

## **2021 Annual Public Meeting**

### **Additional Questions & Answers**

#### **1. What should I do if there are missing or incomplete items in my new home?**

If when you take possession of your home you notice a damaged or missing item, note it on the Pre-Delivery Inspection (PDI) form and ideally your builder will correct them right away. The PDI Form does not represent a request for warranty service, so if you fail to note an item this does not necessarily impact your warranty coverage. However, the PDI Form is a useful piece of evidence if you have a conciliation inspection: if the problem concerns a damaged or missing item, it may be difficult to establish that this condition existed before you moved in if it is not noted on the PDI Form.

If when you take possession you notice a damaged or missing item that was not noted on your PDI Form, document and report the condition immediately by, for example, taking photographs and sending an e-mail to your builder. This record will assist in establishing that the condition existed when you took possession of your new home.

Any items that are not corrected by the time you move in need to be listed on a 30-Day or Year-End Form. These forms represent a request for warranty service and listed items that are covered under warranty must be addressed by your builder within a specific timeframe.

#### **2. Are design defects covered under the builders' warranty?**

If a defect occurred because of a design, Tarion would investigate to determine what the issue is. The one-year warranty covers defects in workmanship and materials, which may include defects related to design. For more information about specific issues and their coverage, we encourage you to use [Home Explorer](#), the illustrated version of our Construction Performance Guidelines. You are also encouraged to contact Tarion at any time if you need guidance on whether a particular item in your home is covered.

#### **3. Do the new Warranty Info Sheets apply to purchase agreements signed before the info sheets were implemented on Feb 01, 2021?**

Starting February 1, 2021, the Warranty Information Sheet is a new attachment that Tarion is requiring vendors to attach to all Agreements of Purchase and Sale as an additional consumer education tool. Vendors are still required to attach an Addendum to all purchase agreements.

The Warranty Information Sheet is a concise outline of the warranty coverage that comes with a new home and also includes information about Tarion, the pre-delivery inspection, construction performance guidelines and warranty exclusions.

The info sheet also directs home buyers to additional information and resources to help them better understand their warranty rights and obligations.

**4. How are homeowners being informed of learning modules and other education resources?**

Tarion aims to provide new home buyers and owners with relevant warranty information when they need it. In early 2021, we introduced a welcome e-mail for those who have just signed a purchase agreement. The email provides information about the pre-delivery inspection and includes links to the learning modules and other Tarion resources where purchasers can learn more about warranty coverage.

The welcome email is just one example of how Tarion provides targeted warranty information to consumers. Other examples include our *Your Home Matters* e-newsletter and the automated email reminders sent out by our MyHome service at key stages in the warranty process. Tarion is continuing to explore additional ways to get the right information to consumers at the right time.

**5. Are elevators covered under the builders' warranty?**

If an elevator is installed by the builder in a freehold home, it would be covered under the warranty. In a condominium development, elevators would typically constitute part of the common elements and are covered under the common elements warranty managed by the condominium corporation. If it is a private elevator, the issue may be more complex but whether it is a part of the unit or an exclusive use common element, it should be covered under the statutory warranties. Any issues with common elements should be brought to the attention of the condominium board or property manager who are responsible for submitting common element claims.

**6. How does Tarion determine whether an item is covered under the warranty? Is the Construction Performance Guidelines 3<sup>rd</sup> edition book still current?**

A defect is assessed as warranted if it is found to be non-compliant with the building code or a defects in workmanship or materials. The Construction Performance Guidelines (CPGs) provide guidance on these two requirements. If a vendor does not address a defect which the owner believes is warranted, the homeowner can ask Tarion to conduct a conciliation inspection. The CPGs are guidelines and as a general rule a defect would be deemed warrantable if it is reviewed and assessed by Tarion as being non-compliant with the CPGs.

Conciliation is a process where Tarion assesses the items on a homeowner's warranty form and decides whether they are covered under the warranty set out in the Ontario New Home Warranties Plan Act.

In most cases, conciliation involves an inspection at the home and it would be during this inspection that the possible defect would be evaluated.

