

2016 Annual Public Meeting: Additional Questions and Answers

August 2016

Questions

If we have construction issues and wish to have them accessed under the one year warranty, do we need to wait until then or can we relay them to you now?.....	5
How do we access your site to get the one-year warranty form?	5
How do you inquire if there is actually a maintenance company employed by our condominium? Due to the fact property is not been maintained... garbage, shoveling of snow not done, grass/landscape not maintain, etc. What do I do if it's a year and my one year warranty work is still not completed?	5
How long is a builder responsible for poor workmanship if it eventually causes problems and therefore money to repair? How should one go about getting reimbursed for expenses?	6
If you have not identified a problem on the first 30 day form can you put it on your one year form, and must you wait all that time to do so?	6
What should I do if my new home closing date is getting delayed due to Labour strike? My builder is currently affected by the union strike. What can Tarion do to help me?.....	7
Can a homeowner opt to fix defects by the builder themselves and by hiring a contractor and then getting compensated for it?.....	7
How do you notify Tarion if you are now the new owners of a house that is less than seven years old and still under warranty?.....	8
What is the Tarion warranty on outside cladding such as siding and brick work?.....	8
We found out that our builder is retiring through our local newspaper. We have not received any formal letter notifying us of his retirement but the newspaper stated he will honour warranties. What will be the consequences of his retirement to our new home warranties?	8
Could you please provide more info if considering to buy a model home? What is covered under warranty?	9
How is Tarion a bridge between new home buyers and builders and how is Tarion beneficial for new home buyers?	9
If I finish the basement under permit (meaning it's done to meet building code) what affect does it have on my warranty? Is there a minimum time I must wait before I can finish the basement?	10
How does Tarion handle mould issues in an attic? Do Tarion representatives check the attic personally?	10
Who is responsible to protect homeowners from having to occupy unfinished and unsafe buildings?	11
(and) Is Tarion aware that homes are being delivered in an unfinished state and homeowners must take occupancy? Is it possible to set higher standards and therefore change this law?.....	11
(and) Why does the law allow a builder to deliver a home that is not even close to be finished just because there are no structural issues?	11
I would like to know the full recourse a new homeowner has if the Delayed Occupancy claim is denied by both builder and Tarion.	11
For items that are not present or installed on or before the closing date, but are installed months after the closing date or possibly still missing at time of Year-End, how do these items receive their applicable warranty protection from Tarion (in most cases up to one full year)? For example, sod.....	12

What if we discover issues that need to be fixed immediately, and they can't wait for the one-year claim deadline? What should we do?..... 13
 (and)
 What happens when there are urgent issues (i.e. plumbing leaks) that need immediate responsiveness from the builder? Does the homeowner need to follow the standard Tarion timeframe (i.e. 3 months on the 30 day submission) or is the builder required to correct an urgent issue such as a leak? 13
 When can we get a home inspection done? How can we go about getting important things looked at like electrical, creaking floors and plumbing problems? 14
 Is there any compensation for the home owner if the PDI or Pre-Delivery Inspection, and 3 month warranty deadlines are breached?..... 14
 After 5 years of purchasing the house what is still included in warranty?..... 15
 Where is it stated in the Agreement of Purchase and Sale what is/isn't covered under warranty for a condominium's common elements? For example: saunas/pools. 15
 What is the point of purchasing a Tarion home warranty when you don't really warranty a whole lot and it is difficult to remedy and rectify deficiencies in the home? 15
 With all the experience that Tarion has answering peoples queries over the years, why haven't you come up with a guidance on most common issues/defects and if its warrantable or not? 16
 If we sell our home does the warranty stay with the next owner? 17
 Does Tarion exist to protect the home buyer or the builder? 17
 Is there any time period within which a condo must be registered? 17
 Why aren't all warranty claims and complaints against a deficient builder's work made public? 18
 Is the builder permitted to place the costs of the Tarion Warranty onto the purchaser by way of a closing "adjustment"? 18
 On the Tarion website it says it is the builder's responsibility 1) to give the Homeowner Information Package when we sign up, during the construction phase and 2) to conduct the PDI or Pre-Delivery Inspection. Who is in charge of enforcing these responsibilities in case the builder does not fulfill his or her responsibilities? 19
 Why do builders have such a long period to finish things on the 30 day form? Seems like an awfully long time and unfair. 19
 You announced at last year's APM you'd hired a dispute resolution lawyer in January 2015 to review Tarion's dispute resolution process. Several consumers volunteered their time to provide input to the reviewer. What has become of this study which seems to have taken 10 months? What did it cost, and what benefits, if any, did it bring to consumers? 20
 Do you keep files on each builder, and are complaints against these builders available for new home buyers to peruse? 21
 If a builder does not fix something covered under the warranty, does that builder get to continue to build? How do you enforce anything on builders? 21
 (and)
 What is my recourse if a builder does not fulfill his commitments? What does Tarion do in order to ensure that the buyer's notes/complains that are listed in the 30-Day and 1-Year forms are resolved? I have a major complain that I reported in the 30-Day form, but the builder didn't resolve it yet. I completed the 1-Year form on Mar 20, 2016, and I listed the same major complain but I didn't receive any response from the builder yet.... How can Tarion support me on that? 21
 What can be done if a buyer has chemical sensitivity to the materials used by the builder? 22

Why does Tarion allow up to two X 4 month delays prior to requiring the builder to pay compensation? Do you not think that this 2 X 4 month allowable delay time frame breeds incompetence? 1. What is the criteria for Tarion to accept the first closing date from a builder to be accurate and attainable? 2. How is the Tarion warranty protecting the homeowner if the dates that were given for the second and third closings were based on inaccurate and unattainable first closing date? 3. Why is this warranty only protecting the builder until after the third closing date is not met? 22

