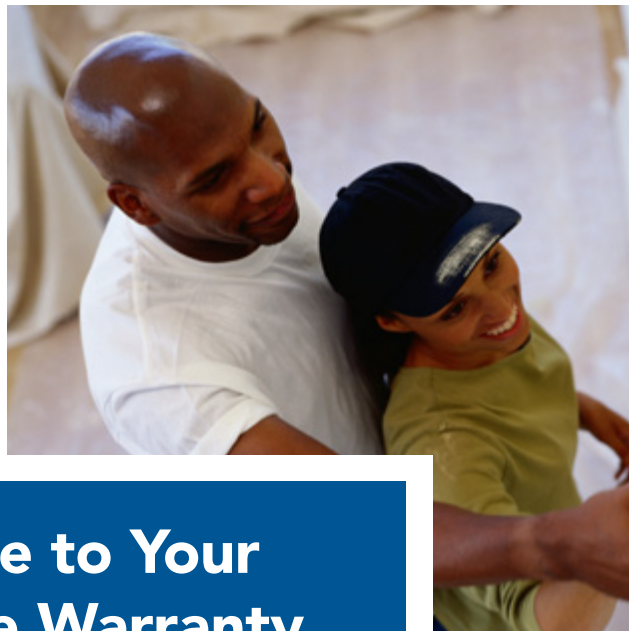




The Guide to Your New Home Warranty

For Freehold and Contract Homes



Understand the responsibilities of you, your builder, and Tarion.
Protect your investment.

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Introduction

Protecting your most important investment

Congratulations on purchasing a new home!

Your new home must meet or surpass the structural requirements and health and safety standards of the Ontario Building Code. And like every new home in Ontario, it is protected by mandatory warranties provided by your builder and backed by Tarion Warranty Corporation (“Tarion”).



These warranties begin on the date you take possession of your new home, which may be different than the Closing Date.

Tarion is a non-profit, private corporation established in 1976 to protect the rights of new home buyers and regulate new home vendors and builders¹ according to the terms of the **Ontario New Home Warranties Plan Act** (the “Act”). Not only does the Act require builders in Ontario to provide new home warranty coverage, but they must also be registered with Tarion and enrol every new home prior to the start of construction. Tarion is also responsible for managing a guarantee fund to ensure that builders honour the statutory warranties², and for enforcing the overall terms of the Act.

Moving into your new home is an exciting and busy time, however, it is important that you set aside some of that time to carefully read through and understand your rights and responsibilities when it comes to your new home’s warranty. Here, you’ll find all you need to know about your home’s statutory warranties, the responsibilities of both you and your builder, and how Tarion handles statutory warranty claims.

If you are unsure about your rights under your purchase agreement or the Act, you may wish to seek the advice of a lawyer.

If you have questions that you cannot find answers to on our website, call us at 1-877-9TARION (1-877-982-7466).

¹ “Vendors” are the sellers of new homes and are deemed to give the statutory warranties to the purchaser. “Builders” build new homes. Sometimes the vendor and builder are the same person — sometimes not. For ease of reference, we will use the term “builder” and it will include a vendor or builder as appropriate.

² Tarion backstops a certain set of statutory warranties described in this HIP. References in this HIP to “statutory warranty” or “builder’s warranty” or your “new home’s warranty”, in each case, is a reference to the statutory warranties. Any other warranties which the builder may give a purchaser which are different or over and above the content of the statutory warranties, are not backstopped by Tarion and such supplemental warranties, if any, are a matter as between the builder and home buyer.

Introduction

Freehold Home vs. Contract Home

For the most part, purchase of a freehold home, (i.e., lot and dwelling) and contract home, (i.e., contract to build just a new dwelling) are treated the same — although there are some differences.

Purchases of freehold homes involve situations where a purchaser has agreed in substance to buy both a parcel of land and a residential dwelling unit to be constructed on that parcel of land. Various types of dwellings fit this category, including a single family detached home, a semi-detached home, a unit in a row house or a unit in a duplex.

