

2017 Annual Public Meeting

Additional Questions and Answers

Q: You say you implemented recommendations of the Chornenki “Dispute Resolution Review” from 2015. Which recommendations have you implemented? How are consumers experiencing a difference in the way you handle disputes and the LAT since 2015?

A: There were 17 recommendations in Ms. Chornenki’s Report and we have an action plan for all 17. We had taken action on some of her recommendations before her final report was delivered, and throughout 2016, we took action on the others. This included dispute resolution training for staff and revising communications materials to make them more easily understood for consumers and builders.

Q: I bought a home and finished the basement. A 40K BTU furnace had been installed, but now I am finding the air flow and heat is poor. Our builder has made some adjustments, but we are still having issues. Since I have only submitted my 30-day form several days ago, no one has had a chance to further discuss these issues. The Tarion site states that heat loss calculations only assist in determining the furnace size, so I await any calculations from the builders or engineers.

A: When a basement is finished, it is important to also consider that area as a living space, which means that the heat loss calculations would now be changed. However, you have done the correct thing by reporting the issue on your 30-Day form. You should allow the builder an opportunity to assess your concerns and notify you of their position and next steps if required. If you need further clarification about the furnace size or clarification on heat loss calculations, please feel free to contact our technical desk at 1-877-982-7466 ext 3290. You may also call our customer service team directly by using the same toll free number (no ext. required) if you have general information about the warranty process and timelines.

Q: If an owner has not registered with Tarion within the first 7 years, will Tarion still respond within the 7-year period to a structural problem that showed-up late in this time period?

A: Builders of new homes are required to enroll each new home. You should check with us to see if it has been enrolled. If not, it could have been built illegally. In all events, if a new home is eligible, the fact it is illegally built does not change its warranty status. The home may still be under warranty and you should contact Tarion.

Q: I just moved into my house 1½ years ago and noticed that all the tiles in the guest bathroom have dents and flaws in them. Is this still under warranty?

A: Defects in work and materials need to be flagged in the 30-day or one-year form. They are not covered after that.

Q: If in my purchase and sale agreement it says that I am entitled to a specific set of finishes in the final product of my new condo including high gloss sealed concrete floors and it specifies that I have paid for this feature, but I do not receive this feature and I did not put this down as a problem on any of my Tarion forms, is the company that I purchased my condo from still responsible to provide this feature or compensation in lieu of the feature? And also, what if I had put it down on the Tarion form but it was denied? Is there any recourse for this situation 6 years after I purchased the condo?

A: If you did put it on the form and was assessed as not warranted, then from Tarion's point of view, it is not warranted. Homeowners can appeal a warranty decision to the independent Licence Appeal Tribunal.

Q: If a sales rep said something to me in my sales meeting and it influenced me to buy my place but this information was not true what should I do? Can they change the purchase and sale agreement to reflect what they promised me instead?

A: As a general rule, binding obligations with the builder must be set out in writing. For example, the substitution warranty requires that matters be in writing. As to whether or not there may be some further claim against the builder outside the warranty program, that is a question you would need to address with your legal counsel.

Q: For living expenses, the compensation is \$150 per day to a maximum of \$7500, no receipts required. Is something such as moving/storage costs compensated in addition to this \$7500 or is it a maximum of \$7500 for all forms of compensation? In my case I have incurred the maximum of \$7500 in living expenses but also have approximately \$6000 in moving/storage expenses with receipts. Should I expect to be compensated for \$13,500 (\$7500+\$6000) or only \$7500?

A: The maximum aggregate amount for delay compensation is \$7,500, regardless of the type of expense.

Q: How does a home owner with a TARION WARRANTY put pressure on the home builder to complete the small jobs which were listed in the first pre-delivery inspection?

A: You have an opportunity to submit items under warranty in your 30-day form and your one-year form. If the builder doesn't respond within a reasonable timeframe, you can contact Tarion and request a conciliation inspection. If the item or items are deemed warranted the builder has an obligation to address the issues. If they cannot or will not, Tarion will work directly with the homeowner.