Why isn't Mattamy Homes on the Homeowners' Choice Awards list? I have had nothing but admiration for their customer service excellence since my closing over five years ago..... 23

Shouldn't the 120 day period be only for small finishes and not for huge unfinished work such as homes delivered with plywood as opposed to real flooring the owner paid for, for instance? 23

Given the frequencies of long delayed closing with different builders, would Tarion consider to increase the compensation beyond to the maximum of \$7,500? 24

When problem builders are identified and they fold, how does Tarion exercise due diligence to ensure they do not re-invent themselves under a new name with different people at the helm?..... 24

How long is the builders licence to build good for? Do they have to renew every year? Do all municipalities request proof from a builder that they are a Tarion registered builder? What happens when someone says they are building for themselves, get a permit to build, then put it up for sale? 25

If you only warrant a \$40,000.00 deposit, can a builder require you to place a larger deposit on a home, considering you only warrant up to \$40,000? If so, how is your deposit then warranted?..... 25

Does Tarion check whether sub-trades hired by Tarion-licensed builders are qualified or licensed?..... 26

Does Tarion check whether builders properly supervise their construction sites? 26

If we have construction issues and wish to have them accessed under the one year warranty, do we need to wait until then or can we relay them to you now?

In your first year of possession you have two opportunities to file a statutory warranty claim:

1. A 30-Day Form may be submitted during the first 30 days of possession. It should list any unresolved warranty items from the Pre-Delivery Inspection and any new items that have come up since you obtained possession of the home. Note: Complete this form with care as Tarion will only accept one (the first submitted) 30-Day Form.
2. A Year-End Form may be submitted during the last 30 days of the first year of possession. It should list any items that are still unresolved and any new items that have come up. Note: If more than one Year-End form is submitted, only the last form will be accepted as the reference document for claim purposes.

More information on the warranty process can be found [here](#).

[\(Back to the top\)](#)

How do we access your site to get the one-year warranty form?

The easiest way to access warranty forms and ensure timely submission is to use our online [MyHome portal](#). [MyHome](#) lets you easily and conveniently manage your warranty online. MyHome users also receive email alerts about deadlines and convenient online correspondence about their claims.

Warranty forms can also be submitted by courier or mail. If you would like to use a paper form, please call us at 1-877-982-7466 to obtain a copy.

[\(Back to the top\)](#)

How do you inquire if there is actually a maintenance company employed by our condominium? Due to the fact property is not been maintained... garbage, shoveling of snow not done, grass/landscape not maintain, etc. What do I do if it's a year and my one year warranty work is still not completed?

If you feel your new condo is not being properly maintained, inquire with your builder or board of directors and ask for the name of the property management company and when they can expect to start seeing progress.

In order to get a resolution with warranty issues, home buyers must follow the warranty process by submitting a form and allowing the builder up to 120 days to repair the defects. If a builder does not complete the work within the builder repair period, the homeowner has 30 days to request a Conciliation Inspection where Tarion will come and inspect the defects. If they are deemed warranted by Tarion, the builder will be given a chance to fix the defects. If the builder does not or cannot perform the work, Tarion will resolve the claim directly with the homeowner.

[\(Back to the top\)](#)

How long is a builder responsible for poor workmanship if it eventually causes problems and therefore money to repair? How should one go about getting reimbursed for expenses?

There are a number of different warranties with different time periods, generally: a one year warranty for poor workmanship and materials, and OBC violations; a two year warranty for serious OBC violations, water penetration and other items; and a seven year warranty for major structural defects. If the concern is poor workmanship on a repair done by the builder, Tarion has a longstanding but informal policy that repairs to warranted items, whether made by the builder or Tarion, should be warranted for one year.

Tarion is currently looking to formalize this repair policy and provide more protection to consumers. In December of 2015, Tarion initiated a public consultation on this policy. We believe that there is a need for a formal policy that clearly requires the builder, and Tarion if necessary, to be accountable for failed repairs. We think formalizing this policy will provide clarity and consistency for all parties involved and enhance consumer protection. Some questions that we asked during the consultation include: Should repairs continue to be warranted for one year from the date of the repair, and if not, what is a reasonable extension of warranty once a repair is made? Should there be a formal, written policy on how to address failed repairs? We are currently reviewing the feedback provided and will be updating the policy accordingly.

[\(Back to the top\)](#)

If you have not identified a problem on the first 30 day form can you put it on your one year form, and must you wait all that time to do so?

If you have missed the 30-Day Form deadline, your next opportunity to submit a warranty claim is on the Year-End Form. A Year-End Form may be submitted during the last 30 days of the first year of possession. It should list any items that are still unresolved and any new items that have come up.

[\(Back to the top\)](#)

What should I do if my new home closing date is getting delayed due to Labour strike? My builder is currently affected by the union strike. What can Tarion do to help me?

Please note: The residential trade strikes referenced in this question have now ended. Although the strikes are over, it will take some time before the various trades and builders are able to work through the bottlenecks that have accumulated.

A strike is considered an unavoidable delay.

However, builders must also do their part in order to claim an unavoidable delay.

The Addendum to your purchase agreement outlines specific rules that builders must follow. These include when to inform the homeowner, providing an estimate of how long the delay will last and supplying written notice when the delay has ended.

Home buyers and builders can call Tarion if they have questions about the strike and how it may impact them. We have also posted [information](#) on our website for home buyers and builders who are impacted by these strikes.

Buyers may be impacted differently depending on what is in their Agreements of Purchase and Sale. We encourage buyers to call Tarion to get more information on how the strike may impact their individual home.

[\(Back to the top\)](#)

Can a homeowner opt to fix defects by the builder themselves and by hiring a contractor and then getting compensated for it?