What is commonly called a contract home is different in that the land upon which the home is to be built is already owned by the landowner. The landowner has simply entered into a contract with a builder who will build a new home on that property. The various differences in treatment of these two forms of new home purchase are discussed in this Homeowner Information Package but a few important differences can be summarized as follows:

- 1** A new freehold home purchase has deposit protection.
- 2** Contract homes on the other hand do not have deposit protection or delayed closing compensation.
- 3** Instead of deposit protection, contract home arrangements have protection against financial loss. In general terms this provides protection for any losses suffered by the owner should the builder fail to complete the home. A new freehold home has delayed closing protection. If closing, (i.e., transfer of title and occupancy) is delayed beyond permitted delays, compensation may be payable.
- 4** For contract homes, since the landowner already controls access to the land in a contract home situation, the idea of delayed closing, (i.e., transfer of title) protection is inapplicable.

Your Home's Warranty Coverage at a Glance

As soon as you sign an Agreement of Purchase and Sale with a builder, your new home is covered under warranty. The following is a brief summary of your warranty coverage³.

	PRE-MOVE	1 YEAR WARRANTY	2 YEAR WARRANTY	7 YEAR WARRANTY
Deposit protection (freehold homes only)	◀			
Delays in closing (freehold homes only)	◀			
Financial Loss (contract homes only)	◀			
Defects in work and materials		◀		
Unauthorized substitution of materials		◀		
Ontario Building Code violations		◀		
Ontario Building Code health and safety violations		◀	◀	
Water penetration through the basement or foundation		◀	◀	
Water penetration into the building envelope		◀	◀	
Defects in electrical, plumbing or heating systems		◀	◀	
Defects in the exterior cladding		◀	◀	
Major Structural Defects		◀	◀	◀

³ This summary applies generally to freehold homes purchased from a builder including, for example, a single family detached home, a semi-detached home, a unit in a row house or a unit in a duplex.

Roles and Responsibilities of Each Party

The Statutory Warranty Process involves three parties: the homeowner, the builder and Tarion. The roles and responsibilities of each party are outlined below.

There are a few things you must do to protect your home's statutory warranty. Doing so will help ensure that you have a successful new home experience – failing to do so could put your home's statutory warranty in jeopardy.

The Homeowner's Role



The simplest way to manage your warranty is through Tarion's online portal at MyHome.Tarion.com

- 1 Attend the Pre-Delivery Inspection (“PDI”).** This is your chance to view your home with your builder and assess its condition before you take possession. It is essential that you note any deficiencies including incomplete, damaged or missing items on the PDI Form provided by your builder. This is also an opportunity to learn how to operate your home's systems, including heating, electrical, plumbing and air conditioning.
- 2 Keep track of your warranty deadlines.** Submitting your warranty forms on time will ensure you don't lose your warranty rights. Take note of your 30-Day, one year, two year and seven year deadlines so you don't miss any important dates. The most convenient way to stay on top of your coverage is to register for Tarion's web-based service, MyHome. This is the easiest way to manage important warranty deadlines, submit forms and keep track of all the correspondence between you and Tarion. Go to MyHome.Tarion.com to register now.
- 3 Send a copy of your completed Statutory Warranty Form(s) to your builder.** Remember to always submit a copy of your Warranty Form to your builder so he/she can repair or resolve the items.
- 4 Stay in touch with your builder to ensure there are no miscommunications.** You may wish to open up a mutually agreed upon e-mail channel with your builder to allow for ease of communication and to provide a record of communications.
- 5 Allow the builder access to your home to fix any deficiencies.** After you submit a Statutory Warranty Form, your builder has a specific period of time to repair or resolve warranted items. Be sure to provide your builder and tradespeople with access to your home during regular business hours to make any necessary repairs. If these items are not resolved within the appropriate time period, you have 30 days to contact Tarion to request a conciliation inspection. If you do not contact us within those 30 days, we will not be able to help resolve the situation.

Roles and Responsibilities of Each Party

- 6** **Maintain your home.** Improper maintenance can affect warranty eligibility. A year-round maintenance schedule is available at www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/default.aspx. Also refer to any additional maintenance guidelines that your builder provides.
- 7** **Read through your purchase agreement and review it with a lawyer.** The purchase agreement is a serious legal contract between you and your builder setting out the terms of your new home purchase. It is important that you understand what these terms are.

For information about which construction deficiencies are and are not covered by the statutory warranty, please see the **Construction Performance Guidelines**.