Q: Why does Tarion charge so much (\$289.00) to carry out an inspection of a new home? This could be greatly reduced to for example \$100.00.

A: Homeowners must pay an amount of \$282.50 to schedule a conciliation inspection. However, this sum is fully refunded if Tarion conducts the inspection and determines that one or more items complained of are covered by the warranty, or if the homeowner cancels the inspection with at least 24 hours' advance notice. On the flip side, there is a \$1,000 charge for builders when we conduct a conciliation and determine that there are one or more warranted items.

This practice is done to discourage conciliations for items not covered under the warranty. Before scheduling a conciliation inspection, homeowners can call Tarion and speak to a representative to talk about the items under question, and to get an idea if they are likely to be assessed as or believed to be warrantable.

As soon as a homeowner books a conciliation inspection, a Tarion warranty representative will call the homeowner and discuss the issue. If the conciliation inspection is cancelled, the deposit is returned. Since implementing this deposit requirement, Tarion has seen a noticeable decline in the number of items assessed at inspections not warranted that do not fall under the warranty.

Q: Though builders and/or the inspectors say they have adhered to the building code do owners have to accept that? How are we able to check?

A: Tarion is accountable to the Ministry of Government and Consumer Services. The Ontario Building Code (or OBC) is administered by the Ministry of Municipal Affairs and Housing. A copy of the OBC can be found on that Ministry's website. Tarion does not have responsibility for municipal inspectors as a general rule, building inspectors are employees of the local municipality.

Q: I have a pending contract with a builder for a condo project projected completion March 2018. There has been no correspondence since March 2016. I have tried to call their office numerous times no one will give me any info about the project. The site has no development but a boarded-up sales centre. We are worried about our deposit at this point. How can we make this builder tell us what is going on with this project? Worried they may not have permits for this site.

A: You should contact Tarion with the details of this development and we can check on its status. The Condominium Act also requires that all deposits be held in trust. So, in almost all cases, a buyer's money is protected. In those instances, where the trust rules are breached by a builder, the purchaser is protected up to \$20,000 by Tarion's deposit protection.

Q: How should you proceed when deficiencies remain unresolved to our satisfaction after 2 years?

A: If you have completed the appropriate warranty form there should be progress on the file after two years. If you haven't filled out the appropriate warranty form, depending on the issue, it may be too late to make a claim. Some items are only eligible under the one-year warranty. This is why, it is so important to inform yourself of the warranty periods – so that important filing deadlines are not missed. It's one reason why we encourage all new home owners to register on MyHome – our homeowner website that automatically sends out reminders on filing deadlines and provides other important updates about the warranty throughout the first 7 years.

Q: If we take possession of a property in July but the grass is not installed till the following year and is dead the following spring would that not be covered under the one-year warranty

A: Landscaping – in this case, grass – is considered a seasonal warranty item. If the grass wasn't present when you took possession, you should have listed it on your 30-Day or Year-End Form as appropriate.

Your builder has 270 days of "seasonal weather" from your home's occupancy date to complete any of these items. If for any reason your builder does not complete the required work to your satisfaction within this 270-day period, you have 30 days to contact Tarion and request our assistance.

If the item is determined to be warrantable, we will work with you directly to settle the matter. If you do not contact us within this 30-day period, the Special Seasonal Warranty Items listed on your 30-Day or Year-End Form will be considered resolved and the matter closed.

It's important to note that once sod has been laid, the owner must maintain it, and that includes watering.

Q: We were wondering why builders can delay the completion date. Our builder has done it three times without any justification. The homeowner has no recourse until the last date is missed. These delays can and have caused financial and emotional stress. The builder is allowed to say and do anything to get a contract signed, knowing that the closing dates are not achievable and to no recourse for the homeowner. The builder seems to be able to hide behind the Tarion warranty for his delays

A: In most jurisdictions there are no restrictions on the builder extending completion dates. Ontario is a jurisdiction which has required that builders set out clearly the expected time frame for completing the home and if they go beyond the permitted extended dates, delay compensation is payable.

In fact, it is open to a purchaser to insist that there must be a fixed closing date. The warranty is an additional right for purchasers and does not prevent purchasers from contracting to avoid the concerns associated with missed completion dates.

