OR GOOGLE PLAY.



THE WARRANTY PROCESS FOR YOUR UNIT CLAIMS

STEP 1: SUBMIT A WARRANTY FORM

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7



To make a warranty claim, you must submit a Tarion warranty form. The form you're able to submit depends on which stage of the warranty you're in. Tarion is only able to become involved in a claim if you submit your warranty form on time, so be sure to keep track of your deadlines. The easiest way to keep track of deadlines and submit forms is through MyHome or the MyHome app. Make sure you provide a copy of your warranty form to your builder.

STEP 2: INITIAL BUILDER REPAIR PERIOD

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7



120 DAYS

Submitting a 30-Day, Year-End, or Second-Year Form on time triggers an initial builder repair period. During this 120-day period, your builder is required to resolve the items on your form that are covered by the warranty.

Tarion's role is to resolve disputes about the items on your form that you and your builder are unable to resolve on your own during the initial builder repair period. In most cases, owners are able to resolve most, if not all, of the items on a warranty form directly with the builder.

During this period, it is important that you provide your builder and their tradespeople access to your home during normal business hours to complete repairs. Your builder should provide at least 2 business days' notice when scheduling repairs.

WHEN DOES THE BUILDER REPAIR PERIOD BEGIN?

FOR THE 30-DAY FORM: The builder's repair period begins 31 days after your date of possession.

FOR THE YEAR-END FORM: The builder's repair period begins on the anniversary of your date of possession.

FOR THE SECOND-YEAR FORM: The builder's repair period begins the day after Tarion receives the form.

STEP 3: REQUEST TARION'S INVOLVEMENT



120 DAYS

30 DAYS

If your builder does not resolve your warranty items by the end of the initial builder repair period, you have 30 days to request a conciliation from Tarion.

Your time period to request a conciliation is shown in the Your Important Upcoming Dates section of your MyHome account. You can book your conciliation through MyHome, or by contacting Tarion.

Conciliation is a process in which Tarion assesses the disputed items reported on a form and decides whether they are covered under the warranty. In most cases, this involves an inspection of the items at your home.

IMPORTANT: IF YOU DO NOT REQUEST A CONCILIATION DURING THIS TIME, TARION WILL CONSIDER YOUR CLAIM WITHDRAWN AND WILL NOT BE ABLE TO RESOLVE THE ITEMS ON YOUR WARRANTY FORM.

CONCILIATION FEE

To book a conciliation, you must provide a fee of \$282.50. This fee will be refunded to you if we determine that one or more items we inspect are covered by the warranty.

STEP 4: SECOND BUILDER REPAIR PERIOD



120 DAYS

30 DAYS

30 DAYS

After you request a conciliation from Tarion, your builder will have an additional 30 days to resolve your warranty items.

During this time, a Tarion Warranty Services Representative may contact you and your builder to try to facilitate a resolution before the conciliation.

REMINDER: During this period, it is important that you provide your builder and their tradespeople access to your unit during normal business hours to complete repairs.

STEP 5: TARION'S CONCILIATION



If your items are not resolved by the end of your builder's second repair period, Tarion's Warranty Services Representative will conduct the conciliation.

As outlined above, conciliation is a decision making process in which Tarion investigates and decides whether the items you reported on your warranty form are covered under the warranty and need to be resolved.

The conciliation may include:

- an inspection at your unit (to which your builder will be invited) or desk assessment (if items can be assessed in this way) and
- a review of relevant documents (such as the purchase agreement and the Pre- Delivery Inspection Form).

Conciliation provides an opportunity for you and your builder to present your case to the Warranty Services Representative. Therefore, it is important that you prepare for it by providing all of the information, arguments, and documents you want Tarion to consider.

THE WARRANTY ASSESSMENT REPORT

After the conciliation, the Warranty Services Representative will take time to consider all of the information, documentation, observations, and applicable resources to assess the items on your warranty form and then provide a Warranty Assessment Report that outlines Tarion's decision. This report will tell you whether the items you reported on your warranty form are covered under the warranty.

APPEALING TARION'S ASSESSMENT

If you disagree with Tarion's assessment(s) contained in the Warranty Assessment Report, you can request a formal Decision Letter from the Warranty Services Representative. The Decision Letter will allow you to appeal Tarion's decision to an independent provincial tribunal called the Licence Appeal Tribunal.