Roles and Responsibilities of Each Party

The Builder's Role



Your builder is responsible for following the customer service standards to address warranty items as required by Tarion.

Your builder must:

- 1 Provide information about Tarion at or before your Pre-Delivery Inspection (“PDI”).** Your builder must also provide his/her contact information in case of an emergency.
- 2 Conduct a PDI of your completed home before you take possession.** At the PDI, your builder must provide you with a copy of a completed PDI Form noting any deficiencies, unauthorized substitutions or items that cannot be inspected because they are incomplete, missing, inaccessible or obscured from view. Your builder should also take some time to show you how to operate your home's systems (including heating, electrical, plumbing and air conditioning). Any product warranty documents (such as furnace, hot water tank, shingles, siding or flooring) should be provided to you at this time.
- 3 Provide a completed Certificate of Completion and Possession (CCP) for your home.** This certificate includes the date of possession (the date on which your home is ready for occupancy and your builder transfers the right of occupancy of the home to you). This is also the date on which your home's one, two and seven year warranties begin.
- 4 Abide by the warranty regulations and timelines.** The time periods for repairs may vary depending on whether the repair method would be affected by the weather.

Your builder may choose to offer higher end workmanship or materials and/or additional warranties over and above the statutory warranty. Refer to your purchase agreement to determine whether your builder has agreed to provide any additional work, materials or warranties on your home.

Roles and Responsibilities of Each Party

Tarion's Role

Tarion is responsible for ensuring that new home builders provide the warranty coverage that homeowners are entitled to under the **Ontario New Home Warranties Plan Act** ("the Act") and for ensuring they follow the customer service standards to repair or otherwise resolve warranted items.



We work with homeowners and builders to resolve disputes about statutory warranty coverage.

As set out in the Act, Tarion's responsibilities cover three main areas:

- 1 Warranty enforcement.** We work with homeowners and builders to help resolve disputes about statutory warranty coverage, however, Tarion is only able to become involved in a claim at a homeowner's request. Be sure to file your Statutory Warranty Forms on time as you will not be able to request our help unless you do so. We also manage a guarantee fund to ensure that the statutory warranty provided to new home buyers is honoured if the builder refuses to do so, or in the event of builder bankruptcy. Tarion's guarantee does not extend to any supplementary warranties provided by the builder or any contractual provisions beyond the statutory warranties.
- 2 Builder licensing.** We act as the Regulator of new home builders in Ontario, and as such are responsible for licensing all new home and condominium builders in the province. As part of the licensing process, builders must demonstrate that they have the technical experience, customer service capabilities and financial standing required to successfully build new homes in Ontario.
- 3 Education.** We offer a variety of information and resources to help homeowners and builders understand their rights and obligations under the Act. Should you have any questions about your home's statutory warranties, please feel free to contact us during regular business hours at 1-877-9TARION (1-877-982-7466), or refer to our website at www.Tarion.com.

The Pre-Delivery Inspection (PDI)

The Pre-Delivery Inspection (“PDI”) takes place when your new home is ready for occupancy. It is the first opportunity to view your completed home and assess its condition before you take possession. During the PDI, you and/or an individual you select to attend (your designate) will be given the opportunity to examine the interior and exterior of the home with your builder or your builder’s representative. The objective of this inspection is to create a written record of all items that are incomplete, damaged, missing, inaccessible, not operating properly or otherwise deficient.

Providing your builder with a list of your issues and concerns to work from during your PDI may minimize later disputes as to who is responsible for damaged items.

If you identify a defect during your PDI, your builder should note it on the PDI Form to establish that it existed prior to closing and thus was something not caused by you. It is your builder’s responsibility to list these items and provide you with a copy of the completed PDI Form.

It is also the builder’s responsibility to explain how the various systems in your home function – including the heating, electrical, plumbing and air conditioning. It is very important that you understand how to operate your home’s systems because using them incorrectly could affect your warranty coverage.



Provide your builder with a list of your issues and concerns.

Using a Designate at the PDI

You can have someone accompany you to the PDI or send a designate to attend on your behalf. There is no restriction as to whom you may choose to be your designate. However, if you intend to send a designate to the PDI, your builder may require notification in advance and written authorization that this person may sign the PDI Form or the CCP on your behalf. A **Tarion Appointment of Designate Form** should be filled out and sent to your builder should you choose to send a designate to your PDI.