Details about the delayed closing warranty are provided in the Tarion Addendum attached to your purchase agreement that you signed with the builder. If you are unsure about your rights regarding closing delays you may wish to seek the advice of a lawyer.

You and your builder have the option of providing one of two types of Closing Dates:

- Firm Closing Date – For when your builder is confident the home can be completed by a specified date. If the date is not met, your builder is required to provide Delayed Closing compensation.
- Tentative Closing Date – For when your builder is less able to determine a precise date that the home can be completed. For example, if construction has not yet started, or if there are unpredictable obstacles which could slow completion. This option allows your builder to extend the Closing Date twice, by up to 120 days each time, without paying compensation.

In your case, it may be that you agreed to a tentative closing date and the builder extended closing dates in accordance with the agreed upon framework.

Q: Why is the warranty only 1-year when houses are 10 times the cost of a vehicle which carries a 5-year warranty?

A: Ontario's new home warranty is very comprehensive and is one of the best in Canada and North America. It provides protections up to 7 years from date of possession on a new home. Ontario offers protections to new home buyers that simply do not exist in other provinces, including delayed closing protections, radon gas protections and very comprehensive major structural defect warranty for up to seven years. The maximum cost for this protection is \$1,500. That is the maximum cost of enrolling a new home and is a fee that the builder must pay – although they usually pass that cost on to the buyer.

It provides protection for most of the home - inside and outside - in the first year. This includes defects in workmanship and violations to the Ontario Building Code.

It also includes two-year protection against violations of the Ontario Building Code's provisions affecting health and safety, water penetration among others, and seven-year protection against major structural defects.

The purpose of the warranty is to provide Ontario's new home buyers with protection should their builder fail to fix anything under the warranty, not build a home in a workman-like manner, or fail to comply with the Ontario Building Code. In fact, the warranty is an obligation of the builder, Tarion is here in the event the builder is unable or unwilling to meet their warranty obligations.

Q: How fair/unbiased is Tarion on their assessments as it has been known that they usually sides with the builders? How accountable are they?

A: We do not usually side with builders – we look to make the appropriate decision based on the facts.

In those instances, where the homeowner continues to believe that the decision was incorrect they can request a formal decision letter and appeal to an independent tribunal and have that warranty decision re-assessed.

Tarion makes every effort to assess claims objectively. This, together with a right of appeal to an independent body, provides assurances of fairness.

Purchasers can also contact the Tarion Ombudsperson if they feel they have been treated unfairly.

Q: What input can corporate entities like Tarion make to support the government effort to not overheat the housing market... Not just in Toronto alone but across the province so that Canada will not find itself in a bubble and burst situation experienced recently in the US?

A: This is an interesting question. It goes to the impact of registration and enrollment fees, how these fees have been kept very low for a long time in order not to cause a negative impact on entry to market by both builders and purchasers.

In the end, the warranty costs are a small portion of the cost of construction. Also, the warranty is on the home and does not account for the rising cost of land – especially in the GTA area.

Q: Why are builders not required to provide blueprints to home owners? I have problems in my home only discovered after the PDI.

A: Blueprints are typically given by the builder to the Building Department of the local municipality. It is open to the purchaser to stipulate in the agreement of purchase and sale that blueprints will be provided. It may also be possible to obtain copies of the blueprints from the local municipality.

Q: Our Builder's Chargeable Conciliation Ratio is 0.09 (rounded up) over 3 years. Acceptable performance is a ratio that is less than 0.04, otherwise there are escalating consequences. Please describe these consequences, their enforcement, and what implications does this have for our Common Element warranty?

A: There are a variety of circumstances and consequences that Tarion may apply to a builder once they are moved into the categories of [Builder Bulletin 43, Escalating Consequences](#). If you would like to provide the specific details of your situation, we would be happy to review your information and provide you with an informed response. Please submit your inquiry [here](#).

Q: Why does it take a year before being able to apply and lodge deficiencies?