The CPGs for Freehold Homes and Condominium Units outlines work and material deficiencies in new homes and residential condominium units covered under the statutory warranty. The CPG provides a workable, measurable and practical reference point for the most commonly encountered kinds of defects in new home construction. They are intended to be consistent with the Ontario Building Code and not supersede it.

The CPGs were most recently revised in June 2019 and the current versions are available for download [here](#).

**7. As a new homeowner, should I hire a home inspector to assist with or carry out the Pre-delivery Inspection and help with warranty forms? Could Tarion consider offering recommendations or a program for home inspectors to conduct an inspection as add-on fee to the builders' warranty?**

Homeowners have the option of hiring a home inspector at their own cost to participate in their pre-delivery inspection or to help them in identifying issues for their warranty forms. Keep in mind that any issues you discover must be submitted to your builder and Tarion for warranty assistance. MyHome, Tarion's online service for homeowners, allows you to submit claims to your builder and Tarion simultaneously and upload inspection reports as supporting evidence.

To assist home inspectors hired by homeowners for warranty-related issues, Tarion offers [information for home inspectors](#) regarding various components of warranty coverage as well as the pre-delivery inspection.

**8. For homeowners that own multiple homes, can you login on a single MyHome account to access each homes' warranty account?**

MyHome's current design necessitates a unique account for every home enrolment. The ability to manage multiple homes from a single account is a feature we may consider in future improvements.

**9. Are common elements of a condominium such as stairwells, rooftops, parking garages covered under the builders' warranty?**

Yes. In addition to the warranty coverage on individual units, condominium projects have warranty coverage on their common elements. Unlike the unit warranty, which is the responsibility of the unit owner, the common elements warranty is managed by the condominium corporation. Tarion works with condominium corporations and builders to investigate and resolve common element issues.

**10. When was the last time delayed occupancy/delayed closing compensation were increased and when will payments be adjusted for inflation?**

\$7,500 is the maximum delay compensation a homeowner is entitled to under the statutory warranty, so it's the most that you can receive with Tarion's help.

However, receiving delayed closing compensation does not prevent you from seeking additional compensation from your builder.

This amount was set in 2008 and Tarion is not considering an increase at this time.

**11. How do homeowners find out what their Tarion enrolment number is?**

Your home's Tarion enrolment number is indicated on the Certificate of Completion and Possession that your builder provided to you at your closing. The enrolment number is required when registering for MyHome, Tarion's online service for homeowners, and for communicating with Tarion about your home. If you are not the original owner, or you are still unable to determine your home's enrolment number, please contact us for assistance.

**12. Can Tarion consider adding more space on forms for more photos? Can homeowners upload videos on forms?**

There is currently no limit on the number of photos that can be added to a warranty form submission via MyHome but the maximum limit per photo is 2MB. We are continually looking at ways we can improve our MyHome portal and we can look at the parameters for photo submissions as part of future upgrades. Although our MyHome portal does not currently allow for uploading of videos, this is a feature that we can consider for future upgrades.

**13. What steps are taken by Tarion when there are many homeowner complaints about a builder?**

Licensed builders and vendors of new homes are accountable for their conduct, competence, and financial responsibility.

Over the last year, we have implemented several policies and procedures to allow us to more proactively identify emerging concerns with builders. For example - our Risk Based Inspection Program allows for inspections to be conducted by Tarion throughout the construction process and to proactively identify emerging issues that may result in claims down the road.

The Home Construction Regulatory Authority (HCRA) investigates homeowner complaints about their builder's' conduct and enforces professional standards for competence and conduct in the home building industry. The HCRA's complaints process provides a pathway to bring concerns about a builder or vendor to HCRA's attention.