This form can be found online [here](#).

The Pre-Delivery Inspection (PDI)

What Should I Look for During the PDI?

During the PDI, you should identify:



- 1** Damaged, incomplete or missing items.
- 2** Anything not operating properly or deficient in terms of workmanship or materials.
- 3** Items that cannot be assessed because they are obscured from view or inaccessible.
- 4** Any unauthorized “substitutions” of items you selected or were promised in accordance with your purchase agreement.

Be sure to examine both the interior and exterior of the home. While inside, look for things like:

- 1** Chips in the porcelain or scratches on countertops.
- 2** Damage to floors or walls.
- 3** Doors and windows that are not secure or do not open and close easily.

When you go outside, check things like:

- 1** The quality of brickwork and siding.
- 2** Whether window screens have been installed.
- 3** The appearance of the driveway.

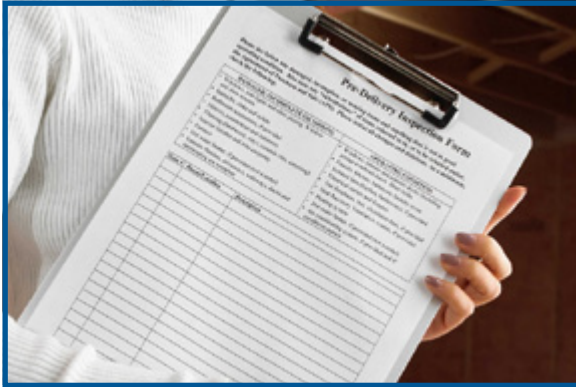
All such items should be included on the PDI Form. You should also bring a copy of your purchase agreement with you to the PDI for reference.

Go to www.Tarion.com/Documents/Getting%20Ready%20for%20the%20Pre-Delivery%20Inspection.pdf to access more detailed description of the PDI – including a checklist of interior and exterior items that should be examined.

The Pre-Delivery Inspection (PDI)

The PDI Form and Certificate of Completion and Possession

During the PDI, your builder will provide a PDI Form which will serve as the official record of the condition of your home before you move in. Your builder must review it with you or your designate. After all the items are recorded on the PDI Form, review the list and ensure it is complete. You or your designate will be asked to sign it, confirming that the listed items are complete and accurate.



After all the items are recorded on the PDI Form, review the list and ensure it is complete.

At or before the PDI, you will be given a Certificate of Completion and Possession (CCP). This document states your home's enrolment number with Tarion and the date of possession, which is also the start date of your home's statutory warranty. Your builder will give you copies of the completed PDI Form and CCP for your records.

IMPORTANT:

The PDI Form is not the same as a Statutory Warranty Form, such as the 30-Day Form. It is simply a formal record of your new home's condition before you moved in and may be used by Tarion as a reference for assessing future statutory warranty claims. You must use a Statutory Warranty Form to initiate the Statutory Warranty Process. Any items listed on the PDI Form that have not been repaired or otherwise resolved should be listed on the 30-Day Form.

The Pre-Delivery Inspection (PDI)

What are Substitutions?



If your purchase agreement gave you the right to select certain items of construction or finishing, such as colours and styles, these usually cannot be substituted without your written consent.

In addition, if your purchase agreement states that your new home will include particular items (such as a certain model of sink or a specific brand of window) but does not give you the right to make a selection, then such items can only be substituted with items of equal or greater quality.

If you think that an unauthorized substitution has occurred, it should be noted in the PDI Form, 30-Day and/or Year-End Warranty Form, as unauthorized substitutions are covered under the one year warranty. If you are unsure about your rights regarding unauthorized substitutions, you may wish to seek the advice of a lawyer.

What Happens to the PDI Form?

Once the PDI Form has been completed and signed, your builder will give you a copy for your records. Your builder will submit the original form to us if a conciliation inspection is scheduled or at any other time it is required by you or Tarion.

What's Included in the Warranty

Your home's statutory warranty begins before you move in, providing both deposit protection and compensation for Delayed Closing. After you move in, there are three specific statutory warranties: the one year warranty, the two year warranty and the seven year warranty covering major defects.



