



# Requirements for new home builders and vendors in Ontario



# About Tarion

Tarion is an independent not-for-profit organization dedicated to supporting the new home warranty and protection program.

As the warranty program administrator, 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. We enrol new homes into the plan, assist in the resolution of disputes, and resolve valid warranty claims when a builder is unwilling or unable to do so. We strive to maintain a fair, safe, and informed new home marketplace.





# Your responsibilities: The basics

## Licensing with the HCRA

Anyone who plans to build or sell new homes in Ontario must first be licensed by the Home Construction Regulatory Authority (HCRA). Please visit the HCRA's website to find out more about licensing requirements and to start your application.

## Enrolment with Tarion

In addition to HCRA's licensing requirements, vendors and vendor/builders must apply to Tarion to obtain authorization for each home they wish to sell and build. The authorization to sell a home is called "Qualification for Enrolment (QFE) Confirmation". The authorization to build a home is called "Enrolment Confirmation".

You are not legally allowed to build or sell new homes in Ontario until you have completed the Tarion application process and received the appropriate QFE and/or Enrolment Confirmations. Note that the application process requirements may vary with home type.

*Go to [Tarion.com/ApplicationProcess](https://www.tarion.com/ApplicationProcess)  
to learn more*

You can start the Tarion application process while your license application is in progress with the HCRA. You must have a valid license from the HCRA before Tarion can finalize or approve your application.

## Purchase agreements and construction contracts

After obtaining your HCRA licence and Tarion QFE and/or Enrolment Confirmations, you are required to include certain documents with your purchase agreements and construction contracts with owners of land. These documents may include the Addendum and Warranty Information Sheet.

To learn more and find these documents, visit [Tarion.com](https://www.tarion.com).

*Within 30 days after signing a purchase agreement or construction contract, you must submit to Tarion, in writing, the purchaser or owner's contact information, including their name, mailing address, and email address. You can easily submit these through our BuilderLink Portal.*

## ***Purchasers Can Now Register Their APS!***

Tarion is introducing the capability for new home buyers to register their purchase agreement using an online form that's available on [Tarion.com](https://www.tarion.com).

Purchasers will benefit from key information on the builder's warranty and coverage Tarion can now provide before they get the keys to their new home. This helps Tarion combat illegal building by alerting us when a builder or potentially an unlicensed builder is entering into illegal agreements. Have your purchasers register their agreements today!



# Pre-Occupancy coverage

**Deposit protection:** New home purchasers who provide a deposit to their builder are protected in certain circumstances where the sale is not completed.

## Freehold homes

Purchase price  
\$600,000 or less

**up to \$60,000  
in coverage**

Purchase price over \$600,000

**10% of purchase price** to a  
maximum of \$100,000 in coverage

## Condo deposits

**up to \$20,000** plus a limited amount of accrued interest

**Delayed Closing/Occupancy compensation:** The delayed closing/occupancy warranty protects home purchasers against the financial impact of closing or occupancy delays within the builder's control.

**Coverage limit \$7,500**

**Financial loss for contract homes:** When you enter into a construction contract to build a new home on an owner's property and you do not substantially perform the contract, the owner may be entitled to compensation.

**Coverage limit \$40,000**




# The pre-delivery inspection and warranty certificate

A pre-delivery inspection (PDI) is mandatory for all new homes enrolled with Tarion. The main purpose of the PDI is to document the condition of the home prior to possession or occupancy, and help your purchaser understand the systems in their new home and maintenance that may be required.

You can either use Tarion's standard PDI form or your own form, as long as it contains all of the information that is included in Tarion's PDI form.

Be sure to complete the form clearly and ensure that the purchaser signs and initials any and all changes.

On the day of the PDI, you must also complete and sign the Certificate of Completion and Possession/Warranty Certificate. You must submit the completed form to Tarion within 15 days of the date of possession.

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# The warranty coverage

The statutory warranties on work and materials that you provide on the home take effect on the closing or occupancy date and last for a total of seven years.

For condos (except for vacant land and common elements condos), coverage includes the common elements. The warranties begin on the date of registration of the condo corporation, who is the “owner” of the common elements and can submit warranty claims.

When you receive a warranty claim from a homeowner or condo corporation, you are responsible for investigating claims and resolving valid claims in a timely manner.

To learn more about what the warranty covers, coverage limits, and the warranty claims process, visit [Tarion.com](https://tarion.com).





# Get your warranty service off to a good start

Tarion is here to help set you up for success by providing helpful tools, programs, and timely information.

## Our resources for new builders include:

**BuilderLink**, your one-stop shop for new home enrolment and warranty service, including fee payments and form submissions.

**Start Right**, a program required for all new licensed builders in Ontario, designed to walk you through the key milestones in the warranty process.

**Registrar Bulletins** that outline Tarion's operational policy statements.

**Information sessions** on timely industry topics including new policies and procedures, best practices and more. Keep an eye out for emails with sign-up information or reach out to: [stakeholderrelations@tarion.com](mailto:stakeholderrelations@tarion.com)

**Learn more at [Tarion.com](https://www.tarion.com)**





# Questions? Get in touch



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