Complaints can be filed about a licensed builder or vendor online or in writing. More information is available from HCRA directly at [hcraontario.ca](http://hcraontario.ca)

**14. As a new home owner, if we did not get a Pre-Delivery Inspection due to COVID-19, should I home inspector to carry out an inspection?**

In light of the public health restrictions related to COVID-19, we understand that it might not have been possible to participate in an in-person pre-delivery inspection. In these

situations, Tarion's recommendation was that builders and homeowners each conduct their own inspections and document the condition of the home. It is up to you as the homeowner as to whether you decide to use a home inspector to assist with your own review of the home. The records of the homeowner and builder can serve as evidence of the state of the home close to occupancy and may be helpful in the event a dispute arises later as to whether an item of damage was caused by the homeowner or builder. In addition, the PDI form is not a Tarion claim form, so if an item is not noted on the PDI form this does not necessarily impact its warranty coverage. If a homeowner notes an item on their 30-day form which is not on the PDI, the item noted will still form part of their warranty claim.

Homeowners have the option of hiring a home inspector at their own cost to participate in their pre-delivery inspection or to help them in identifying issues for their 30-Day or Year-End warranty forms. Keep in mind that any issues you discover must be submitted to your builder and Tarion for warranty assistance. MyHome, Tarion's online service for homeowners, allows you to submit claims to your builder and Tarion simultaneously and upload inspection reports as supporting evidence.

**15. Can homeowners add additional items to the 30-day form if they already submitted one?**

You can add items to your 30-Day Form if you are still within the form submission period. Effective September 14, 2020, Tarion added a 10-day grace period on the 30-Day Form submission period. If your 30-Day Form submission period has expired, you can continue to report items to your builder for warranty assistance. You have another opportunity to report items to Tarion during the final 30 days of your first year using the Year-End Form.

**16. Where did Tarion stand in customer satisfaction? Any room for improvement?**

Each year, Tarion conducts a survey of homeowners to gather feedback on their experience with their builder as well as with Tarion's customer service. Tarion's 2020 Homeowner Satisfaction scores are available in our annual report which is posted on Tarion.com [here](#). The results of our 2020 homeowner surveys are also posted on our website and can be viewed [here](#).

**17. Is Tarion considering increasing the maximum compensation cap of \$300,000 ?**

Yes, Tarion is analyzing the current maximum limit and whether it appropriately reflects the costs of home construction in Ontario and will seek public input in early 2022.

**18. What is covered under the builder's warranty for new condo unit owners?**

Each unit in a condominium project has coverage for seven years to a maximum of \$300,000. A full outline of what is covered under the new home warranty can be found [here](#). A condominium project also has separate coverage for the common elements. Recently, the maximum coverage for common elements was increased to \$100,000 times the number of units in the project, up to a maximum of \$3.5 million (this applies to projects

where the first agreement of purchase and sale in the project was signed on or after February 1, 2021).

**19. Are gaps/cracks during the settling and aging covered under the builders' warranty?**

Cracks will often occur during the concrete drying process or the settling of a new home. Whether a gap or crack needs to be repaired depends upon the type of foundation, the size of the crack and its location. Tarion's Construction Performance Guidelines are a good resource for homeowners to refer to for guidance as to how Tarion will decide disputes between homeowners and builders regarding specific defects in work or materials. For example, according to the Construction Performance Guidelines, a crack of more than 2 mm in a block foundation wall and 6mm for cast-in-place foundation wall is unacceptable. The Construction Performance guidelines can be found on Tarion's website [here](#).

**20. Can a homeowner see how much of the \$300,000 coverage is spent on warranted item?**

When warranty claims are resolved, Tarion provides homeowners with a breakdown of the costs associated with the repairs.

**21. If I sell my home to another person, does the warranty continue?**

The warranty stays with the home regardless of changes in ownership. If someone purchases a resale home that is still under warranty, they must contact Tarion so that we can update our records to reflect the change in ownership. Once they are registered with Tarion as the new owner, they will have access to the remaining warranty coverage on the home.

**22. Are FRC reviews being supplemented by Tarion's new onsite review of risk items during the construction of new homes?**

Risk based inspections are for freehold and low-rise condominiums and are not meant to supplement any FRC reviews of high-rise condominiums.