These warranties begin on the date you take possession of your new home, which may be different than the Closing Date.

You are entitled to warranty coverage up to a maximum of \$300,000 for most types of claims covered by the one, two and seven year warranties. There is a maximum of \$15,000 for warranted damage caused by environmentally harmful substances or hazards, and a maximum of \$25,000 for coverage of septic systems.

If you have received a payment from another party or other benefit in respect of warranted items, any payment due from Tarion will be reduced by the amount of such payment or benefit.

Deposit Protection (Freehold Only) Financial Loss (Contract Homes)



Your deposit is protected by Tarion, up to a maximum of \$40,000 for freehold homes,

in the event that your builder is unable to complete the sale of your new home because of bankruptcy, your builder's fundamental breach of the purchase agreement, or in the event that you have a statutory right to treat your purchase agreement as terminated.

Before treating your purchase agreement as terminated and to ensure that you will qualify for Tarion's deposit refund coverage, you should consult a lawyer.

To make a claim for a deposit refund, please contact us at 1-877-9TARION (1-877-982-7466).

What's Included in the Warranty

The Delayed Closing Warranty (Freehold Only)

If you signed your purchase agreement before June 30, 2008, go to www.Tarion.com/Warranty-Protection/Understanding-Delayed-Closings-and-Occupancies/Pages/default.aspx to read about Delayed Closing protection.

Under the delayed closing warranty, your builder guarantees that your freehold home will be ready for you to move in either by a Closing Date specified in the purchase agreement or by a date that has been properly extended if circumstances occur that delay the home's completion. In many cases, your builder will be required to compensate you if a delay occurs beyond certain permitted delays.

If you are unsure about your rights regarding delayed closing compensation, you may wish to seek the advice of a lawyer.

If you are entitled to delayed closing compensation, you may make a claim to your builder and Tarion within one year after taking possession, or after termination of the purchase agreement.



Be sure to attach all receipts and other supporting documents for costs incurred as a result of the Closing delay, so that your builder can resolve your claim with you.

Keep copies of your receipts and other supporting documents, although receipts relating to living expenses are not required.

Be sure to attach copies of all receipts and other supporting documents for costs incurred as a result of the Closing delay, other than for living expenses for which a set per day amount can be claimed without receipts.

What's Included in the Warranty

Information Included in the Addendum

Your builder is required to attach a special supplement to your purchase agreement called a Tarion Addendum. The Addendum, among other things, indicates when your builder expects to finish your home, states the latest dates permitted for extensions and Closing, and includes all fees and charges that may be added to the purchase price of your home.

When you sign your purchase agreement, your builder must complete and attach this Addendum, which is provided by Tarion and includes a Statement of Critical Dates as its first page that summarizes these key dates. It must be signed by both you and your builder.

Unavoidable Delay

In rare circumstances (for example, in the event of a strike or a fire), a Closing Date may be unavoidably delayed. In such cases, your builder must inform you at the outset of the delay (including an estimate of how long the delay is expected to last) and must provide written notice as soon as the delay has ended. More detail about unavoidable delays is available at www.Tarion.com/Warranty-Protection/Understanding-Delayed-Closings-and-Occupancies/Pages/default.aspx.

Termination of the Purchase Agreement

The Addendum also specifies a date on which the Purchaser's Termination Period begins. This is a period of 30 days during which you have the right to terminate the transaction if closing has not occurred. Should this occur, you are entitled to Delayed Closing Compensation and a full refund of all monies paid (i.e., deposits, extras, upgrades) plus interest, up to the maximum amount.

Eligibility for Delayed Closing Compensation

Delayed Closing Compensation is payable if:

- Closing occurs on a date after your home's Firm Closing Date.
- Closing is delayed beyond the Outside Closing Date, and you exercised your right to terminate the purchase agreement during the Purchaser's Termination Period described in your Addendum.

Compensation includes a fixed amount of \$150 a day for living expenses (meals and accommodation) for each day of delay until the Delayed Closing Date or the date of termination of the purchase agreement, plus other costs incurred by you as a result of the delay (such as additional moving and storage costs). Delayed closing compensation is payable from 10 days before the Firm Closing Date (i.e., an additional \$1,500 (10 days x \$150) if your builder fails to give you at least 10 days notice of a Closing delay). The maximum amount of delayed closing compensation payable to you is \$7,500 in accordance with the Addendum.

