

## **2022 Annual Public Meeting**

### **Additional Questions and Answers**

**1. Who is held accountable for major structural defects? The home passed all inspections.**

By law, all new homes built in Ontario are provided with a warranty by the builder and under that statutory warranty, there is a seven-year warranty that covers major structural defects.

This means your builder is responsible for ensuring your home meets those warranty requirements.

Tarion's role is to ensure that buyers of newly built homes in Ontario receive the coverage they are entitled to under their builder's warranty.

In cases where a builder fails to address a valid warranty issue, Tarion can step in and resolve the claim directly with the homeowner either through compensation or repairs by a third party.

**2. How does Tarion navigate the imbalance that occurs between themselves, who are represented by counsel, and homeowners who are often unrepresented?**

Our job is to protect consumers and we are committed to fair issues resolution with homeowners. We strive to achieve a fair and reasonable outcome without having to engage in legal proceedings.

We do this by working with homeowners and builders directly, by offering internal management reviews, mediation solutions and additional options, including the services of an independent Ombuds Office.

Homeowners also have the option to have the independent Licence Appeal Tribunal consider their case. Matters which go the Licence Appeal route usually involve at least one attempt at a settlement meeting as well.

We aim not to win or defend our decision; rather, we are interested in obtaining all relevant information from the parties to determine if our decision is correct, needs to be changed, or if further investigation is necessary.

As a consumer protection organization, we also attempt to provide reasonable and fair assistance to self-represented persons. You can find out more about that specifically [here](#).

In general, most warranty claims are resolved in one of [these many steps](#) reflecting our commitment to alternative dispute resolution. In the minority of cases which cannot be settled or mediated, and which proceed to a formal Tribunal hearing or a civil court action, Tarion may be represented by legal counsel.

**3. Why does Tarion use NDAs with self-represented homeowners who may not even know what an NDA is?**

Tarion does not require non-disclosure agreements from homeowners.

Sometimes in a dispute resolution process involving multiple parties or other special circumstances, confidentiality may be negotiated as part of a settlement agreement.

Additionally, the provincial regulation which governs the Tarion mediation process explicitly states that "information relating to the mediation must be kept confidential by the parties, the mediator and any other persons involved in the conduct of the mediation..." and can be found [here](#).

**4. The Builder Directory in the past did not reflect accurate charges/claims against Builders, and now the Directory is the responsibility of the new HCRA. Does Tarion verify and ensure the information about builders is correct before supplying data to HCRA?**

The Ontario Builder Directory (OBD) is an important tool homebuyers can use to access information about their builder's licensing status and issues that may have arisen with past construction projects.

The OBD is hosted by the Home Construction Regulatory Authority (HCRA). Tarion provides the HCRA with verified information and they then decide what to post.

In some cases, compensation or actions taken by Tarion do not appear on the OBD.

For example – in cases where the builder was willing to fix a defect but, due to a breakdown in the relationship, Tarion was required to step in and address the issue or work with the homeowner to hire a contractor, then that issue would not be chargeable to the builder and would therefore not appear on the OBD.

**5. Why is the Vendor (Builder) given so many opportunities to complete the work if he walked away?**

Tarion's Customer Service Standard (CSS) is the key process for how non-emergency claims are handled. The CSS was introduced in 2004 to add milestones, structure, and certainty to the claims process.

The CSS includes the steps a homeowner must take to submit a claim, the timelines for submitting the claim, the steps Tarion may take, and the repair periods for builders to address a homeowner's concerns and complete a warranty repair.

However, Tarion has a separate process to abridge timelines and deal with serious issues if either the issue is an emergency, or if the builder is unwilling/unable to address the issue.

If a homeowner has concerns with their file and their builder not conducting repairs, we would recommend they reach out to our Customer Service team at [customerservice@tarion.com](mailto:customerservice@tarion.com) or 1-877-982-7466.

In cases where a builder fails to address a valid warranty issue, Tarion will step in and resolve the claim directly with the homeowner either through compensation or repairs by a third party.

**6. Where can I find a list of cancelled projects? Does Tarion provide this information?**

Information on condominium projects a builder has cancelled can be found on the [Ontario Builder Directory](#) (OBD).

The OBD is an important tool homebuyers can use to access information about their builders and any issues that may have arisen on past construction projects.

The OBD is hosted by the HCRA, and any questions related to what is posted there should be directed to them. You can reach them at [info@hcraontario.ca](mailto:info@hcraontario.ca) or (416) 487-4272.

**7. Why is the Vendor (Builder) allowed to keep changing his company name whenever his registration expires or if he decides that the current company name has complaints or claims against it?**

As the regulator of new home builders, questions about builder conduct and licensing should be directed to the Home Construction Regulatory Authority (HCRA) who can speak to their processes.

You can reach them at [info@hcraontario.ca](mailto:info@hcraontario.ca) or (416) 487-4272.

However, our underwriting review and risk assessment includes a review of the builder's history and past projects, a financial review to assess the capital available to complete the project, as well as the proposed budget. This would include all associated licensees, principals, and directors, even if the previous licensee no longer exists or is no longer licenced.

In some cases, Tarion can apply more restrictive terms and conditions to future projects which involve similar officers and/or directors of the company. Some of the financial tools at our disposal include the collection of performance security or requiring indemnitors (guarantors) who can be called upon to meet warranty obligations.

**8. Repair and warranty service is nice, however, once a homeowner is living in the home, these service visits take much more time and effort not only for the homeowners but even the builder to address/complete. What actions are being done to improve quality of construction prior to homeowner occupation?**

Tarion has implemented a permanent risk-based inspection program in parallel to building code inspections of individual homes by the local municipality.

The goal of the risk-based inspection program is to help identify issues with building practices that may lead to problems down the road. These include promoting better building practices that are above and beyond the building code minimums. Should issues be identified, we expect builders to address them prior to homes being completed, and we will coordinate with the local municipality as appropriate.

If issues are not addressed or there is a pattern of problems with a particular builder, Tarion may add conditions to future enrolments and can recommend that HCRA review and consider revoking their licence or taking other disciplinary measures.

Tarion's inspection program applies to all builders, with priority given to those that have a pattern of claims or have limited construction experience.

**9. How do you establish standards when deciding if an item is warranted or not when it comes to technology? Why are builders allowed to keep this vital information (the power of the purchased AC) a secret?**

When a builder is supplying and installing an air conditioning unit, similar to a furnace, design calculations are created in order to take into account many factors such as the size, type, and thermal resistance values of the windows in the home. Many other factors are also taken into account when HVAC engineers or designers are sizing these types of appliances.

That HVAC design calculation is typically required by municipalities before building permits are issued and if approved are inspected by the local municipality during installation and construction of the home.

When Tarion becomes involved at a conciliation, the Warranty Services Representative gathers information in order to make an assessment. That information may include temperature readings, review of the design calculations and approvals from the municipality in order to determine if there is a builder defect.

If a builder fails to provide information that Tarion requires to make a warranty assessment, Tarion may obtain that information in other ways. For example, Tarion may request information from the municipality or retain a consultant to investigate and provide information or an opinion for Tarion to consider when making the assessment.