

# Registrar Bulletin No. 10 C

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Enrolment Process for Standard Condominium  
Projects

Effective Date: February 1, 2021

## Overview

This document summarizes the process for licensed vendors and builders to apply to Tarion to sell standard condominium dwelling units (“units”) and to build such condominium projects (“projects”). The process will be effective for all condominium projects that require Qualification for Enrolment (“QFE”) on or after February 1, 2021

It is a provincial offence for you to commence selling or building without first obtaining a licence from the Home Construction Regulatory Authority (the HCRA); and without first applying to Tarion and receiving the appropriate approval for unit sales and for project construction.

In addition, you must accept and agree to fulfill all the Tarion terms and conditions, as they may apply or relate to the units being sold and/or the project being constructed, before you can sell or build them.

The enrolment approval process for condominiums is set out below:

### 1. Obtain your licence from the Home Construction Regulatory Authority

You must first make sure that you are **licensed by the HCRA** both as a vendor and a builder.

### 2. Apply to Tarion for an approval to build the project and approval to sell the units.

You can apply by filling out an **Application Form for Condominiums** which can be completed through **BuilderLink**.

When you apply, you must seek and obtain Tarion’s approval for the units that you plan to sell and the project that you are planning to build. We recommend that you do so at or near the time that you receive your initial licence from the HCRA, or at or near the time of your licence renewal. Regardless of when you apply, you need to be aware that you cannot enter into agreements to sell units until you have obtained an approval to sell the units from Tarion.

Your application will include the standard Tarion Vendor and Builder Agreement, which you must sign as part of the application process. This can be done electronically through **BuilderLink**.

Your application will also include a **Condominium Project Profile Form** which you must complete.

You will also have to provide certain information about your organization and what you plan on or anticipate selling and building, including:

- The estimated number of units you propose to sell and build, including the estimated unit sale price ranges;
- Financial documentation and other business information about your organization to support your capacity to sell and build the units, and to provide after-sales service;
- Financial support provided to you by way of third-party indemnitors (if applicable);
- The information outlined in the Condominium Project Profile Form; and
- Other additional information reasonably requested by Tarion to help to develop a risk and underwriting assessment for the project you are proposing.

You will also be asked to confirm that you have reviewed Registrar Bulletin 17 – Additional Condominium Requirements (RB 17)

In some cases, you will be asked to participate in an interview with Tarion as part of the underwriting process to assess your application.

### **3. Obtain your approval to sell (your “Qualification for Enrolment” Confirmation)**

Tarion will assess your application and give you a written response outlining the terms and conditions that will apply to your project.

The terms and conditions will also set out:

- The requirement to pay applicable enrolment and regulatory fees prior to commencing construction of the project, and will specify when these fees should be paid (these can be paid through BuilderLink);
- The amount, form and terms of security that apply to you in relation to your proposed project; (with reference to RB 11H or 11L - Highrise and Low-rise Security Requirements). Security will be required prior to getting approval to sell. In general, the security required for any condominium project is based on \$20,000 per dwelling unit, which must be provided in advance of selling any of the units therein. In some cases, as outlined in RB 11H or 11L, it is possible that the required security may be higher;
- Other conditions Tarion may reasonably request in order to mitigate risks and underwrite the warranty obligations relating to the proposed construction of the condominium project (including compliance with the requirements of RB 17 and RB 19 - Condominium Projects Design and Field Review Reporting).

When the terms and conditions and requirements are settled, we will issue you a QFE confirmation relating to your project.

Once you have received your QFE confirmation, you can proceed to enter into agreements of purchase and sale for the units you are proposing to sell.

The QFE confirmation is your approval from Tarion to sell.

\*Note: if at any time after you have obtained your QFE confirmation, you wish to increase the number of units in the project, you need to contact us and we can work with you to review and if applicable, adjust your risk assessment, the additional terms and conditions to be imposed in connection therewith (if any), and your QFE confirmations as needed (and depending on the nature of the request, a new QFE may have to be issued).

### **4. Obtain your approval to build the project prior to commencing construction (obtain your Enrolment Confirmation)**

You must enrol all of the units in the condominium project before you commence construction.

This step can be done using BuilderLink. To obtain an Enrolment Confirmation for a unit, you can log into BuilderLink and:

- Pay the enrolment fee (at least 30 days prior to commencing construction);
- Pay any other applicable regulatory fees (including the HCRA oversight fee per dwelling unit); and
- Update any information previously provided to Tarion (for example, particulars of the units applied for, such as municipal address).

After Tarion issues the Enrolment Confirmation you can begin construction of the project.

## Separate Vendor and Builder of a Condominium Project

Where the vendor and the builder are separate entities who plan to work together to sell and build the condominium project, then an applicant who is licensed only as a vendor will be asked to provide information about the builder who will build the proposed units, and an applicant who is licensed only as a builder will be asked to provide information about the vendor who will sell the proposed units.

The vendor will be required to sign a Vendor Agreement with Tarion. The builder will be required to sign a Builder Agreement with Tarion. A combined Vendor/Builder Agreement is also available.

Only the vendor can sell any of the units (i.e. enter into a purchase agreement and subsequently transfer title). Only the builder can commence and complete the construction of the condominium project, and act as the builder throughout the course of construction.

## Ongoing Review by Tarion

Once approved, you do not need to renew your Qualification for Enrolment (right to sell).

Tarion may review your terms and conditions, financial situation, licensing status, and the status of your construction and warranty service record, on an ongoing basis, including annually; and may request changes to your terms and conditions on an ongoing basis to reasonably reflect any changes to your risk assessment.

Any proposed changes will be set out and explained to you in writing in a terms and conditions letter.

In extraordinary cases, if it is in the public interest to do so, or if the nature of the construction ceases to meet the definition of home under the ONHWP Act, Tarion may revoke your approval to sell the units or build the project. This would be done by way of a Notice of Proposal to refuse or revoke, and you would have appeal rights as described below.

## Dispute Resolution

If you disagree with the terms and conditions proposed by Tarion, the first step is to try to work the issues out with Tarion. We will explain the basis for the terms and will work with you to try to resolve the concerns you may have. For example, if the issue is a lack of equity, it may be that terms can be adjusted if you are able to provide additional financial information or bring in a third-party guarantor to support your financial position.

If you are unable to resolve your dispute, you can appeal the terms and conditions to the Licence Appeal Tribunal. An appeal must be filed within 15 days of receiving Tarion's decision to propose terms and conditions or refuse the application.

## Questions

If you have any questions about this process, contact the Underwriting department at 1-877-696-6497, extension 3001, or email us at [Underwriting@tarion.com](mailto:Underwriting@tarion.com).

*"Peter Balasubramanian"*

Registrar