What's Included in the Warranty

The One Year Warranty

Your home's statutory one year warranty coverage begins on the date you take possession of the home and ends on the day before the first anniversary of this date. The one year warranty is provided by your builder and it requires that the home be:

- 1** Constructed in a workmanlike manner and free from defects in material.
- 2** Fit for habitation.
- 3** Constructed in accordance with the Ontario Building Code.
- 4** Free of *major structural defects*⁴.

The statutory warranties remain in effect even if the home is sold.

Note: Your home's date of possession will be specified in your Certificate of Completion and Possession and in some cases may not be the same as your Closing Date.

Terms such as “workmanlike” and “free from defects in material” are not intended to mean perfection. Reasonable tolerances should be expected.



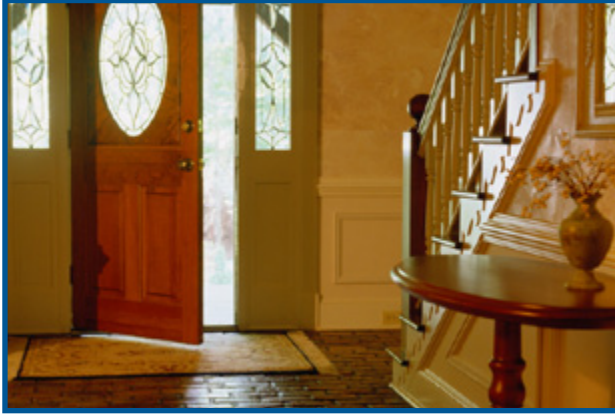
Tarion's decisions about warranty coverage are based on industry-accepted standards.

Tarion's decisions about warranty coverage are based on industry-accepted standards, many of which are gathered for ease of reference in the **Construction Performance Guidelines** at www.Tarion.com/Warranty-Protection/Pages/Construction-Performance-Guidelines.aspx.

⁴ Major structural defects are specifically defined in the Act.

What's Included in the Warranty

The Two Year Warranty



Your home's statutory two year warranty coverage begins on the date you take possession of the home and ends on the day before the second anniversary of this date.

The two year warranty is provided by your builder and covers:

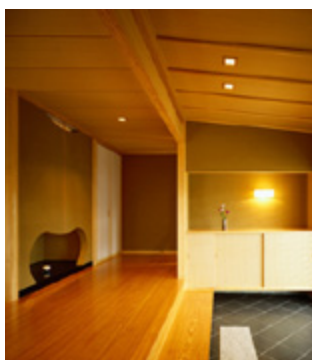
- 1** Water penetration through the basement or foundation walls.
- 2** Defects in materials, including windows, doors and caulking, or defects in work that result in water penetration into the building envelope.
- 3** Defects in work and materials in the electrical, plumbing and heating delivery and distribution systems.
- 4** Defects in work or materials which result in the detachment, displacement or deterioration of exterior cladding (such as brickwork, aluminum or vinyl siding).
- 5** Violations of the Ontario Building Code affecting health and safety (including, but not limited to, violations relating to fire safety and the structural adequacy of the home).
- 6** Major structural defects.

What's Included in the Warranty

The Seven Year Warranty

Your home's seven year warranty covers major structural defects (MSD). This warranty begins on the date you take possession of the home and ends on the day before the seventh anniversary of that date.

A major structural defect in general terms covers the following — any defect in work or materials in respect of a building that:



- 1** Results in failure of a structural load-bearing element of the building.
- 2** Materially and adversely affects the ability of a structural load-bearing element of the building to carry, bear and resist applicable structural loads for the usual and ordinary service life of the element.
- 3** Materially and adversely affects the use of a significant portion of the building for usual and ordinary purposes of a residential dwelling and having regard to any specific use provisions set out in the purchase agreement for the home.

The seven year MSD warranty may include significant damage due to soil movement, major cracks in basement walls, collapse or serious distortion of joints or roof structure or chemical failure of materials.

In addition to the general exclusions described at www.Tarion.com/Warranty-Protection/Pages/Whats-Included.aspx, the seven year MSD warranty specifically does not extend to elevating devices, HVAC appliances (as opposed to systems), and dampness not arising from failure of a load-bearing portion of the building.