**23. My building turned off heating too early when the weather was still cold. Does Tarion regulate the heating system in the building or is there any regulation that covers turning off heating?**

Tarion does not oversee or regulate when the heating or cooling system is turned on or off within a condominium building. For concerns regarding the regulation of the heating system, you should speak to the condominium board or property manager.

**24. Would Tarion consider requiring builders to use the Schluter system when installing showers?**

Tarion does not establish standards for plumbing systems in new homes – these are covered by the Ontario Building Code which is under the jurisdiction of the Government of

Ontario. With regard to water penetration issues, the changes to Tarion's emergency process allow for any water penetration issue to be reported at any point during the relevant warranty period so it can be dealt with on a priority basis. Tarion's new risk-based inspection program is one way that we are encouraging builder education and promoting better builder practices.

**25. Are Tarion's new procedures available for homeowners in the second or third year of home ownership?**

A number of these measures will provide protections and support for homeowners who are past the first year of their warranty, specifically Tarion's early intervention team and new independent mediation.

Tarion's early intervention process is designed for situations where the relationship between the homeowner and builder has become strained and/or the complexity of the issues make the warranty process difficult, and Tarion can provide assistance earlier in the process.

With Tarion new independent mediation, homeowners have access to a timely, cost-effective and independent way to challenge Tarion's warranty assessments through a mediation process, which has been shown to be a less formal and simpler process.

This mediation process allows homeowners with concerns about a claim to use independent, third-party mediation to attempt to resolve the issue with Tarion while avoiding costly and time-consuming legal proceedings.

**26. Why was the conciliation fee re-instated when some people have not recovered yet financially due to COVID-19?**

The conciliation fee was waived completely in 2020 and until the stay-at-home order was lifted in 2021.

The fee was implemented again for all forms submitted after March 1, 2021, which will not affect conciliations until late 2021, when accounting for extensions to the builder repair periods due to the emergency orders.

It is important to remember that the fee is actually a deposit – and will be refunded if there is even one warranted item found at the conciliation.

Tarion will also waive the fee on financial hardship and other such grounds upon request of the homeowner. The fee is not meant to recoup costs but to act as deterrent to unnecessary conciliations, and given the current health situation, Tarion does not want to encourage unnecessary in-person conciliations.

**27. Are there any performance guidelines regarding outside building walls temperature uniformity in winter? Temperature variations could reveal insulation issues.**

Yes, for more information regarding insufficient insulation, please refer to [Article 8.7 of the Construction Performance Guidelines](#).

**28. Is the quality of building material used and work done included in the scope of the builder's warranty?**

Yes, the warranty protects against defects in the builder's workmanship and the materials used in the construction of the home. For a more detailed breakdown of the coverage, [click here](#).

**29. How can Tarion contribute to ensure that the quality of construction is not compromised?**

Tarion's new risk-based inspection program encourages builder education and promotes better builder practices. Tarion developed and launched the program to conduct inspections of homes during the construction process. The goal is to identify root causes of deficiencies (e.g., substandard building practices) to encourage builders to improve construction practices and reduce the risk of future problems.

The program consists of two types of inspections. The first is the proactive Site and Practices Inspection, which involves one-on-one meetings with high-risk builders and a review of the entire job site, including sample homes. This type of proactive inspection has been successful in identifying issues with building practices – for example, a builder allowing finishing trades in before a home is watertight or failing to install proper flashing before adding cladding to the home. In both cases, these practices can lead to water penetration, but pinpointing them during construction allows for changes that can help protect all the homes in a project and avoid future warranty claims.

The second type of inspection is a Targeted Construction Inspection triggered by complaints from homeowners, a builder's claims history or findings from a Site and Practices Inspection. These are technical inspections that focus on a specific element of the building – for example, condensation on basement insulation – and can help ensure that the cause of a problem is identified and corrected before the home is completed.

**30. During the performance audit process we are seeing more and more deficiencies in what is provided for fire code compliance. Fire services tells us that they have been directed not to get involved in occupancy inspections. Can Tarion create a set of specifications or at least clarification of what must be in place for condominiums?**

Tarion has no jurisdiction over occupancy requirements which is the responsibility of the municipality. Any fire code, smoke control and related Ontario Building Code violations can be reported to Tarion within the applicable warranty period by the Condominium Corporation and would be addressed through our claims process.