A: A homeowner can communicate deficiencies to the builder before closing through the Pre-Delivery Inspection Form. A warranty claim can be made very soon after closing. A homeowner is able to submit their first warranty claim within the first 30 days of moving into their new home. You can learn more about the warranty claim process and timelines [here](#).

Q: When will Tarion develop specifications for aesthetic issues? There are many instances where Tarion won't attempt to address home builders' legitimate concerns.

A: Tarion has developed standards and specifications for many items through our Construction Performance Guidelines (CPG's). This is an extensive collection of common warranty items however it is not all inclusive. Tarion also considers industry standards when assessing a claim, and each claim is judged on its own merits. You can download or browse the CPG's [here](#). Generally speaking, aesthetics speak to personal preferences and it is difficult to regulate such matters.

Q: I am currently an owner of a condo unit and we have been through first year and second year warranty with Tarion. In every period that we submitted our items to Tarion regarding Ontario Building Code problems/discrepancies, we were told that Tarion only supports us on the Building Code items that are related to health and safety. Therefore, some building code discrepancy issues that we submitted to Tarion were considered design issues and NOT health and safety. This means Tarion is ignoring the purpose of Ontario Building Code and its only purpose of health and safety. In fact, on the preface page of Ontario Building Code, it is mentioned that this book is only regarding health and safety and this is NOT a book regarding design issues. Every sentence in the Ontario Building Code is about health and safety, therefore any discrepancies in the work of the building with Ontario Building Code should be considered health and safety issue. As an example, if all bedrooms are built smaller than 8.8 sq.m. Tarion should support us against this defect since it is about health and safety and endangers residents at the time of fire escape. O.B.C.9.5.7.2. Or if the kitchen hood is integrated inside a cabinet at 24" above the cooktop, this is against building codes and can endanger the residents and their safety in regards to fire. O.B.C.9.10.22.2. In your opinion, why has Tarion failed to understand the purpose of Ontario Building Code and refused to support us on these matters?

A: We recommend that you submit your concerns [here](#). Please include all the relevant details of your inquiry: the civic address or enrolment number of the property; your contact information; the Tarion representatives assigned to your file; and the specifics of your complaint. Once this is submitted Tarion can properly and thoroughly review your file and provide you with an informed response.

Q: Do Tarion inspectors have any trade background? if not, what qualifications do they possess?

A: Tarion Warranty Service Representatives (WSR's) have a diverse background both in education and in the construction industry. All WSRs are trained in the application of the

warranties as they are set out in the Ontario New Home Warranties Plan Act. In addition, the representatives are required to take the necessary Ontario Building Code courses required to obtain their Building Code Identification Number (BCIN) qualification.

Q: What is the origin of TARION, is it a name or an abbreviation?

A: Tarion is an anagram! The name emerged as part of rebranding in 2004 when the Ontario New Home Warranty Program was renamed as Tarion. The name incorporates most of the letters of the word Ontario.

Q: Where does TARION get its funding from?

A: Tarion is financed primarily through builder registration fees and new home enrolment fees. It also derives some revenue through investment income of the Guarantee Fund. It does not rely on any tax dollar support. All fees/investment income are paid into the Guarantee Fund, and are then used to pay out warranty claims and to fund the administration of the program.

Q: Is there any kind of conflict of interest between Builders and TARION?

A: Tarion's role is to administer the new home warranty and to regulate the province's builders. This dual role has occasionally created the perception of a conflict of interest. In fact, Tarion strives to deliver its services in a transparent and fair manner at all times. Recent changes to promote fairness and transparency include changes to the composition of the Board of Directors (2013), the creation of an Ombudsperson (2008), and an Annual Public Meeting (2009).

We also regularly review our own processes for fairness.

In those rare instances where a homeowner believes that a warranty decision was incorrect and influenced by bias, they can request a formal decision letter and appeal to the independent Licence Appeal Tribunal (LAT). They can also contact Tarion's Ombudsperson.

Q: Please shed some light on staff credentials; how many Legal Personnel, Administrative Personnel – Finance, Accountants, Human Resource etc. and Technical Personnel – Architecture, Civil, Mechanical, Electrical Engineers etc.

