

WARRANTY ALERT: COVID-19 & REINSTATEMENT OF REPAIR PERIODS

The Government of Ontario's Emergency Order relating to the COVID-19 outbreak that suspends certain statutory limitation periods (including builder repair periods) under the Ontario New Home Warranties Plan Act is in place until September 11, 2020. Under the provisions of the Emergency Order, Tarion has the discretion to lift suspensions of certain timelines. Tarion has carefully considered the ongoing impacts of delaying repairs on both homeowners and builders and has determined that it should exercise its discretion to have builder repair periods resume sooner.

The COVID-19 outbreak has caused significant disruptions in the residential construction industry. Tarion has therefore determined that the outbreak constitutes an Industry Extraordinary Situation under the provisions of Builder Bulletin 42 and Builder Bulletin 49 which may entitle builders to an extension of any applicable builder repair period(s).

In light of the challenges that builders may face in ramping up to tackle repair backlogs, including (but not limited to) organizing trades, procuring materials and putting appropriate health and safety procedures in place, Tarion will reinstate the timelines for builder repair periods as follows:

- Builders will have 45 days beginning July 13, 2020 to remobilize trades, supplies and staff and organize scheduling before repair periods are reinstated on August 27, 2020. This remobilization period applies to repairs on freehold homes, condo units and common elements claims. In addition, it applies to repair agreements currently in place between homeowners or condo corporations and builders.
- Repair timelines for all forms submitted by homeowners and condominium corporations between March 16 and August 26, 2020 will commence on August 27, 2020.
- Repair timelines for all forms which were submitted prior to March 16, 2020 will resume when the 45-day remobilization period is over at the point at which they were suspended. For example, if a repair period was suspended at day 21, after the 45-day remobilization period is over on August 27, 2020, it will resume and the balance of the repair period will start counting at day 22.
- During the remobilization period, it is Tarion's expectation that builders continue to respond to warranty issues related to emergencies and health and safety – including water penetration, radon, mould, structural issues.
- If a repair agreement has been entered into between the homeowner/condominium corporation and the builder, then the repair timeline set out in the agreement will resume once the 45-day remobilization period is over on August 27, 2020. As above, the repair period will resume at the point it was at which it was suspended on March 16, 2020.

July 6, 2020

- Tarion will communicate with homeowners and condominium corporations regarding the 45-day remobilization period and the reinstatement of repair periods. Tarion will provide all parties with updated timelines for their particular claim form.
- Builders will be expected to communicate with their homeowners and condominium corporations regarding scheduling of repairs and their health and safety protocols for the repairs. Tarion's guidance for repairs during COVID-19 can be found [here](#).
- Chargeability for all files affected by the suspension of timelines will be assessed at the time of the claim inspection. This would include all files which were in the middle of their builder repair periods, or where forms were submitted up until September 11, 2020. The processes set out in Builder Bulletin 20 will continue to apply but will be assessed at the time of the claim inspection.

Requests for additional time for repairs

Builders who feel they require additional time beyond the 45-day remobilization period provided in this Warranty Alert, must provide a written request to Tarion at least 10 days before the expiry of the applicable repair period. The request must include the following information:

- home(s) which are affected and the warranty claim items or types of claim issues involved or other special circumstances requiring a longer repair period;
- an explanation of the special circumstances particular to the builder, home, and/or items as to why additional time is required;
- the length of additional time being requested.

Tarion will review the information provided and confirm whether additional time will be granted and, if so, the length of the additional time.

If Tarion grants additional time, a builder must provide written notice to the affected homeowners and/or condominium corporation as soon as possible and no later than 10 days from Tarion's confirmation of the additional time. The notice must include an explanation of why the additional time is required for the home(s) or common element(s), and the number of days that the builder repair period has been extended.

If a builder does not provide this notice to their homeowner(s) or condo corporation, or if Tarion does not grant the additional time, the standard builder repair periods set out in Builder Bulletin 42 and Builder Bulletin 49 (and associated chargeability consequences set out in Builder Bulletin 20) will continue to apply.

For inquiries related to freehold and condo units, please contact:

Jacque De'Ath
Manager, Warranty Services
1-877-982-7466, ext 3198
JacqueDeAth@tarion.com

July 6, 2020

For inquiries related to common elements, please contact:

Bonnie Douglas
Manager, Warranty Services, Common Elements
1-877-982-7466, ext. 3183
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Vendors/Builders who have questions around communications to their homeowners should contact their Stakeholder Relations Representative directly, or email stakeholderrelations@tarion.com