**31. During the gap of time between the Pre-Delivery Inspection (PDI) and closing date, the builder has access to the house and owner does not. If something critical gets damaged, which won't be in the PDI, what's the procedure to add it in PDI?**

There are three things we recommend that you do. First, document the situation as thoroughly as you can with photos. Second, communicate the situation immediately to your builder and Tarion. We can add a note on your file that, if necessary, can be referenced if a dispute arises over who caused the damage. Finally, [register for MyHome](#) after you take possession and report the items to your builder and Tarion on your 30-Day Form. Be sure to attach your supporting documentation to your form.

**32. I would have liked a “cheat sheet” to know what Tarion can do for me as a new home buyer. I got a manual that felt more like a course than a helpful manual. Do you have something?**

Our recently revamped *Warranty Coverage for New Homes in Ontario* brochure provides a concise overview of warranty coverage, the pre-delivery inspection, Tarion's role, and more. It serves as an excellent introduction to the new home warranty, and it is our hope that builders provide a copy of it to all new home buyers at the time of purchase.

[Click here to view the freehold and contract home edition.](#)

[Click here to view the condominium edition.](#)

**33. I have bought separate home insurance in case there is issue or emergency in my house. Is there any conflict with builder's warranty and my purchased insurance?**

Under the Ontario New Home Warranties Plan Act, builders are legally required to provide a warranty to new home owners which is backstopped by Tarion. Details on what is covered under the builder's warranty is available on our website [here](#). If you have an issue with your home which is covered by the builder's warranty, you should submit a claim to your builder and Tarion first. If an item is not eligible under your builder's warranty then you may want to submit a claim under your private insurance policy.

**34. How do we know if our builder is a high-risk builder?**

You can look up your builder in the Ontario Builder Directory which is now hosted by the Home Construction Regulatory Authority on their website [here](#). The directory includes a builder's licence status, their warranty claims history and any past convictions.

**35. Does Tarion inspect all new builds in Ontario? What are the overall delays for the inspections being completed and does that affect registration?**

Site and Practices Inspections make up the majority of inspections conducted under Tarion's Risk-based Inspection program. These inspections are focused on the overall construction processes used by the builder and not individual units. Therefore, this process

is not expected to introduce any construction delays. Tarion does not inspect all new builds in Ontario. The inspection of individual buildings remains the responsibility of the local municipality under the Ontario Building Code.

Where issues are identified, Tarion may conduct Targeted Construction Inspections of specific buildings or components to ensure risks are properly mitigated. These inspections may involve coordination with the local municipality.

The core objective of the program is builder education and promoting better building practices. However, systemic issues associated with individual builders may be considered a risk factor during the review of future registrations.

More information on Tarion's risk-based inspection program can be found on our website [here](#) and in [Registrar Bulletin 9](#). For inquiries about the inspection program, contact us at [RBI.Program@tarion.com](mailto:RBI.Program@tarion.com).

**36. If my builder is not addressing issues during the occupancy period, do we have any recourse till the registration is complete?**

The warranty coverage on your condominium unit provided by your builder and backed by Tarion takes effect on your occupancy date. Any items related to your unit that you report to your builder and Tarion during interim occupancy are subject to the regular warranty claims process. This means that your builder is given a repair period in which to address the items that are covered by the warranty, and that you can ask Tarion for assistance if these items are not resolved. For more information about the warranty claims process, please visit our [Learning Hub](#).

The warranty coverage on the common elements, or shared areas outside of your unit, takes effect on the date your condominium project is registered with the municipality. Your condominium corporation is responsible for managing this warranty and for working with the builder and Tarion to get common element issues resolved.

**37. Are builders allowed to pass along the enrolment fee to the purchaser?**

Yes. This one-time fee is relatively small compared to the purchase price of a home and the warranty coverage of up to \$300,000 that enrollment of a home entitles a new home buyers in Ontario to receive, with the average enrolment fee being only of \$1,025.