Ontario's new home's warranty is provided by your builder and so, as a general rule, the builder should be provided an opportunity to address deficiencies. Tarion backstops the builder's obligations. The warranties include protection against defects in workmanship and materials, violations of the Ontario Building Code as well as major structural defects. If you notice defects in your new home, make sure you follow the warranty process. Submitting warranty forms can be done online, and it will trigger a mandatory builder repair period. Any alterations, deletions, or additions made by the homeowner would most likely not be eligible for reimbursement.

If you experience an issue that needs urgent repairs, both your builder and Tarion have emergency contact information and procedures in place to handle these situations. Only if you cannot reach your builder or Tarion, should you hire another contractor. In that case, ensure the contractor provides a detailed report of the emergency problem and provides an invoice explaining the method of repair. The emergency warranty process for Tarion is described [here](#).

[\(Back to the top\)](#)

How do you notify Tarion if you are now the new owners of a house that is less than seven years old and still under warranty?

If you purchase a new home that is less than seven years old, call into Tarion to advise us that you are now the owner of this property. Tarion will ask for documentation (such as a statement of adjustments and copy of your deed) to confirm that you are now the legal owner of the house. Once the documentation is received we will update our system with your contact information.

Once you take possession of your new home you can also contact Tarion directly to inquire whether there are any past or pending claims on the house or condominium. Previous claims may reduce the amount of warranty coverage available on a home.

[\(Back to the top\)](#)

What is the Tarion warranty on outside cladding such as siding and brick work?

Defects to exterior cladding such as brick or siding is covered under warranty for two years. For more details on what is covered under the warranty, visit the Construction Performance Guidelines. [On this link](#), under “Exterior Finishing” you will find information that explains the warranty coverage for exterior cladding.

[\(Back to the top\)](#)

We found out that our builder is retiring through our local newspaper. We have not received any formal letter notifying us of his retirement but the newspaper stated he will honour warranties. What will be the consequences of his retirement to our new home warranties?

Ontario’s new home warranty is provided by your builder, and backed by Tarion. If a builder cannot or will not fulfil his/her warranty obligations, Tarion will step in.

All new home owners must follow the same warranty process. It starts with submitting a claim within the specific warranty deadlines. If your builder does not fix warranted defects within the builder repair period, homeowners can contact Tarion to schedule a Conciliation Inspection. We will attend your home, and review the defects in question. If we agree that the defects are covered under the warranty, your builder will have an opportunity to fix the defects. If he/she does not, Tarion will resolve the claim directly with the homeowner.

This process holds true even if your builder retires. In this case, he/she is still obligated to fulfil their warranty obligations. If he/she does not fix any warranted items, Tarion will step in and resolve the issues.

[\(Back to the top\)](#)

Could you please provide more info if considering to buy a model home? What is covered under warranty?

Although model homes are covered under the new home warranty, there can be slight modifications to the coverage. For example, since the home has been used as a showcase for many prospective homeowners, it can have acceptable normal wear and tear such as chipped floors or peeling paint. New home buyers are usually asked to sign a document listing and agreeing to accept these kinds of known wear and tear defects. Buyers of new model homes are strongly encouraged to inspect the extent of any damage beforehand so they know what defects they are agreeing to accept. The statutory warranties will not apply to defects where you agree in writing to accept specific defects in the home.

[\(Back to the top\)](#)

How is Tarion a bridge between new home buyers and builders and how is Tarion beneficial for new home buyers?

Tarion works hard to find solutions when a new home owner and builder cannot come to an agreement. We act as a facilitator to resolve claims in a proper and fair manner. The vast majority of warranty issues are resolved either by the builder directly or through our facilitation efforts. This is based upon communication between homeowners and builders and with Tarion's assistance and intervention as necessary.

If a homeowner and builder cannot come to a resolution on their own, the homeowner can request Tarion's involvement through a Conciliation Inspection. In these instances, we will come to your home and inspect whether the claim is warranted. Most warranty issues that reach this escalated level are resolved through conciliation.

There are times when a homeowner and builder cannot reach a satisfactory resolution on their own before the conciliation inspection. This is why Tarion recently introduced an Early Intervention Process. The Early Intervention Process allows new home owners and/or builders to request Tarion's involvement early if the relationship between the two parties has become severely strained. In 2015, over 50 cases were successfully resolved with Tarion's involvement through Early Intervention.

Tarion is here to support new home buyers and owners throughout the new home experience. We can be reached at 1-877-9-TARION.

[\(Back to the top\)](#)

If I finish the basement under permit (meaning it's done to meet building code) what affect does it have on my warranty? Is there a minimum time I must wait before I can finish the basement?

Many builders include a clause in the Agreement of Purchase and Sale that states you should not finish your basement within the first two years of possession. One reason for this is that it keeps the foundation walls visible and accessible as the house settles.

Additionally, keep in mind that if a renovation damages an item under warranty, then that item will no longer be covered. This applies to all renovations and most non-builder repairs done to a new home (emergency repairs are permitted). The new home warranty is a builder's warranty. As soon as you or someone other than your builder starts renovating or repairing your new home, it may affect your warranty rights.

[\(Back to the top\)](#)

How does Tarion handle mould issues in an attic? Do Tarion representatives check the attic personally?

A Tarion representative or a third party consultant hired to assist Tarion will investigate attic spaces for mould if necessary. It is important to note that Tarion assesses mould issues in attics differently from mould or mildew found in other parts of a home. This is because attics are not part of a home's interior living space, and do not require the same kind of remediation that is needed for actual living spaces.

Unless there is evidence of rot or extreme mould as a result of a builder defect, such as poor ventilation or leakage, repairs are neither required nor a prerequisite to removing mould from an attic. In instances where extreme mould located in an attic is the result of a builder's defect, it may be remediated by a procedure known as dry ice blasting.