STEP 6: FINAL BUILDER REPAIR PERIOD



If the Warranty Assessment Report indicates that any of the items you reported on your warranty form are covered under the warranty, your builder will be given a final 30 days to resolve them.

STEP 6: FINAL BUILDER REPAIR PERIOD



Tarion will contact you 30 days after the date of the Warranty Assessment Report to confirm whether your builder has resolved all of the items covered under the warranty. If any of these items are still outstanding, Tarion will work directly with you to resolve them.

TIPS FOR OWNERS



Act in a respectful, courteous, and cooperative manner in all aspects of the claims process.



Allow the builder and its trades, suppliers, and subcontractors, reasonable access to your unit during business hours (Monday to Friday, 8:00 AM to 5:00 PM) to investigate and repair items. If you feel there is a valid reason for denying your builder access to your unit, please contact Tarion for guidance.



Be fair and reasonable when scheduling repairs. If there are scheduling issues that you cannot resolve with your builder, contact Tarion. You may jeopardize resolution of your warranty claim if you do not give your builder a reasonable opportunity to resolve items during repair periods.



Use the Ontario Building Code and Tarion's Construction Performance Guidelines to determine if items in question are covered under the warranty.



Clarify all items when asked by your builder or their representative.



Document the situation. Taking pictures of an item before and after repairs are completed is a good practice to follow, and will make things easier to resolve if you and your builder end up having different opinions.



Know what you're signing. While it is fair for your builder to ask you to sign an acknowledgement that work has been done, your builder cannot require you to sign a document indicating that you are satisfied or agree with a resolution.



Advise your builder as soon as possible if a repair has failed or you think it is inadequate.



Do not make changes to repairs. You may void warranty coverage on an item if Tarion determines that you altered your builder's work.



Request a conciliation from Tarion if your builder does not resolve items that are covered under the warranty during the repair period or if you are not satisfied with a repair.

EXCEPTIONS TO THE WARRANTY PROCESS

EMERGENCY SITUATIONS

An emergency is any warranted 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.

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

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 you cannot reach Tarion or your builder, and have no other option but to have the work completed, you or a contractor should correct the emergency condition only. 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 your builder is responsible for the emergency item, they will repair any resulting damage within 30 days of your notice to them and Tarion. If your builder fails to repair the resulting damage, Tarion will work with you directly to resolve the matter.

SEASONAL WARRANTY ITEMS

Seasonal Warranty Items are items on the exterior part of your unit or outside your unit that can only be repaired or completed under suitable weather conditions.

EXAMPLES OF SEASONAL WARRANTY ITEMS

- Exterior painting
- Exterior cement/concrete work (including parging application/repair)
- Exterior mortar work (including brick installation/repair)
- Exterior stucco work/repairs (including repairs to exterior insulation finishing systems)
- Exterior caulking
- In-ground support for decks

Generally, the period from May 1 to November 15 is considered the appropriate time for this work.

THE SEASONAL WARRANTY PROCESS

You must list Seasonal Warranty Items on a 30-Day, Year-End, or Second-Year Form (depending on when you are reporting the items). The process for completing Seasonal items depends on when you submit your form to Tarion.

WARRANTY FORM SUBMITTED BETWEEN MAY 1 AND NOVEMBER 15

The regular warranty process applies, and your builder must resolve these items during the regular 120-day repair period that follows.

See "The Warranty Process" for more details.

WARRANTY FORM SUBMITTED BETWEEN NOVEMBER 16 AND APRIL 30

Your builder should make an effort to complete these items within the regular builder repair period that is triggered by your warranty form submission.

If your builder is unable to do so because of unsuitable weather conditions, they must complete Seasonal Warranty Items as soon as possible after suitable weather conditions return or between the following May 1 and September 1.

REQUESTING TARION'S INVOLVEMENT

If your builder does not resolve Seasonal Warranty Items according to the timelines described above, you have 30 days (until October 1) to contact Tarion and request a conciliation. If you do not do so, Tarion will consider these items resolved.

EXCEPTIONS TO THE WARRANTY PROCESS CONT'D

SPECIAL SEASONAL WARRANTY ITEMS

Special Seasonal Warranty Items include final grading, landscaping, and the completion of driveways, patios, and walkways. If these items belong to your unit, follow the process described below. If, on the other hand, they are common elements, report them to your condominium manager or board.

THE SPECIAL SEASONAL WARRANTY PROCESS

You must list Special Seasonal Warranty Items on a 30-Day or Year-End Form (depending on when you are reporting the items).