The enrolment fee supports the operating costs of Tarion, including:

- claims administration,
- public education,
- builder education,
- targeted inspection programs,

Ongoing stability of the Guarantee Fund to ensure homeowners are covered for future warranty obligations and catastrophic claim events are covered.

Additionally, as of February 1 of 2021, Tarion has lowered home enrolment fees by \$55 per enrolment which will reduce the average enrollment from \$1,080 to \$1,025.

**38. Due to COVID-19, were warranty periods extended like the repair time for the builder?**

No, warranty periods were not extended; however, Tarion did suspend form deadlines while applicable provincial orders were in effect.

**39. I am an offsite owner and am not aware of what repairs have been performed on my property. How does the Tarion site provide updates onsite inspections and repairs performed?**

Tarion's MyHome portal allows homeowners to track their warranty claims and submission deadlines but it does not track the status of individual items. Builders should advise their homeowners regarding repairs that are underway or have been completed. Homeowners are responsible for advising Tarion if warranted repairs are not completed within the applicable repair period or not completed to a homeowner's satisfaction. If you are not living in the home, you may want to designate another person to advise you of the status of repairs to your home so you can request a conciliation if needed for any outstanding work.

**40. Real Estate lawyers are often scared of builders and are not well educated. They seem to be only working for getting the paperwork done basically they advocate builders instead the buyer s how can we change this scenario?**

The Law Society of Ontario (LSO) enforces the rules that apply to lawyers. If you have concerns about your lawyer, you can reach out to LSO at [lawsociety@lso.ca](mailto:lawsociety@lso.ca)

**41. Are new homeowners required to register for MyHome and if they do not, will their warranty coverage be impacted?**

A MyHome account is not a requirement, but it is the easiest and most convenient way to submit claims and stay on top of things. Warranty coverage begins on the date of possession or occupancy, and the first opportunity to submit a warranty claim is within 30 days of the warranty start date. As a result, we strongly encourage homeowners to register for MyHome as soon as possible after possession or occupancy. Homeowners who delay registration too long may end up missing important warranty timelines.

**42. What is the timeframe for a conciliation and ss there a fee for inspection?**

Builders are given an initial repair period of 120 days after a homeowner submits a warranty claim form to resolve the items on the form that are covered under the warranty. If items are not resolved at the end of this repair period, homeowners have a 30-day window in which to request a conciliation from Tarion. This information is included in the letter that Tarion sends to homeowners when a warranty form is submitted. There is a fee of \$282.50 (\$250 plus HST) for a conciliation, and it is refunded to the homeowner if Tarion determines

that at least one item we assess is covered under the warranty, or if the homeowner no longer requires the conciliation and cancels it with sufficient advance notice.

#### **43. How do I know what is covered in the warranty?**

Tarion has numerous resources across various types of media to help you learn about warranty coverage. First and foremost, our website, [Tarion.com](https://www.tarion.com), provides detailed information on all areas of the warranty. Our recently revamped *Warranty Coverage for New Homes in Ontario* brochure gives a brief overview, and is available in both [freehold and contract homes](#) and [condominium](#) editions. Our new [Learning Hub](#) features a series of e-learning modules that you can use when you want more focused information about a particular topic. You can also visit our [Open Door blog](#) for articles and podcasts, and our [YouTube channel](#) for helpful videos. Finally, if you have a specific issue in mind and are wondering if it is covered, we recommend that you consult our [Construction Performance Guidelines](#). The Guidelines provides warranty information on many of the most common issues reported to Tarion.

#### **44. Are appliances covered under the second year?**

The statutory new home warranty does not provide coverage for appliances, such as refrigerators or stoves, even though they may be included with your home and installed by your builder. For further assistance, you may wish to contact your builder and/or the manufacturer.

