

2019 Annual Public Meeting Additional Questions & Answers

Q1: “If the builder does not resolve issues, will Tarion resolve them?”

A: If your builder, who is primarily responsible for resolving issues, is unwilling or unable to resolve items that are covered by the warranty, Tarion will step in and resolve them with you.

Q2: “Why do you not allow the submission of a Tarion report when there are no deficiencies to report? This would help ensure that consistent reporting is done on any individual home and if tracked and accessible to potential new home buyers would give an excellent track record with which to choose your builder.”

A: If you wish to submit a warranty form with no deficiencies listed, you are able to do this via our online portal MyHome. If a new home buyer wants to look up a builder’s claims history, they can search the Ontario Builder Directory.

Q3: “Is there compensation for when the homeowner takes time off work and no trades show up?”

A: We understand that homeowners often need to take time off work for repairs. If trades do not show up as expected, however, there are no provisions under the Ontario New Home Warranties Plan Act to allow for this type of compensation and this is not an issue that is covered under the warranty.

Builders are expected to be fair and reasonable when scheduling repairs and should provide a minimum of two business days' notice for repairs.

If they do not show up repeatedly for scheduled repairs, you can notify Tarion.

Q4: “If we have reported defects in our first year and after they were repaired, the defects popped up again – who do we report these to?”

A: If you find that a repair done by your builder fails within a year, then you should contact your builder about it and notify Tarion as well. If you reported the item on a previous warranty form to Tarion, you can contact us, and we will look into the matter. You can also submit the recurring item on another warranty form, if the coverage for that item has not expired.

Q5: “Why does Tarion not cover lot grading? Improper lot grading can lead to drainage issues, water penetration and foundation damage.”

A: In general, municipalities are the authority with jurisdiction over the grading patterns of building sites, and builders have to comply with the approved grading plans.

Typically, Tarion has jurisdiction over a two-foot perimeter around the foundation, and only to ensure that water does not flow toward your home or against the foundation. Grading deficiencies may be covered under the one-year warranty if the perimeter lands adjacent to the home are not sloped away from your home or under the two-year warranty if there is water penetration into the home through the foundation.

Q6: “Who decides when a home is ready to close and be passed on to the homeowner?”

A: It is the responsibility of the municipality to inspect the home at various stages of construction. The municipality is also the authority that issues the permit for occupancy, and the criteria they use to decide whether a home is fit for occupancy is based on minimum requirements outlined in the Ontario Building Code.

Q7: “Is there a way or procedure in which we can better understand what items are covered and will be realistically addressed during each inspection?”

A: The Homeowner Information Package provides a general outline of what is covered under the one-year, two-year and seven-year warranties. The best way to get an idea of whether a concern may be warranted is to refer to our Construction Performance Guidelines. The purpose of the Construction Performance Guidelines is to provide advance guidance to homeowners and builders as to how Tarion will decide warranty disputes. The Guidelines are available in a variety of formats in the Resources section of our website – there’s a PDF version, an HTML version, and the recently launched

Home Explorer, which lets you navigate through a simulated home and learn about coverage on the most commonly reported items in each part of the home.

We strongly recommend that homeowners refer to the Construction Performance Guidelines when they're filling out a warranty form and before a conciliation inspection.

Q8: "We have submitted items on a warranty form and they still haven't been fixed. Why has nothing been done?"

A: When you submit a warranty form to Tarion, it triggers a builder repair period. During this period, your builder is given an opportunity to resolve items on your form. If your builder doesn't resolve items by the end of the repair period, then you can contact Tarion to request a conciliation inspection so that we can come to your home and assess the items to determine whether they are covered under the warranty.

If Tarion determines at the conciliation that an item is warranted, your builder is given another repair period. If your builder does not resolve the warranted item, Tarion will resolve it directly with you.

The warranty process and the repair periods are outlined in your Homeowner Information Package. If you did not receive one from your builder, you can download it [here](#).

If you have questions, contact us. Our customer service representatives would be happy to explain the process to you.

Q9: "After Tarion conducts a conciliation and if it finds warranted items, why is a chargeable conciliation assessed against the builder without giving the builder a further chance to address the items?"

A: As outlined in Builder Bulletin 20 – "How Chargeability is Determined and Applied" – a chargeable conciliation is determined after the builder has had two repair periods totaling 150 days and has refused or failed to resolve items that are covered under the statutory warranties.

If items are not resolved by the builder, the homeowner can request a conciliation and Tarion will assess whether the items are covered under the warranty. If at least one warranted item is identified at conciliation, and no exception to chargeability as outlined in BB20 applies, then the conciliation is chargeable to the builder. The builder will have another 30-day repair period after the conciliation to resolve the warranted items. If the builder fails to do so, Tarion will resolve them directly with the homeowner.