[\(Back to the top\)](#)

Who is responsible to protect homeowners from having to occupy unfinished and unsafe buildings?

(and)

Is Tarion aware that homes are being delivered in an unfinished state and homeowners must take occupancy? Is it possible to set higher standards and therefore change this law?

(and)

Why does the law allow a builder to deliver a home that is not even close to be finished just because there are no structural issues?

The Ontario Building Code and municipal officials determine the criteria for when new homes are considered fit for occupancy. The criteria relate mostly to health and safety matters – not only structural; and do not necessarily relate to the level of completion of finishes. Municipal building officials determine whether a building, or particular floor of a building, are fit for occupancy. It's up to municipal officials to decide whether it is safe for homeowners to occupy a building or building unit.

Nevertheless, this issue has been raised before. We do hear from some condo buyers that they feel as if they're living in a construction zone. Condominium buildings typically take a long time, sometimes years, to complete. Often a condo will have many hundreds of units when completed but since construction starts at the ground floor, those units on lower floors are ready for occupancy well before units on higher floors. This can and does lead to new home owners moving in months before all of the upper units, or even the condominium common elements, are complete.

As a new home buyer, if you feel you are living in an unsafe environment, please call Tarion. If after assessing the situation we agree that the building is not fit for occupancy, we will work with the builder to make sure it is made to be safe.

[\(Back to the top\)](#)

I would like to know the full recourse a new homeowner has if the Delayed Occupancy claim is denied by both builder and Tarion.

If you disagree with a warranty assessment made by Tarion, you can request a decision letter from us that will enable you to submit an appeal to the independent office of the Licence Appeal Tribunal (LAT).

The Tribunal's rules state that you must submit your appeal to LAT within 15 days of receiving our decision letter and there is a \$100 non-refundable fee payable to LAT at the time of filing the appeal.

You do not require a lawyer in order to appeal to LAT but you can be represented by one if you wish.

LAT is a completely independent adjudicative agency created by the Ontario government with the mandate to provide a fair, speedy and impartial way to appeal a variety of compensation claims or licensing activities.

[\(Back to the top\)](#)

For items that are not present or installed on or before the closing date, but are installed months after the closing date or possibly still missing at time of Year-End, how do these items receive their applicable warranty protection from Tarion (in most cases up to one full year)? For example, sod.

If an item is incomplete or has not been installed, new home owners are advised to note this on their warranty form.

Sod is an example of a seasonal item, and may be subject to specific -seasonal - timelines. Seasonal Warranty Items are exterior items (outside your home) that can only be repaired effectively in favourable weather conditions. These items should be listed on your 30-Day, Year-End or Second-Year Form, as appropriate. They will be dealt with according to the timelines set out in the Statutory Warranty Process, subject to suitable weather conditions. If your builder cannot complete or repair a Seasonal Warranty Item within the required timelines due to unsuitable weather conditions, he/she must do so as soon as possible after suitable weather conditions return, and in any event between the following May 1 and September 1.

If for any reason your builder does not complete or repair a Seasonal Warranty Item to your satisfaction within this time period, you have 30 days (until October 1) to contact Tarion and request our assistance.

Anything incomplete or not installed should be noted on your 30-Day warranty form. Tarion will assess the defect upon request of a Conciliation Inspection.

The warranty framework is based upon time periods - one year, two year and seven year – that start on the “date of possession”. The warranty does not begin when an item is repaired or, in the case of a missing item, is installed for the first time. Tarion does expect builders to warrant repair work for one year, but that is only an informal policy. We are currently inviting public comment on formalizing this policy. More information on this public consultation can be found [here](#).

[\(Back to the top\)](#)

What if we discover issues that need to be fixed immediately, and they can't wait for the one-year claim deadline? What should we do?

(and)

What happens when there are urgent issues (i.e. plumbing leaks) that need immediate responsiveness from the builder? Does the homeowner need to follow the standard Tarion timeframe (i.e. 3 months on the 30 day submission) or is the builder required to correct an urgent issue such as a leak?

If you believe you have an emergency situation involving part of your home, contact your builder immediately using the emergency service contact information that the builder has provided. You should follow the builder's instructions on how to attend to the emergency situation. Condominium owners should also contact the Condominium Corporation's Board of Directors and/or the Property Manager.

An emergency situation involves a warranted defect that, if not attended to immediately, would likely result in substantial damage or represents a substantial risk to the health and safety of the occupants if not attended to immediately.

Examples include:

- complete loss of heat between September 15 and May 15, inclusive;
- gas leak;
- complete loss of electricity;
- complete loss of water;
- complete stoppage of sewage disposal;
- plumbing leak that requires entire water shutoff;
- major collapse of any part of the home's structure;
- any situation which, in the opinion of Tarion, renders the home uninhabitable for health or safety reasons

The builder has 24 hours to address or resolve an emergency situation, to ensure that the situation has been made safe and secure and to prevent any further damage from occurring. Full repair of the defect in accordance with the builder's warranty obligations may take longer to complete once the initial emergency has been dealt with. Builders are required to complete the full repair (including the repair of any damage to builder-installed materials) as soon as possible, but no later than 30 days from the date that the homeowner reported the emergency.

If you cannot reach your builder or your builder fails to respond to the situation within 24 hours, contact Tarion for assistance.

[\(Back to the top\)](#)

When can we get a home inspection done? How can we go about getting important things looked at like electrical, creaking floors and plumbing problems?

Home “inspections” of the type you refer to are done by municipalities as part of the construction approval process or by private inspectors retained by a homeowner.

Tarion carries out “Conciliation Inspections” in aid of a conciliation to review and inspect the items in the home that the homeowner has identified as being deficient. For the purposes of assessing warranty coverage, Tarion will then make a determination as to whether each item is or is not covered by warranty. Tarion does not provide home inspection services except to assess warranty claims made by a homeowner.