A: Tarion has approximately 230 employees who have tremendously varied skills and backgrounds, for example we have engineers, architects and lawyers; staff with post-graduate degrees in building sciences, business administration; expertise in mould inspection and remediation; human resources professionals and chartered accountants. We also have a Board of Directors of 16 accomplished individuals with diverse backgrounds and expertise.

Q: As you receive complaints from homeowners are you proud of resolving the issues or paying the homeowners for deficiencies due to careless builders, why doesn't Tarion modify the legislation for new builders and make more restrictions for new builders and use lessons learned to improve the quality of builders' work?

A: Tarion's responsibility is to administer the Ontario New Home Warranty Act. Under that legislation, it is the builder that is required to provide the warranty. Tarion's role is to step in when the builder cannot or will not meet their obligations. The vast majority of disputes that emerge between the homeowner and the builder are resolved without Tarion's involvement. In those instances where Tarion does get involved and it is evident that the builder needs improvement, we may provide customer service training, require additional builder education or review their registration status altogether.

As the regulator of the home building industry in Ontario we license, review and monitor new home builders on an annual basis. As part of that review process we can change the terms and conditions of the builder's license and ensure that builders have the proper customer service resources to help homeowners.

Q: The Builder who completed my contract home has let his Tarion builder registration expire. Does this impact my home's Tarion warranty?

A: The statutory warranties apply to eligible new homes regardless of whether the builder is registered. Unlike many other jurisdictions, Ontario's new home warranty applies to almost all new homes, including those built by unregistered builders – or illegally built homes. Registered builders who allow their registration to lapse or simply retire from the building industry are still required by law to fulfil their warranty obligations to any and all homes they constructed. If the builder is unable or unwilling to meet their obligation, we will step in and help you directly. If your house is an eligible new home, the statutory warranty exists whether or not the builder recognizes it or has an expired registration.

Q: Why does Tarion not make guidelines so that all Builders have to have PDI's done by independent person's or agencies?

A: The Pre-Delivery Inspection (PDI) is not a warranty milestone. The PDI is a required part of the builder's customer service process, but it does not form a part of the province's new home warranty protections.

That said, the PDI is a very important stage of new home ownership. It often represents the buyer's first opportunity to walk through their new home and hopefully learn about its various mechanical systems.

Purchasers are free to designate a representative to attend the PDI if they are unable, or to have others attend with them, including home inspectors. In any event, the PDI is the buyer's opportunity to inspect their new home's condition before they move in. We recommend that any damage, defects or missing items be recorded. This may include photographs that could be used at a later date if the builder does not fix deficiencies noted at the PDI.

The first chance that a homeowner has to fill out a warranty form is the 30-day form. This is where the builder repair period begins, and a homeowner can request Tarion's involvement if the builder does not fix items under warranty in a certain timeframe. Anything not fixed that was noted on the PDI form should be included on your 30-Day form.

Q: It is not clear whether Tarion is to protect the Homeowners or the Builder?

A: It is clear that, Tarion is a consumer protection organization. We currently administer Ontario's new home warranty for the benefit of new home buyers. Home buyers also benefit from our role as regulator of new home builders including licensing requirements relating to technical competence and financial wherewithal. We protect new home owners from builder failures, new home defects and we set the standards for the new home warranty.

While there are responsibilities for the consumer, such as filing forms on time, the intention of the Act is to:

1. Protect consumers and regulate new home builders;
2. Give Tarion authority to deal with builders who are unwilling or unable to fulfil their warranty obligations; and
3. Give Tarion authority to remove builders from the warranty process when their performance is poor.

Q: How does Tarion compel builders to complete pending work reported on PDI lists, within 120 days of Closing and/or PDI date?

A: Not all items listed on a PDI form are covered by warranty. Many builders nevertheless pride themselves on addressing all items raised. Outstanding items of concern to a home buyer can be listed on a 30 day or 120-day warranty form. In each case the builder has a 120-day repair period. If the builder does not resolve the claim items, you have 30 days to contact Tarion and request a conciliation inspection. The builder will then have 30 more days to complete the repairs or otherwise resolve items on the statutory warranty form that are warranted. If the builder does not do so, Tarion will resolve warranted items directly with you. If a builder does not address items that should be fixed they could also receive what is called a chargeable, which is information that will show up on their record on our [Ontario Builder Directory](#). Consequences that a builder could face if they are not upholding their obligations include mandatory customer service training, higher security requirements or a proposal to revoke a builder's licence.

