

## Information Sheet for New Home Buyers/Condominium Corporations

### Strikes – Possible Effects on New Homes/Common Elements

#### Strikes may lead to Unavoidable Delay

Have you purchased a new home? If so, you should be aware that strikes by one or more trades involved in new home construction are a real possibility in Spring 2019.

If they occur, strikes by one or more trades or suppliers in the new home building industry could affect you in two ways:

- 1) If you have not yet taken possession (or occupancy in the case of a condominium) strikes could affect the timing of delivery of your home, as your builder may not be able to complete your home according to the original closing or occupancy schedule; or
- 2) If you have taken possession of your home and you have outstanding warranty claims it is possible the repair periods may need to be extended to account for delays resulting from the strikes.

Each of these matters are discussed in more detail below.

#### Possible Effects on Construction Schedules

If the new home you purchased is in the midst of construction at the time of the strikes, it is possible that the strikes will cause delays in the delivery of your home.

Under the *unavoidable delay* provisions of the Addendum (which forms part of your purchase agreement), your home builder will be entitled to unilaterally extend critical dates. However, the builder must follow the rules set out in the Addendum to do so. In general terms:

If one or more strikes occur *that affect timing of construction of a new home*, then in order to be allowed to extend the closing or occupancy date, the builder must send out two notices described below.

The **First Notice** is a written notice to the purchaser setting out:

- 1) A brief description of the Unavoidable Delay (in other words, the specific strike(s) that will affect the delivery of the home; and
- 2) An estimate of the duration of the total delay (if practicable).

Once the strike or strikes have concluded, then your builder must look at the facts in connection with your home and determine whether or not there is any additional delay due to the strikes. In other words, in addition to the period of the strike itself, is there any additional *“period of delay directly caused by the strike(s) which is beyond the builder’s reasonable control affecting this*

home? In this Advisory, this is called the **Remobilization Period**. This is a question which the builder and his or her advisors and contractors must determine. Note that it is not always easy to estimate the additional time which is likely to be lost as a result of a strike and which accrues after the strike itself. There may, for example, be backlogs of work to be done by trades. Your builder may need some time to assess the Remobilization Period and total Unavoidable Delay Period. As a “rule of thumb,” if the home is affected by the strike(s), it is not unreasonable for the builder to take 30 days (or more if justified) to assess the **Remobilization Period**.

When the applicable strike(s) end, and full delay period is known, a second notice must be sent. The timing for sending the **Second Notice** is not the end of the strike(s) itself. Rather, the notice is sent when your builder has determined: 1) the strike(s) is over; and 2) the length of the **Remobilization Period**.

The **Second Notice** to the purchaser must be in writing and include the following:

- A brief description of the Unavoidable Delay event (i.e., the strike(s));
- The end date of the Unavoidable Delay Period (i.e., the number of days of the strike itself plus the **Remobilization Period**);
- The new critical dates.

**Please Note:** The Critical Dates listed in the Addendum can only be extended by the period of Unavoidable Delay, (i.e., the strike time plus the **Remobilization Period**).

If your home is affected by the strikes and your builder follows the rules set out in the Addendum and summarized above, then the vendor can unilaterally extend Critical Dates for your home (for the **Unavoidable Delay Period**).

While your builder can extend the current and future Critical Dates originally set out in the Addendum, your builder cannot reset the *original timeline framework* in the Addendum. For example, if the upcoming next critical date is the Second Tentative Closing Date or Firm Closing Date, your builder cannot go back and reset to a First Tentative Closing Date.

### **Possible Effects on Repair Periods**

If the purchase of your new home has been recently completed, it is possible that the strikes will cause delays in after-sales service and/or affect the repair periods afforded to your builder. The effects may also extend to repair periods relating to common elements of condominium projects.

In connection with warranty claims (for example on a 30-Day Form or a Year-End Form), builders are afforded a 120-day initial builder repair period.

Tarion encourages builders to work with homeowners (and if applicable, condominium corporations) in the hopes of repairing items without needing an extension. However, there may be situations where extensions are needed. In such circumstances, the builder can contact Tarion, explain the circumstances and the impact of the strikes and request an extension of repair periods.

If Tarion grants an extension, your builder and/or Tarion will provide you with written notice which will indicate the length of the extension and an explanation of why the extension is required.

If you receive such a notice and have any questions, contact us at 1-877-9-TARION or email [customerservice@tarion.com](mailto:customerservice@tarion.com) for more information.

**Note: This information sheet is not legal advice and every homeowner should consult their professional advisors, including legal counsel.**