The warranty process sets out the dates in which you can request a conciliation inspection by Tarion.

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 in which to [contact](#) Tarion and request a conciliation inspection. The builder will then have up to 30 additional days to complete the repairs or otherwise resolve items on the statutory warranty form that was submitted.

[\(Back to the top\)](#)

Is there any compensation for the home owner if the PDI or Pre-Delivery Inspection, and 3 month warranty deadlines are breached?

Homeowners are not compensated for missed deadlines. The new home warranty serves to protect Ontario consumers from failures by builders to meet their warranty obligations.

If a builder cannot or will not fulfil their warranty obligations, Tarion will step in. The purpose of the warranty is to ensure that any defects in your new home are fixed or otherwise addressed within specific timeframes.

The Pre-Delivery Inspection (PDI) is meant to be addressed by the builder. If a PDI is not done by your builder, you should contact Tarion and we will take this up with the builder. If the builder fails to fix any items identified at the PDI, you should list the item considered deficient on your 30 day Form.

If the builder then fails to meet their warranty obligations, Tarion will work directly with the homeowner to resolve the outstanding warranted claim items.

For clarity, there is no “3 month warranty deadline” in Ontario’s new home warranty process. The deadlines for submitting forms in your first year of possession can be reviewed [here](#).

[\(Back to the top\)](#)

After 5 years of purchasing the house what is still included in warranty?

Generally, in addition to deposit protection and delay compensation, Ontario's new home warranty has one year, two year and seven year warranties. They are all outlined [here](#).

A home that is five years old will still have the balance of the seven year Major Structural Defect (MSD) Warranty. This warranty lasts for a total of seven years after the date the original new home buyer took possession of the home.

The MSD warranty includes significant damage due to major cracks in basement walls, collapse or serious distortion of joints or roof structure and chemical failure of materials. It also includes any defect that results in the failure of a structural load-bearing element of the building, and adversely affects the use of a significant portion of the home.

In the fifth year, the home may also be covered for excessive amounts of radon that adversely affect the use of the home. Ontario is the only warranty program in Canada that covers radon. More information about radon and the coverage can be found on [Tarion's Online Video Library](#).

A home owner can submit an MSD claim at any time during the seven year warranty period.

[\(Back to the top\)](#)

Where is it stated in the Agreement of Purchase and Sale what is/isn't covered under warranty for a condominium's common elements? For example: saunas/pools.

The statutory warranties extend to common elements that form part of the condominium and are for the benefit of the condominium units. This information should be available in the Declaration and Description for the condominium and other Disclosure documentation required by the Condominium Act. At the time of sale, your lawyer can walk you through these documents.

[\(Back to the top\)](#)

What is the point of purchasing a Tarion home warranty when you don't really warranty a whole lot and it is difficult to remedy and rectify deficiencies in the home?

In fact, the new home warranty offers tremendous value to Ontario's new home buyers. Enrollment fees for new homes range from \$385 to a maximum of \$1,500 depending on the price of the home. By comparison, the warranty provides coverage up to \$300,000 and lasts for seven years.

Ontario's new home warranty is one of the most comprehensive programs in North America and covers almost everything inside and outside the home in the first year that is supplied by your builder and agreed to in your Agreement of Purchase and Sale. This includes defects in workmanship, violations to the Ontario Building Code and Major Structural Defects. Ontario's new home warranty program, which has a number of unique features (e.g. protection for excessive radon) is used as a guiding model for many other jurisdictions across Canada.

The purpose of the warranty is to provide almost all of Ontario's new home buyers with the same universal 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.

Last year, Tarion paid out claims totaling \$11.6 Million to home buyers whose builders failed to meet their warranty obligations.

[\(Back to the top\)](#)

With all the experience that Tarion has answering peoples queries over the years, why haven't you come up with a guidance on most common issues/defects and if its warrantable or not?

We do. And we share this information with new home owners and builders regularly.

For example, Tarion frequently meets with builders from across the province to discuss any number of issues that may affect new homes, as well as the most common warranty claims. We discuss what the causes are, and how builders can effectively prevent these issues in their homes.

Our website is also a great resource for new home buyers, including information on common warranty claims and what to look for. Our Open Door Blog regularly covers some of the most common issues that homeowners encounter. For example, one of our recent blogs lists the top 10 warranty claims, and what home buyers may want to should look out for in their new homes. Our blog is available [here](#). Additionally, Tarion's President and CEO writes regular columns in the Toronto Sun, New Home Guide, Homes Magazine and Condo Life; all of which offer valuable information for new home buyers and owners. Check Tarion's [News and Events page](#) for updated articles. New home buyers can also [sign up for our new home buyer newsletter, called Your Home Matters](#), which also provides helpful information for new homeowners, based on Tarion's experience.

When a group of new home buyers or new home owners are affected by one particular issue, Tarion holds Town Halls, where we bring home owners together, usually close to where they live, to provide information about the warranty in person.

Tarion also provides Construction Performance Guidelines for homeowners and builders to follow on what is covered under the warranty. These guidelines are available [here](#).

[\(Back to the top\)](#)

If we sell our home does the warranty stay with the next owner?

Yes. The warranty remains with the home for seven years, regardless of how many times it changes hands.

When buying a resale home, ask when it was built. If it is less than 7 years, find out whether there are or have been any issues since it was built. [One way to obtain this information is to request a Seller Property Information Statement (SPIS). This form is filled out by the seller and contains information such as known defects and any pending claims under Tarion. It is important to understand that completing this form is a voluntary act and even then it may only tell part of the warranty story. As the responsibility to investigate the condition of the home being purchased rests with the buyer, some purchasers choose to hire a home inspector.