Q: Municipal Inspectors issue occupancy certificates without verifying if the home is in a proper state of living condition most of the time. How can Tarion deal with these Inspectors?

A: The municipality has the responsibility and authority to determine when a new building is fit for occupancy, and it issues the occupancy permit. Tarion does not have jurisdiction in this matter. That said, there is an expectation under the Ontario New Home Warranty Plan Act that a new home or condominium is safe and fit for habitation. If new home owners have safety concerns they should contact their builder and Tarion as soon as possible.

Q: Most builders only get occupancy from the city/municipality for closing. The builder takes out the permit so they are responsible for the Final Inspection. Yet most builders never get the Final Inspection and these permits remain open. It usually becomes an issue when there is a subsequent sale as the purchaser wants a clear title. The Tarion requirements state the builder must build to code. Why doesn't Tarion implement a specified time frame for builders to ensure the Final Inspection is complete and met? I arranged my own Final Inspection and have 10 items that don't meet Final Inspection.

A: Tarion's role is to administer the new home warranty. Responsibility for issuing building permits, and conducting any associated permit inspections, belongs to the municipality in which the building is constructed.

Q: When we as new home owners experience urgent issues with the house, who should we contact first? Should we contact the builder or Tarion, or contact both? What is the right procedure? What is the time frame for urgent issues to be resolved?

A: The first person you should call if you are having an urgent issue with your home, is your builder. If the builder does not respond to your calls or other methods of communication and you urgently need assistance, contact Tarion. More information on emergencies can be found [here](#).

Q: How do you protect clients who have been told by a builder that their home is not covered by Tarion - but the home should be covered under Tarion?

A: What a builder says will not change the warranty eligibility of a new home. Almost every new home in Ontario is protected by the new home warranty, including those that are built illegally, or by non-registered builders. We work hard to educate consumers and builders about the new home warranty and the protections and responsibilities under it. New home buyers are strongly encouraged to review our [Ontario Builder Directory](#) to ensure the builder they want to work with/buy from is registered with Tarion. But in all events, if you think your new home should have warranty coverage, contact us at: customerservice@tarion.com.

Q: What, if any, responsibility does the builder have in explaining Tarion and the process to the new home owner? I.e. The home owner was not aware of the entire process and missed important deadlines.

A: First, it is important to understand that the new home warranty in Ontario is the builder's warranty. It is the builder's obligation and responsibility to enroll each home they build in the warranty program. If the builder is unwilling or unable to meet their warranty obligations, then Tarion will step in. Second, as part of their warranty obligation, the builder is expected to provide the new home buyer with the Homeowner Information Package (HIP) which explains everything buyers need to know about their new home and their warranty rights and responsibilities prior to occupancy.

Q: What's happening with the number of recommendations put forth by Justice Cunningham's report? Is Tarion looking to make changes as a result?

A: In March, the Ontario government announced plans to separate the provider of the new home warranty program, and the new home builder and vendor regulator.

While there are structural changes coming, the principle of consumer protection that lies behind the province's new home warranty remains unchanged.

It is also important to stress that these changes will take time. In the interim, Tarion will continue to seamlessly deliver on our daily responsibilities and operations, providing quality service to consumers while we support the government in the smooth transition and delivery of their plan to further enhance consumer protection for the buyers and owners of newly built homes.

New home owners should continue to submit warranty claims by following the processes currently in place. New and ongoing warranty claims will continue to be resolved.

Q: Does Tarion protect the public on the building of rental buildings?

A: No, The New Home Warranty Plan Act only provides protections to new residential freehold homes or condominiums. It does not extend warranty protections to new buildings constructed as rental properties.

Q: How much influence does Tarion have regarding the builder's price per home or condo; versus the quality of the materials they are using in those homes or condos?