#### **45. The conciliation period and deadline for builder to finish repairs for the 30-day form were moved from January 2021 to July 2021 by Tarion. From January 2021 to June 2021, there was no conciliation fee. But in July, the conciliation fee was reimposed. Why do I lose the benefit of conciliation without a fee when Tarion moved the deadlines from January 2021 to July 2021?**

The conciliation fee was waived completely in 2020 and until the stay-at-home order was lifted in 2021.

The fee was implemented again and only impact forms submitted **after March 1, 2021**, which will not affect conciliations until late 2021, when accounting for extensions to the builder repair periods due to the emergency orders.

It is important to remember that the fee is actuality a deposit – and will be refunded if there is even one warranted item found at the conciliation.

Tarion will also waive the fee on financial hardship and other such grounds upon request of the homeowner.

**46. How are construction performance guidelines established and modified?**

The Construction Performance Guidelines are meant to complement the Ontario Building Code and provide guidance as to how Tarion will decide disputes between homeowners and builders regarding work or material concerns raised by the homeowner. The goal is to keep the guidelines current with industry practices and we conduct periodic reviews of the articles and invite consumer and industry feedback as to how the guidelines can be improved. Comments on the guidelines can be submitted at any time by clicking [here](#).

**47. During interim occupancy, is the builder responsible for updating owners as to a closing date?**

The Firm Occupancy Date – the date you are expected to obtain interim occupancy – is a Critical Date referenced in the Addendum and Statement of Critical Dates attached to your agreement of purchase and sale. The vendor is obliged to give you notice of the Firm Occupancy Date.

**48. Why do you pay the Consumer Ministry \$499,000 per year for oversight? What exactly in "oversight" does this include?**

An administrative agreement between the Minister of Government and Consumer Services and Tarion came into effect on February 26, 2021. This agreement improves oversight, accountability, and transparency, and replaces Tarion's former accountability agreement.

The agreement sets out new legally-binding rules for Tarion, including:

- Requirements for reporting, including publishing an annual report and business plan;
- Commitments regarding governance and the New Home Ombuds;
- Competency requirements for board members and a code of conduct for directors;
- Rules around privacy and access to information;
- Requirements for policy development, consultation, and regulatory changes; and
- Operational commitments, performance indicators, and targets to measure Tarion's performance and to ensure its mandated responsibilities are met.

The oversight fees go to cover the cost of Ministry resources to oversee the execution of the administrative agreement.

**49. What criteria are your senior executive bonuses based on? Do these comprise 60% of some of your executive's compensation?**

We are proud to be the first Administrative Authority to publicly disclose executive compensation.

Following the Auditor General's Report, we have revised our key performance indicators and removed any element which could be seen to be impacted by expenses or claims. As part of these changes, we have established new metrics with a greater focus on consumer

experience. Our new metrics better reflect our priorities of modernization and service improvements. Now executive compensation is tied to:

- Homeowner Satisfaction
- Implementation of Auditor General Recommendations
- Transformation and support of new regulatory authority

Also, a third-party expert reviewed comparable organizations including the public sector with respect to bonus pay methods. In response to this - and based on expert, third-party analysis - executive bonus pay has been cut by more than half and now represents 15-30%.

**50. In Tarion’s mediation program, does Tarion have the power to veto a self-represented homeowner's silent representative or friend? Are Tarion lawyers present?**

We are helping homeowners by providing access to a more timely, cost-effective and independent way to challenge Tarion’s warranty assessments through a mediation process, which has been shown to be a less formal and simpler process – and homeowners can bring an individual in to support them if they wish. Tarion has no policy that limits homeowners from bringing people to support them in the mediation.

These mediations are in a non-legal setting and Tarion will not be using legal counsel.

Additionally, there is now a regulation in place under the Act that governs the mediation process.

**51. Is the amount that was paid out last year in claims is reasonable to the new total sales?**

Overall, our claim payments to homeowners have been going up. Since 2015 our total compensation to homeowners has gone from \$11.6 million to \$23 million – a 100% increase.

Tarion’s operating costs reflect its consumer protection mandate, and costs relating solely to adjusting claims are only a portion of the expenses that Tarion takes on to deliver this mandate.