If you have completed the purchase a home that is less than seven years old, you should call Tarion. We will provide you with your enrolment number so you can sign up for our online MyHome warranty service. Once you have taken ownership of your new home, we can also provide the claims history for your home. Note: We cannot provide any specific information prior to that due to privacy concerns unless the seller provides written consent.

[\(Back to the top\)](#)

Does Tarion exist to protect the home buyer or the builder?

Tarion is first and foremost a consumer protection organization. We are also the regulator of the province's residential building industry. We protect new home buyers and owners from builder failures and defects in new homes. Tarion also protects Ontario consumers by registering builders and investigating illegal building practices.

Consumers are encouraged to understand their rights and responsibilities under the Ontario New Homes Warranties Plan Act. The warranty protections are very strong in comparison to what other warranty programs across the country offer, but like all warranties have limitations around coverage and specific time periods for making claims.

Finally, it is important to point out that new home owner's interests and builder's interest are not in conflict. By regulating new home builders and standing behind their warranty, we protect consumers and help to raise standards and improve confidence in Ontario's new home building industry.

[\(Back to the top\)](#)

Is there any time period within which a condo must be registered?

Registration of condos is completed through the Municipality where the condominium is located. There is no timeline, and it is up to the municipality to determine. Tarion has no jurisdiction or authority over the registration process. Some examples of reasons for delays include issues with the municipal inspections, compliance with

permit restrictions or conditions as imposed by the municipality, construction delays due to labour disruptions or material shortages. Condo purchasers should contact their municipality to better understand registration timelines.

[\(Back to the top\)](#)

Why aren't all warranty claims and complaints against a deficient builder's work made public?

Since the new home warranty is actually a builder's warranty, the warranty program was designed to allow builders an opportunity to fix defective items that are under warranty with specific timelines.

Since the building process is largely a work of craftsmanship, where many trades must work together to build a home from the ground up, it isn't uncommon to have some imperfections in a new home. Tarion believes that one way to measure the competence of a builder is in how they address warranted defects.

Every time a home buyer sends in a warranty form, the builder has a certain timeframe to address any warranted claims. To provide some context, the number of homes for which a 30-Day Warranty Form is submitted has averaged about 50 per cent over the past five years. If Tarion publically reported every form that was submitted, it would show that half of all new homes have warranty claims. This does not tell the whole story, or accurately describe how the warranty process works. In fact, approximately 90 per cent of all warranty claims were resolved by builders in 2015. So Tarion only reports on the claims that were not properly taken care of by the builder. This is reflected on the builder's record on the [Ontario Builder Directory](#), in the statistics for "claims paid" and "chargeable conciliations."

[\(Back to the top\)](#)

Is the builder permitted to place the costs of the Tarion Warranty onto the purchaser by way of a closing "adjustment"?

Yes. Builders and/or vendors pay the warranty enrolment fee to Tarion before construction. Some builders and vendors will include the warranty enrolment fee in the purchase price of the home, while others show it as a separate item on the Statement of Adjustments. Some builders choose not to pass this cost on directly but may account for it as an operational or overhead cost.

The warranty enrolment fee is based on a scale relating to the sale price of the home or condominium unit. Please refer to the warranty [enrolment fee table](#) to determine the warranty enrolment fee on a home or condominium unit.

[\(Back to the top\)](#)

On the Tarion website it says it is the builder's responsibility 1) to give the Homeowner Information Package when we sign up, during the construction phase and 2) to conduct the PDI or Pre-Delivery Inspection. Who is in charge of enforcing these responsibilities in case the builder does not fulfill his or her responsibilities?

Registered builders are required to abide by Tarion's registration requirements in order to maintain their licence. Providing the Homeowner Information Package to buyers at or before the Pre-Delivery Inspection, and conducting a Pre-Delivery Inspection are both requirements of the new home building process.

Builders that display a pattern of not abiding by the terms and conditions of the registration may be subject to a variety of sanctions. These may include additional terms and conditions such as restrictions on the number or types of homes built, additional training, requirements for extra performance security and up to and including refusal or revocation of their licence.

Tarion also requires that registered builders carry out their warranty undertakings in accordance with the law and operate with honesty and integrity. Tarion will investigate whenever there are reasonable grounds to believe either a registered builder, or its officers and directors, have not carried out their undertakings with honesty and integrity. Since 2014, Tarion has publically reported on the number of honesty and integrity investigations we perform. These numbers can be found in our [Annual Report](#).

In 2016, Tarion made customer service training mandatory for builders whose buyers scored them below the average on their annual Customer Service Surveys. This is an example of how Tarion is working to improve the level of customer service in Ontario's new home building industry.

If you are a home buyer who feels your builder is not properly following the regulations under the warranty, [contact Tarion](#).

[\(Back to the top\)](#)

Why do builders have such a long period to finish things on the 30 day form? Seems like an awfully long time and unfair.

Tarion's customer service standard, which includes among other things the timelines for repair, was created more than 10 years ago in an effort to create standards for customer service for builders to follow. These standards were put in place after extensive research into the industry to develop realistic timelines that builders follow.

We acknowledge that the repair periods under the warranty can feel long especially when, as the homeowner, you are living daily with the issues. However to effect quality repairs, builders must be given sufficient time to schedule trades, coordinate times convenient for their homeowners, and to order and receive materials.

[\(Back to the top\)](#)

You announced at last year's APM you'd hired a dispute resolution lawyer in January 2015 to review Tarion's dispute resolution process. Several consumers volunteered their time to provide input to the reviewer. What has become of this study which seems to have taken 10 months? What did it cost, and what benefits, if any, did it bring to consumers?