A: Tarion administers the new home warranty and regulates the building industry by licensing builders. It does not regulate or control housing prices in the province. It does not oversee the Ontario Building Code nor the building permit process that requires builders to meet minimum requirements established for construction projects in the province.

Q: Who provides the warranty? Tarion or the builder?

A: In Ontario builders are deemed to provide statutory warranty coverage as outlined in the *Ontario New Home Warranties Act*. This coverage includes protection for deposits, protection against financial loss for contract homes, compensation for delays in closing or occupancy, and one, two and seven-year warranties for certain construction deficiencies. Warranty coverage begins on the date of possession of a freehold home or condominium until and remains in effect on the home until the end of the warranty period, even if the home is sold to a subsequent purchaser before the warranty expires. If the builder is unwilling or unable to meet their obligations under the warranty, Tarion will step in and backstop the builder's warranty obligations.

Q: How are you addressing illegal building? If someone contacts you regarding illegal building - what is your process? Do you investigate each one?

A: For builders who fail to get licensed or to enroll a home, Tarion has an Enforcement Department that investigates and prosecutes illegal building throughout the province. When we are tipped off about a potential illegal build, we investigate.

Tarion also works with the Ontario Home Builders Association (OHBA), The Ontario Building Officials Association (OBOA) and 14 local municipalities on a pilot program designed to protect new home buyers from the dangers of illegal building. With working with other organizations, we strive to prevent and identify illegal building activities before a new home buyer has to suffer the consequences of purchasing a sub-standard home.

In 2016 alone Tarion conducted 413 illegal building investigations leading to 166 convictions, one jail sentence and \$488,000 in fines levied. Tarion continues to work hard to stop and prevent illegal building from happening to ensure safety.

Q: Most of our homes on Golfview Dr. In Amherstburg, Ontario have experienced blown off roofing shingles during the past 3 to 4 years - requiring roof repairs each year. Can you help us get quality shingles installed since I understand that there is a problem with the quality of our IKO shingles when they were installed and that there may be a class action suit against IKO. If so, what is the status of this class action suit?

A: Roofing shingles are covered under the warranty for one year from the possession date. The manufacturer has their own warranty. We suggest you contact IKO and ask them if they will be able to assist you with your shingle problem.

Regarding the class action suit, Tarion is not a party to the legal action. More information can be obtained through an internet search for IKO class action lawsuit, Canada. While Ontario's warranty program is excellent, the new home warranty is a limited warranty. Shingles fall under the Year 1 warranty provisions. Shingle issues outside that date may be covered under a manufacturer's warranty. In some instances, the builder may also undertake a repair outside the warranty limits.

Q: We recently closed a house with no access to the house. Literally muddy entrance with construction going on around us with no driveway. Ours was the first to close. Already mentioned in our 30-day warranty period. Does Tarion have any say in this? We already did the closing but in future we would like to know if we can refuse closing in this situation. We had planned to rent the house but when renters came and looked at the outside conditions of the house they refused to even look inside.

The ability of a homeowner to refuse possession of a new home would be governed by the purchase agreement and is typically tied to an occupancy permit from the municipality. Homeowners should seek the advice of an experienced real estate lawyer before they make the decision to refuse possession – lest they put their deposit/upgrade monies at risk. Further, there are some things that a builder can wait to complete (driveways and lawns among them).

Q: Would the new regulator affect the application process to become a registered homebuilder (like would they take over the exams and courses that you provide)?

A: We continue to work with the Ministry of Government and Consumer Services on this important initiative. Should you have further questions on this, please contact Ministry of Government and Consumer Services at consumer@ontario.ca. Tarion will continue to regulate builders in the same manner it currently does.

Q: Could you please clarify how the upcoming changes to Tarion's structure would affect the existing developers?

A: We continue to work with the Ministry of Government and Consumer Services on this important initiative. Should you have further questions on this, please contact Ministry of Government and Consumer Services at consumer@ontario.ca. In the meantime, Tarion will continue to regulate builders in the same manner it currently does.

Q: Why does it take a year before being able to apply and lodge deficiencies?