What's Included in the Warranty

Proving Your Statutory Warranty Claim

The Act places the responsibility on the homeowner to show that there is a warranted defect in the home. This means that you are required to show Tarion the defect you are reporting.



In most cases, this is done simply by pointing out a problem or damage – a crack in a floor would be an example. Once the problem has been pointed out, Tarion will assess whether the problem is “warranted.” A problem is warranted if it falls below the standards required by the statutory warranty. For example, if the condition identified fails to meet the requirements under the Ontario Building Code or amounts to a defect in work and materials, it would be warranted under the one year warranty.

For information about what is and is not covered under the statutory warranty, please consult the **Construction Performance Guideline** at www.Tarion.com/Warranty-Protection/Pages/Construction-Performance-Guidelines.aspx. This document describes many of the most common warranty items that homeowners submit to Tarion and indicates which are covered by the statutory warranty.

If the defect you are reporting is not in the Construction Performance Guidelines, or is not readily visible or explainable, you may wish to retain outside assistance to help establish your claim. If your claim was denied because of lack of evidence, and you are uncertain of what kind of evidence would help you, you should contact the Tarion Representative who conducted your conciliation inspection.

If the defect you are reporting is a Major Structural Defect, you should also consider obtaining expert engineering evidence to help support your claim.

What's Excluded from the Warranty

The following conditions and/or items are not covered by the statutory warranty:

Homeowner Action/Involvement

- 1** The statutory warranty applies to new homes built by a builder. If you as homeowner exercise significant control over construction (e.g., entering into contracts directly with subtrades) or contribute one or more essential elements (e.g., footings/foundation, framing, exterior cladding, building envelope, and heating, electrical and plumbing distribution systems), then the home itself may not qualify for the statutory warranty.
- 2** Damage resulting from improper maintenance such as dampness or condensation caused by the homeowner's failure to maintain proper ventilation levels or improper operation of a humidifier, hot tub or other moisture-producing device. Go to www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/default.aspx for information about how to ensure you are properly maintaining your new home.
- 3** Alterations, deletions or additions made by the homeowner (such as changes to the direction of the grading or the slope of the ground away from the house).
- 4** Defects in materials, design and work supplied or installed by the homeowner.
- 5** Damage caused by the homeowner or visitors.



The statutory warranty is intended for homes where a builder does the work.

Note: The Pre-Delivery Inspection and completion of a PDI Form during this inspection are very important in terms of resolving potential disputes about who is responsible for damage in the home. If you are claiming an item of damage that is not listed on the PDI Form, it will be important for you to provide some explanation as to why it was not listed on the PDI Form (for example, if the damage was caused later during repair work to the home).

What's Excluded from the Warranty

Normal Wear and Tear

- 1 Normal wear and tear, such as scuffs and scratches to floor and wall surfaces caused by homeowners moving, decorating and/or day-to-day use of the home.
- 2 Normal shrinkage of materials that dry out after construction (such as nail “pops” or minor concrete cracking).
- 3 Settling soil around the house or along utility lines.

Third Party Damage

- 1 Damage arising from municipal services and utilities.
- 2 Damage from floods, “acts of God,” wars, riots or vandalism.
- 3 Damage from insects or rodents, unless it is the result of construction that does not meet the Ontario Building Code.

Secondary Damage

- 1 Secondary damage caused by defects under warranty. While the defects themselves are covered, the personal or property damage they cause is not. However, your homeowner insurance may cover such secondary or consequential damage.
- 2 Personal injury and loss of income associated with defects or repairs.

Supplementary Warranties/Agreements

- 1 Warranties or agreements provided by your builder over and above the statutory warranty. Such matters are between you and your builder and are not enforced by Tarion.

Types of Residential Dwelling That Are Not Eligible For Warranty Coverage

- 1 There are some types of new residential dwellings that may not be entitled to statutory warranty coverage. Information on these is available at www.Tarion.com/Warranty-Protection/Pages/Other-Dwellings-Not-Covered-Or-Special-Consideration.aspx.

Contract Homes

In general terms, a “contract home” is a home that is built on land (a vacant lot, for example) that is already owned by the prospective homeowner.