Q10: “What if my builder put their registration number and not their company name on the Certificate of Completion & Possession? How can a new home buyer investigate a builder’s track record if complaints aren’t registered under their name?”

A: In Tarion’s online systems, builder names and registration numbers are linked together, and your home is enrolled under that builder number and name. When a warranty claim is submitted for your home, it is automatically associated with both the registration number and builder name.

A builder’s profile in the Ontario Builder Directory shows both their name and Tarion registration number. If your builder has a paid claim or chargeable conciliation for your home, it will appear on their public profile in the Directory for prospective buyers to see.

Q11: “Why can’t you make changes or add to your list of defects on your warranty form once it’s been submitted if the deadline isn’t up?”

A: If you realize you have left an item off a statutory warranty form and the timeframe to submit the form has not expired, please call our Contact Centre for assistance.

Q12: “Why does Tarion offer no protection for the buyer on landscaping and property items outside the house?”

A: The statutory warranty covers your home. Exterior items that are not part of the home itself, such as a swimming pool or retaining wall in the back yard, do not have warranty coverage. If, however, your builder has agreed in your purchase agreement to install an exterior item, it may be covered under the warranty. Coverage for driveways, sod and plants, for example, is set out in the Construction Performance Guidelines.

For more information, read your Homeowner Information Package or visit our website. If there’s a specific situation you’re dealing with that you would like to talk to us about, contact us.

Q13: “What options do I have to cancel my purchase agreement if my builder doesn’t meet the firm closing date?”

A: If your builder does not meet the Firm Closing Date, you may be able to claim delay compensation up to \$7,500.

If the delay is so long it extends beyond the “Outside Closing Date” set out in the Statement of Critical Dates in the Tarion Addendum attached to your purchase agreement, this will trigger a 30-day period in which you as purchaser can terminate the purchase agreement.

Visit our website or contact us for more information about delayed closing compensation. You should also seek advice from the lawyer you have used in the purchase of the home.

Q14: “Does Tarion cover unfinished work on common elements, (i.e. streetlights, grading, roads, landscaping/grass) in a vacant land condominium plan/corporation?”

A: No. As indicated in Section 15(c) of the Ontario New Home Warranties Plan Act, there is no warranty coverage on the common elements of a vacant land condominium.

Q15: “How does Tarion deal with holdbacks on a custom home? Are homeowners allowed to enforce their warranty rights – including submitting warranty forms and requesting conciliations – even if they haven’t paid the builder in full?”

A: A financial holdback does not affect a homeowner’s right to submit a warranty form or request a conciliation. And a holdback does not affect whether an item is covered under the warranty. However, because the homeowner already has the benefit of the held back funds the holdback may reduce the amount of compensation a homeowner receives from Tarion for warranted items.

If you have further questions about this issue, please call the Contact Centre for assistance.

Q16: “How are builders held to account for the items listed in 30-day, one-year and two-year Tarion submission forms?”

A: Once a homeowner has submitted a statutory warranty form, a builder has 120 days to address the items on the form. For any items that are still outstanding after the 120-repair period has passed, a homeowner should request a conciliation inspection by Tarion. This will give Tarion the opportunity to assess whether the items are covered by the warranty. If a conciliation is not requested, the items on the warranty form are deemed to be withdrawn.

Once the conciliation is completed, the builder is given 30 days to resolve the items Tarion has assessed as warranted. If after 30 days the items have not been resolved by the builder, then Tarion will step in and work directly with the homeowner to resolve them, and the builder will be invoiced for the repair costs or compensation amount paid by Tarion.

Q17: “When does the deposit for conciliation not get refunded?”

A: There are two occasions when a conciliation fee will not be refunded;

- 1) When Tarion conducts the conciliation inspection and determines that none of the inspected items are covered under the warranty; or
- 2) When you cancel a conciliation inspection less than 24 hours before the scheduled inspection.

Q18: “Can you put items on your one-year form that you did not include on your 30-day form?”

A: Yes. A homeowner should report any new issues that may have arisen since submitting the 30-Day Form on the Year End Form. You should also review your PDI list when submitting a Year End form and include any items that are still outstanding.

Q19: “Builders are signing owners into exorbitantly high rental agreements. Is there any way we could get out of these high rental fees? I feel owners are being gouged by the builder and supplier.”

A: There are no specific regulations under the Ontario New Home Warranties Plan Act that govern the disclosure of these types of rental agreements. Accordingly, in general these types of rental agreements are not covered under the warranty protections administered by Tarion.

Purchasers may have common law rights in respect of the rental agreements in certain circumstances. If the purchase agreement does refer to the assumption of a rental contract for an item like a water heater, it is possible that the purchaser will be bound by the agreement even if they did not read that part of the contract. If there is no disclosure in the purchase agreement of the requirement to assume a rental water heater contract, there may be no obligation to assume the contract.