A: The first chance that a homeowner has to fill out a warranty form is the 30-day form. This is where the builder repair period begins, and a homeowner can request Tarion's involvement if the builder does not fix items under warranty in a certain timeframe. Anything not fixed that was noted on the PDI form should be included on your 30-Day form. Items missed on the 30-Day form or any outstanding items can be added to the Year-End Form.

If a builder does not complete repairs or otherwise resolve warranted items by the end of their initial 120-day repair period, you have 30 days to contact Tarion and request a conciliation inspection. The builder will then have 30 more days to complete the repairs or otherwise resolve items on the statutory warranty form that was submitted. If a builder does not address items that should be fixed they could also receive what is called a

chargeable, which is information that will show up on their record on our [Ontario Builder Directory](#). Consequences that a builder could face if they are not upholding their obligations include mandatory customer service training, higher security requirements or a proposal to revoke a builder's license.

Q: For Contract homes - how are you better defining the rules so that there are no questions? Also, wouldn't it be better if Tarion decided for all new homes - if they should be Tarion covered or not - rather than the builder just checking the box on the building permit?

A: Tarion is currently conducting a pilot program with 14 Ontario municipalities that aims to provide greater clarity around the question of whether a new home qualifies for warranty coverage, according to the Ontario New Home Warranties Plan Act. As part of this pilot, individuals proposing to build a new home for themselves must fill out an application and receive a letter of confirmation from Tarion before they are able to build a home that is excluded from warranty coverage. The pilot has been very effective and well received so far, and the expectation is that it will be expanded to the rest of the province.

We have also produced a [brochure](#) and [videos](#) on the topic of contract homes to help educate and empower consumers who intend to hire a new home builder.

Q: What is the process for dealing with builders who are charged under the New Home Warranty Act? What are the metrics and ratios for those investigated, to those charged, to those who meet the Act over the long term? Comment: Our builder was charged with failing to register our house under the New Home Warranty Act. It has now been 6 months since he was charged, and the builder is still not registered with Tarion.

A: Individuals who are caught building new homes illegally are dealt with through Ontario's court system, where they face fines of up to \$100,000 and, in some cases, imprisonment. Tarion does not automatically put them on a track to become registered builders. If they choose to become registered, they must meet specific educational, financial, and technical requirements. In many cases, they are refused registration and Tarion assumes responsibility for the warranty coverage on the illegally built homes.

Information related to Tarion's illegal building enforcement activities can be found in our [annual report](#). Tarion also publishes [monthly illegal building conviction reports](#) on our website.

Q: Why is it that house plans mean nothing. If the builder shows you a plan and then builds to minimum code, why is that acceptable. i.e. hallway width?

A: House plans (sometimes referred to as construction drawings) are sometimes included in the purchase agreement and are meant to demonstrate what the home will look like (e.g. layout, room location, etc.). In most cases, these plans include a disclaimer noting that they are an artist's concepts and are subject to change as needed. Builders are required to build according to the Ontario Building Code (which is a minimum standard for construction) at all times and in general accordance with the construction drawings.

Q: What support is provided by Tarion if a builder refuses to address a complaint?

A: If a builder refuses to deal with a complaint that involves something a homeowner believes to be covered under statutory warranty, Tarion can step in once the homeowner files a warranty claim and it proceeds to conciliation.. The conciliation process is when Tarion assesses to see (i) whether a disputed item is warranted, (i.e., covered by a statutory warranty); and/ or (ii) whether Tarion agrees with the way a repair was done or was offered to be done by the builder; and/or (iii) whether Tarion agrees that a settlement offer by the builder is reasonable in the circumstances.

The conciliation could include an inspection at your home, or a desk assessment if a physical inspection is not needed. When a builder and homeowner cannot see eye to eye, Tarion will step in.

Important Note: *This response is provided for general information purposes only and does not constitute legal or other professional advice. Readers of this response are advised to seek specific legal advice from their own legal counsel regarding any specific legal issues. Tarion does not warrant or guarantee the quality, accuracy or completeness of any information in this response. If there is any conflict or inconsistency between the Ontario New Home Warranties Plan Act and this response, the Act supersedes this response.*