As part of its ongoing public interest and consumer protection commitment, including improved dispute resolution practices, Tarion hired Ms. Genevieve Chornenki, an independent, third party dispute resolution expert, to review its processes. The results of this review were received in September 2015. They include an assessment of Tarion's current dispute resolution processes, as well as recommendations for improvement. Significantly, the report noted that Tarion's processes do not reflect any systemic bias. The expert recognized Tarion as an open, values-based organization with a commitment to continual improvement and acknowledged the complex work that we undertake. Seventeen recommendations were made to help improve Tarion's dispute resolution process.

The fee paid to Ms. Chornenki for her services is subject to confidentiality however the selection of Ms. Chornenki followed and met Tarion's procurement policy which is regularly reviewed by an outside auditor.

We anticipate that improving our dispute resolution processes will help provide Tarion with the tools to manage disputes more efficiently and ultimately make the warranty claims experience better for homeowners and builders alike. We have been working on improving the way disputes are handled for some time now, and have already made some significant progress in a few areas. Last year, we introduced the Early Intervention Process which allows either the homeowner or builder to request Tarion's involvement earlier in the process. This change has been extremely successful in getting homeowners and builders to come to a resolution. Over 50 cases were resolved successfully in 2015. We also began bringing in outside experts earlier on in the process. This has significantly reduced the time it takes to assess warranty claims and helps to diminish potential disputes from escalating.

Tarion's Chair of the Board, Mark Basciano, discussed the results of Tarion's Dispute Resolution Review during the 2016 Annual Public Meeting which can be viewed [here](#).

More information on Tarion's Dispute Resolution Review, including the full report by an independent, third party dispute resolution expert, can be viewed [here](#).

[\(Back to the top\)](#)

Do you keep files on each builder, and are complaints against these builders available for new home buyers to peruse?

As the Registrar, it makes sense that Tarion would keep files on every registered builder, and those who have had their licence revoked or refused. These files are not made public as they include confidential information, including financial data that we have a duty not to disclose publically.

However, Tarion maintains the Ontario Builder Directory, which is publically available [here](#). This unique directory displays information on each builder, including those who have had their licences revoked or refused. Registrations that have expired are also listed. The directory displays a great deal of information about a builder, such as how many homes they've built, where they build and includes the number of homes with claims, the dollar amount of claims paid, and the number of chargeable conciliations a builder has received from Tarion for not taking care of warranted items.

[\(Back to the top\)](#)

If a builder does not fix something covered under the warranty, does that builder get to continue to build? How do you enforce anything on builders?

(and)

What is my recourse if a builder does not fulfill his commitments? What does Tarion do in order to ensure that the buyer's notes/complains that are listed in the 30-Day and 1-Year forms are resolved? I have a major complain that I reported in the 30-Day form, but the builder didn't resolve it yet. I completed the 1-Year form on Mar 20, 2016, and I listed the same major complain but I didn't receive any response from the builder yet.... How can Tarion support me on that?

Ontario Builder Directory. Information about the builder's record is displayed on this directory including; the dollar amount paid for claims, the number of claims the builder has received and the number of homes with Major Structural Defect claims.

If a builder shows a pattern of not fulfilling their warranty obligations, Tarion can issue terms and conditions on their registration, and even take steps to revoke their licence.

[\(Back to the top\)](#)

What can be done if a buyer has chemical sensitivity to the materials used by the builder?

Generally, this question falls outside of the scope of Ontario's new home warranty.

The warranty covers buyers for defects in materials and workmanship. Unless the materials used have a warranted defect, it would not be covered under the warranty. Ideally, these types of issues would be discussed and negotiated.

[\(Back to the top\)](#)

Why does Tarion allow up to two X 4 month delays prior to requiring the builder to pay compensation? Do you not think that this 2 X 4 month allowable delay time frame breeds incompetence?

1. What is the criteria for Tarion to accept the first closing date from a builder to be accurate and attainable? 2. How is the Tarion warranty protecting the homeowner if the dates that were given for the second and third closings were based on inaccurate and unattainable first closing date? 3. Why is this warranty only protecting the builder until after the third closing date is not met?

The question appears to relate to a freehold purchase transaction. First, Tarion does not "allow" delays. If the purchaser wants a Firm Closing Date, there is an Addendum form available which the purchaser and builder can attach to the Agreement of Purchase and Sale that will require the builder to abide by that fixed date. If the fixed date is missed, the purchaser may be eligible for compensation under the delayed closing warranty.

If a purchaser and builder agree to use the "tentative" closing date Addendum form that form allows the purchaser and builder to agree upon a first estimated closing date. If that cannot be met, then the builder can extend the closing date by up to two periods of up to 120 days each. This form was developed for pre-construction homes where the timing for completion is less clear and thus provides the builder with greater flexibility.

Before the Addendum requirements were introduced, builders could impose longer, more frequent delays with no consequence. These requirements bring more discipline to the sale, construction and home turnover process; but do recognize and there are many instances where the 120 day extensions are legitimately needed and there is no adverse reflection upon a builder's competence.

The criteria for setting dates are set out in the Addendum, namely "the date the vendor anticipates the home will be completed and ready to move in." Given the vagaries of municipal development approval processes, building permit approvals, municipal inspections, retaining and scheduling trades, coordinating suppliers, arranging final inspections, unexpected delays can legitimately occur. Protection for homeowners comes from having a framework that does not allow random and indefinite extensions. The framework seeks to balance the very real issues of

legitimate delays that can be faced by builders and ensuring homeowners have a schedule they can follow and ultimately a right to exit the deal if the builder fails to meet the mutually agreed upon Outside Closing Date. Builders also have an ongoing obligation to “take all reasonable steps to complete construction of the home to close without delay.”

[\(Back to the top\)](#)

Why isn't Mattamy Homes on the Homeowners' Choice Awards list? I have had nothing but admiration for their customer service excellence since my closing over five years ago.