Costs which Tarion undertakes for the benefit of Ontario homeowners which are separate from claim adjusting including homeowner and builder education, conducting the underwriting of builders, providing a digital claims management system (MyHome portal) for handling and tracking of warranty requests, and providing a customer service contact center available to homeowners and builders to assist with warranty information.

Therefore, claim payouts to homeowners are only one of the many functions Tarion fulfills as we provide services to homebuyers across Ontario – we also:

- Conduct thousands of inspections every year,
- Answer over 150,000 calls and emails from homeowners and builders,
- Review over 50,000 forms submitted by homeowners,
- Conduct 100's of Builder education sessions both in-person and online,
- Conduct hundreds of early interventions to assist homeowners.

In 2020 and on, operating costs will also include additional spending relating to implementing consumer protection initiatives responsive to the 2019 Report of the Auditor General of Ontario.

As indicated, while it is important to continually monitor overall costs to ensure that there is value for money, it is not correct to compare amounts for claims paid and enrolled homes or operating expenses.

**52. Does the feedback provided from homeowner surveys result in improvements at Tarion?**

Tarion's annual homeowner surveys are an opportunity for homeowners to provide important feedback on their builder. This feedback is compiled and shared with builders along with how they compare with other builders in their size category as well as the top builders in their category. The goal is to help builders identify areas where they can improve and to enable them to track their performance year to year.

**53. Is Tarion more on the builder or the owner's side or is Tarion unbiased?**

Our mandate, as the administrator of Ontario's new home warranty and protection program is consumer protection.

We are committed to both protecting consumer rights, while also ensuring that builders have consistent and predictable standards to follow. We prioritize transparency, fairness and predictability for all parties.

Working to demonstrate a fair, balanced approach is not a one-off exercise, but requires a sustained effort and we are committed to taking this challenge seriously so that all stakeholders can have confidence in the integrity of their home warranty and protection program.

**54. There was a serious story in the press a few months ago about builder conduct in a new home construction site. Is this a case where that company is penalized by Tarion and documented in the directory?**

Licensed builders and vendors of new homes are accountable for their conduct, competence, and financial responsibility.

Under their mandate, the Home Construction Regulatory Authority (HCRA) will investigate homeowner complaints about their builder's' conduct and enforce professional standards for competence and conduct in the home building industry.

The HCRA's complaints process provides a pathway to bring concerns about a builder or vendor to HCRA's attention.

Any homeowner or member of the public can file a complaint about a licensed builder or vendor online or in writing. More information is available from the HCRA directly at [hcraontario.ca](http://hcraontario.ca)

**55. Our builder pressured us to sign a “Letter of Intent” (meaning a document that the builder could fix our defects but at their leisure vs. going through the normal Tarion steps i.e., Conciliation, etc.) Is it legal and/or normal practice for a builder to pressure a homeowner to sign a Letter of Intent?**

If you have issues or concerns about the legality of agreements between yourself and your Vendor, please consider speaking with a lawyer. Only your lawyer can provide you with legal advice.

Generally, Vendors and Owners can come to an agreement to suspend repair timelines with respect to items properly reported to Tarion on a statutory warranty form. The purpose of these types of agreements is to facilitate the resolution and repair of items promptly and in a safe manner.

The parties would acknowledge that the agreement is not an admission on the part of the Vendor that the items listed in the agreement are covered by the statutory warranty, nor is it a waiver of any rights the Owner may have in respect of those items under the Ontario New Home Warranties Plan Act, including the right to request a conciliation.

The Owner and the Vendor would work cooperatively to schedule and complete the service/repair work necessary to resolve the items listed in the agreement.

If the items are not repaired by the deadline referenced in the repair agreement, the homeowner must request conciliation within the timeframe set out in the repair agreement. Tarion will then reinstate the statutory timelines and the conciliation and claims process will proceed with respect to the non-repaired items. If the homeowner does not request a conciliation within the appropriate timeframe, the items referenced in the repair agreement are deemed to be resolved/withdrawn.