Your builder has 270 days of "seasonal weather" from your warranty start date to complete these items. Seasonal weather days are calculated from May 1 to November 15.

SPECIAL SEASONAL TIMELINES

Please refer to your MyHome account for dates related to Special Seasonal Warranty Items. These include the date by which your builder must resolve Special Seasonal Warranty Items, and your time period for requesting Tarion's assistance.

REQUESTING TARION'S INVOLVEMENT

If your builder does not resolve Special Seasonal Warranty Items according to the timelines described above, you have 30 days to contact Tarion and request a conciliation. If you do not do so, Tarion will consider these items resolved.

AIR CONDITIONING

Defects related to your builder-supplied air conditioner are covered under the one year warranty. If your air conditioner belongs to your unit, refer to the processes described below. If, on the other hand, it is a common element, report air conditioning defects to your condominium manager or condominium board.

There are two processes for resolving air conditioning warranty claims, depending on whether or not your air conditioner is able to provide at least some cooling to your home.

THE AIR CONDITIONING WARRANTY PROCESS – NO COMPLETE LACK OF COOLING

You must report air conditioning defects on a 30-Day or Year-End Form (depending on when you are reporting the defects). Your claim will follow the process outlined in pages 14-16.

THE AIR CONDITIONING WARRANTY PROCESS – COMPLETE LACK OF COOLING

If the defects in your air conditioner result in a complete lack of cooling anytime between May 15 and September 15 of your first year, report the problem to your builder immediately, and give them an opportunity to resolve the situation.

If you need Tarion's assistance, you can report it to us outside of the regular warranty process. Tarion will help to resolve the situation more quickly.

EXTRAORDINARY SITUATIONS

Extraordinary situations are ones in which your builder may ask for an extension to the regular warranty timeliness. There are two types of extraordinary situations.

1 - EVENT AFFECTING THE CONSTRUCTION INDUSTRY OR A REGION

- Shortage of labour or trades
- Shortage of materials
- Strikes/labour disputes
- Severe weather/acts of nature

2 - SPECIAL CIRCUMSTANCES AFFECTING A PARTICULAR BUILDER OR HOME

- Special order of a part that will take more time to arrive than the warranty timelines allow

If your builder applies to Tarion for this type of extension, they will notify you in writing. If Tarion agrees to the extension, we will set a new timeline for repairs and advise you.



PART 2: THE COMMON ELEMENTS WARRANTY FOR CONDOMINIUM CORPORATIONS

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 Builder Bulletin 49, 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!

EXAMPLES OF COMMON ELEMENTS

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



THE COMMON ELEMENTS WARRANTY: WHO DOES WHAT



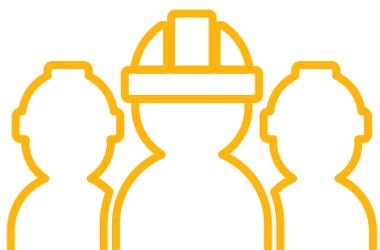
CONDOMINIUM CORPORATION BOARD OF DIRECTORS

- 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.



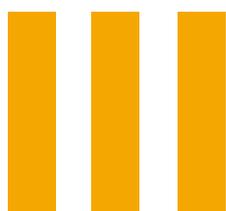
CONDOMINIUM MANAGER

- Provides assistance to the Board.
- Advises Tarion when turnover has occurred.
- Ensures the Board receives all required turnover documentation (e.g. B19 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 B19 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 Builder Bulletin 49 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.

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.