Thank you for sharing this positive experience with a registered builder. The Homeowners' Choice Awards are the result of thousands of new home buyers' being polled across the province annually. Almost all new home buyers across the province get a chance to rate their builder, and their experience with Tarion within their first year of possession. The builders that receive the best scores from their homeowners receive a Homeowners' Choice Award. For more information on these awards, [click here](#).

[\(Back to the top\)](#)

Shouldn't the 120 day period be only for small finishes and not for huge unfinished work such as homes delivered with plywood as opposed to real flooring the owner paid for, for instance?

The 120-Day builder repair period was introduced in 2003 as a way to provide builders with an outside deadline to complete repairs. These timelines also allow home buyers to know when to expect these repairs to be complete. The timeline does not necessarily apply in certain circumstances – such as emergency situations, or a defect that affects health and safety – where a builder should be taking care of items immediately. If your builder delivers a home that you feel is not fit for occupancy, call Tarion. We have helped homeowners in the past when we agree that the homes are not safe for occupancy.

[\(Back to the top\)](#)

Given the frequencies of long delayed closing with different builders, would Tarion consider to increase the compensation beyond to the maximum of \$7,500?

Ontario is the only province in Canada to offer delay compensation. The \$7,500 is intended to provide some compensation for buyers who experience delays, and this compensation is offered in conjunction with lower fees than other warranty provider in Canada.

It was never meant to provide complete compensation for all possible losses due to unpermitted delays. Calculating such full compensation would be administratively difficult and cumbersome and would likely create a higher enrollment fee. The framework was intended to provide compensation that would be a measure of relief for home buyers and create an incentive on the part of builders to abide by timelines.

Tarion is continuously examining our claims data, to ensure we are providing adequate coverage to home buyers in Ontario, while keeping the fees reasonable. Any increase to delay compensation could impact a relatively small subset of purchasers but have a disproportionate cost impact on the warranty, which may impact all new home buyers across the province. In 2015 for example, there were 15 claims from the GTA under the delayed closing warranty. The claims involved four different builders who are no longer registered.

[\(Back to the top\)](#)

When problem builders are identified and they fold, how does Tarion exercise due diligence to ensure they do not re-invent themselves under a new name with different people at the helm?

Builders who fold their companies and subsequently lose their registration status are entitled to reapply for registration at a later date. However, in order to successfully get re-registered they will need to demonstrate how and why they should be permitted to become builders in good standing. This may also result in additional registration conditions. Builders cannot avoid dealing with poor past performance simply by trying to register under a new corporate name. Tarion keeps records of the Principals, Officers and Directors of all registered builders and we always look behind company name applications and registrations to review who the Principals, Officers and Directors are. In each instance, the track record of these individuals is considered when a new application is reviewed.

[\(Back to the top\)](#)

How long is the builders licence to build good for? Do they have to renew every year? Do all municipalities request proof from a builder that they are a Tarion registered builder? What happens when someone says they are building for themselves, get a permit to build, then put it up for sale?

Every Builder's registration must be renewed on an annual basis.

Building permits in Ontario include a section for builders to share their builder registration number. Since 2011, all building permits that are classified as a Group C major occupancy (not including boarding, lodging or rooming houses or hotels) must be sent to Tarion under the Good Government Act. Municipalities have 45 days after a permit has been issued to provide the prescribed information to Tarion.

Tarion identifies the permits where a registered builder number has not been identified, and follows up on these projects to investigate illegal building practices. More information on this can be found [here](#).

Tarion is currently conducting a pilot project in partnership with several municipalities across Ontario in order to help prevent illegal building practices. The pilot requires any person who is building a home without a Tarion registration number to submit an application to Tarion for a letter of confirmation to build. The purpose of obtaining a Letter of Confirmation is to protect new home buyers from potentially entering into a contract with an illegal builder. We hope the results of this pilot will eventually lead to legislative change that will help further protect Ontario's new home buyers from the dangers of illegal building.

[\(Back to the top\)](#)

If you only warrant a \$40,000.00 deposit, can a builder require you to place a larger deposit on a home, considering you only warrant up to \$40,000? If so, how is your deposit then warranted?

Ontario's new home warranty offers a maximum of \$40,000 deposit protection for freehold homes. This amount was doubled in 2003 from \$20,000. For condominiums, the deposit protection is \$20,000. However, there are also trust provisions in the Condo Act that protect condominium deposits. Tarion regularly reviews all our claims data to make sure the warranty remains effective. The average deposit claim between 2010 and 2014 was \$29,000 – well within the \$40,000 maximum. We are aware that deposits in the GTA are higher, however, this is not reflected across the province.

Builders can request more than \$40,000 for a deposit on a new home. New home buyers have the option to negotiate individual terms in an Agreement of Purchase and Sale with their builder. It is important for buyers to read and understand the limits of the warranty, before they sign an agreement and put down a deposit. It is equally important for buyers to use an experienced real estate agent and/or real estate lawyer to assist with the purchase who is well versed with the province's new home warranty.

[\(Back to the top\)](#)

Does Tarion check whether sub-trades hired by Tarion-licensed builders are qualified or licensed?

With respect to trades, Tarion expects the builder to properly monitor their trades. If the work performed by the trades is improper and not repaired in accordance with the customer service standard, then those defects will come to Tarion's attention and be handled through the warranty and regulatory process.

[\(Back to the top\)](#)

Does Tarion check whether builders properly supervise their construction sites?

With respect to construction site supervision, Tarion does not generally play a role. Other provincial and municipal bodies, including the Ministry of Labour, Ministry of the Environment, Public Health office, WSIB, municipal plans examiners and building inspectors, etc. have specific roles in terms of monitoring compliance with safety and environmental standards on construction sites.

[\(Back to the top\)](#)