In either case, it’s important for a purchaser to get legal advice.

Q20: “The quality of workmanship in buildings is noticeably poorer than it used to be. How does Tarion intend to leverage technology to enforce accountability on the part of builders who have marginally acceptable quality standards?”

A: Issues with workmanship are covered under a new home’s one-year warranty. If a homeowner has questions about whether an issue might be warranted, Tarion is piloting virtual inspections. With a virtual inspection, a homeowner can download an app on their phone, call Tarion and use the app to provide a live video feed that appears on a Tarion representative’s computer screen. Being able to see exactly what the homeowner is seeing allows the Tarion representative to ask questions, provide feedback and even take measurements using this virtual inspection technology.

Once a homeowner has submitted a warranty form, we have also created a new digital warranty management system called TarionConnect, which can help facilitate the claims process by making it possible for homeowners and builders to have an online, interactive exchange about warranty items. A homeowner’s submitted items will appear in TarionConnect and they can add additional notes or photos. The builder, in turn, can log in and update the items as ‘in progress’, ‘completed’ or ‘in dispute’. When there are items that are in dispute, Tarion will receive an alert so we can review the file and intervene to help resolve the issue before it escalates.

While construction standards are governed by the Ontario Building Code and are enforced by municipalities, Tarion’s Construction Performance Guidelines (CPG) complement the building code and are supplemented by any applicable guidelines or standards produced by industry associations. The CPG is intended to provide both builders and homeowners with guidance as to how warranty disputes will be assessed by Tarion. Recently, the CPG has also had a technology upgrade with the introduction of Home Explorer, an illustrated version of the CPG that allows a homeowner or a builder to navigate through a simulated house or condo to review guidelines related to specific conditions.

Q21: “Why does Tarion not allow the submission of annual reports when there aren’t any problem issues? Would this not be valuable information for anyone who is looking for a problem free builder? I believe that “good and responsible” builders should be rewarded.”

A: If you wish to submit a warranty form with no items listed on it, you can do it via Tarion’s online portal MyHome.

In terms of how to acknowledge a builder's performance, however, Tarion distributes an annual survey to homeowners that allows you to provide feedback – positive or negative – on a builder's customer service. The results from these surveys determine the recipients of our annual Homeowners' Choice Awards.

For individuals who are looking for a builder, the Ontario Builder Directory provides information on a builder's registration status, how many homes they've enrolled, their claims history and whether they've won a Homeowners' Choice Award recognizing customer service excellence.

Q22: "Do Tarion Representatives who visit the homes have/need construction experience especially in all aspects of home building?"

A: All Warranty Service Representatives are trained in the Ontario Building Code, the Construction Performance Guidelines and general construction standards. Some representatives have specialized training in specific areas, such as building science or mould remediation.

Q23: "Please explain whether, and if so, how the warranty changes with "inventory condo units". Surely the quality of the work (e.g. flooring, cabinetry) should not change whether a unit is "inventoried". Are builder getting away with calling units "inventoried"."

A: If a condo is in the 'inventory' of a developer, it presumably means that it was built but not yet sold. If you are buying an existing condo, it may be sold in an 'as is' condition, which would mean that you would not have the opportunity to choose your finishes but you would have an opportunity to view the unit in a finished state prior to purchase. 'As is' does not, however, mean that you have waived your right to make warranty claims to Tarion except to the extent the builder includes a detailed list of the conditions you are willing to accept. Your unit would have the mandatory warranty coverage (other than in respect of such listed items) and, if you had any issues with the workmanship of your condo after purchase, you could make a claim to Tarion under the one-year new home warranty.

Q24: "Why is compensation to homeowners from builders so low? \$1000 for warrantable items doesn't cover much. Neither does the maximum compensation of \$7500 for delayed closing."

A: Ontario is the only province in Canada to offer delay compensation. The \$7,500 is intended to provide some compensation for buyers who experience delays, and this

compensation is offered in conjunction with lower enrolment fees than other warranty providers in Canada.

There is no \$1,000 limit for warranted items. The warranty coverage limit for new homes in Ontario is \$300,000 per home.

Q25: “How does Tarion deal with representatives that do not act in a fair and/or unbiased manner? How are reps trained and qualified to make the decisions they do?”

A: If a homeowner feels that a Tarion representative has not acted in a fair manner, they can escalate the matter to that individual’s manager or director who will review the situation. The Tarion Ombudsperson’s office will also look into matters of fairness based on complaints they receive.

All Tarion representatives are trained not only in technical areas such as Ontario Building Code and Construction Performance Guidelines, but they are also provided with customer service and dispute resolution training to assist them in resolving disputes between parties and fairly assessing concerns.