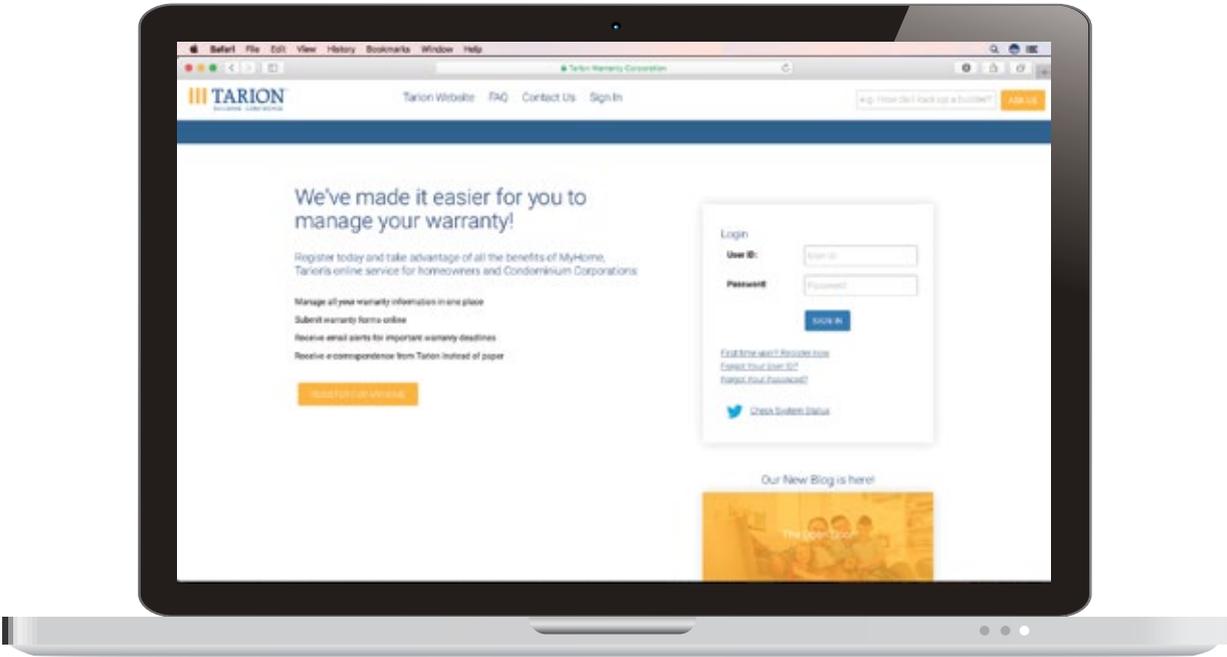
MYHOME: THE EASIEST WAY TO MANAGE YOUR COMMON ELEMENTS WARRANTY

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!
GO TO MYHOME.TARION.COM**



THE ONE YEAR WARRANTY



WHAT'S COVERED	WHAT'S NOT COVERED
<ul style="list-style-type: none"> • Defects in workmanship and materials • Defects that cause the building to be unfit for habitation • Ontario Building Code violations • Major structural defects • Unauthorized substitutions 	<ul style="list-style-type: none"> • Defects in workmanship and materials related to pre-existing elements • 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, 2017, a First-Year Common Elements Claim Form or a Performance Audit must be submitted by January 14, 2018.



THE TWO YEAR WARRANTY



WHAT'S COVERED	WHAT'S NOT COVERED
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

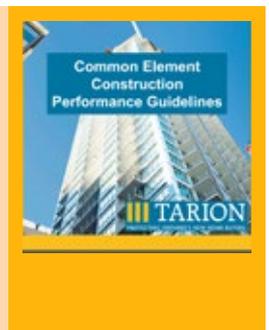
HOW TO SUBMIT A TWO YEAR WARRANTY CLAIM

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, 2017, a Second-Year Common Elements Claim Form or a Second-Year Performance Audit must be submitted by January 14, 2019.

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 TARIION 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

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



The builder has 90 days from the date the condominium corporation requests a conciliation to repair or resolve all of the outstanding claim items that are covered by the warranty.

STEP 4: TARION CONDUCTS THE CONCILIATION



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 the 91st and the 150th day 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.

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.

THE SEVEN YEAR WARRANTY

YEAR 1

YEAR 2

YEAR 3

YEAR 4

YEAR 5

YEAR 6

YEAR 7

The seven year warranty provides coverage for major structural defects, and is outlined in Tarion's Builder Bulletin 24. Builder Bulletin 24 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.



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.

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

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

1

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.

2

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.

3

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.

4

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.

5

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.

MORE QUESTIONS? WE'RE HERE TO HELP.
CONTACT US AT 1-877-982-7466 OR
SEND AN E-MAIL TO B49@TARION.COM.

GLOSSARY OF TERMS

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 BULLETIN 24: A Tarion document that outlines the seven-year major structural defect warranty and claims process.

BUILDER BULLETIN 49: 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.

BUILDER BULLETIN 51: A Tarion document that sets out the reporting requirements for residential condominium conversion projects.

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.

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 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.

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 a Performance Auditor hired by the condominium corporation.

PERFORMANCE AUDIT TRACKING SITE: An online tool that allows condominium corporations to update the Performance Audit Tracking Summary.

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.

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.

REGISTRATION: See Date of Registration.

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.