The home is constructed in accordance with a construction contract between the homeowner and a builder, and the builder (contractor) undertakes the performance of all of the work and the supply of all materials necessary to construct the completed home.

If a homeowner, rather than a builder (contractor), exercises significant control over the construction of a new home, or is responsible for contributing one or more essential element(s) to it, the home may no longer be characterized as a contract home, but rather it becomes an “owner-built home”. This is important because a contract home is entitled to statutory warranty coverage (except for Delayed Closing Coverage) but an owner-built home is not.

As an owner, the important thing to remember is that the statutory warranty is intended for homes where a builder does the work. It is not meant to protect a landowner who is building a home, or for situations where separate contractors are building different stages of a home.

If you are building a contract home, it is recommended that you visit the Tarion website at www.Tarion.com/New-Home-Buyers/Pages/Types-of-New-Homes.aspx for information. You should also consult a lawyer to assist you with the construction contract and explain your rights and obligations.

Financial Loss for Contract Homes

If you have entered into a contract with a builder to construct a freehold home on land that you own, the money that you pay to the builder under the construction contract will be protected up to \$40,000. In the event that the builder fails to substantially perform the contract, Tarion will pay the difference between the value of the work and materials supplied by the builder and the amount you paid the builder, up to an aggregate total of \$40,000.

To make a claim for a financial loss on a contract home, please contact us at 1-877-9TARION (1-877-982-7466).

Important Deadlines for Submitting Statutory Warranty Forms

Under the Act, Tarion is able to become involved in a claim only at the homeowner's request, so be sure to file your Statutory Warranty Forms on time.



The simplest and most convenient way to submit warranty forms is through the homeowner portal at MyHome.Tarion.com

Late forms are not accepted – which means unless a warranty form is received by its deadline, Tarion cannot intervene.

When considering whether to submit a Statutory Warranty Form, refer to your PDI Form or purchase agreement to determine whether any items remain outstanding or unresolved. If you are in doubt as to whether an outstanding item is covered by your home's statutory warranty, you can refer to **Tarion's Construction Performance Guidelines** at www.Tarion.com/Warranty-Protection/Pages/Construction-Performance-Guidelines.aspx which outline what does and does not represent a warrantable defect for almost 300 items.

Important Deadlines for Submitting Statutory Warranty Forms

The 30-Day Form

Use the 30-Day Form to notify Tarion of outstanding warranty items during the first 30 days of possession of your new home. For example, if your home's date of possession is November 8, 2012, you can submit your 30-Day Form between November 9, 2012 and December 8, 2012. When the deadline date ends on a holiday or weekend, the deadline is extended to the next business day, which is the case with this example.

We recommend that you fill out and submit a 30-Day Form on or about the 25th day after your home's date of possession.

On this Form, you may include items that were listed on your Pre-Delivery Inspection Form that have not yet been addressed, as well as new items that you have discovered since taking possession of your home.

A screenshot of the Tarion 30-Day Form. The form is titled "TARION 30-Day Form" and includes sections for "New Registration Information", "Date of Possession", "Name", "Address", "Contact Information", and "Warranty Items". The form is designed to be filled out by the homeowner to report any outstanding warranty issues within the first 30 days of possession.

Tarion will only accept and act on the first 30-Day Form that is properly submitted on time, and only one 30-Day Form may be submitted.

If we do not receive a 30-Day Form from you on time, then you will have to wait until the last 30 days of the first year of possession of your home to notify us of outstanding warranty items.

Important Deadlines for Submitting Statutory Warranty Forms

The Year-End Form

Use the Year-End Form to notify Tarion of outstanding warranty items during the last 30 days of the first year of possession of your new home (with the submission deadline being the anniversary of your home's date of possession).

For example, if your home's date of possession is November 18, 2015, you may submit a Year-End Form to us between October 19, 2016 and November 18, 2016.

If the deadline falls on a holiday or weekend, the submission period is extended to the next business day.

You may submit only one Year-End Form, so be sure it is complete. Tarion will only accept and act on the first Year-End Form that has been properly

submitted on time.

The Second-Year Form

Use the Second-Year Form to notify Tarion of outstanding warranty items covered by the two year warranty or the major structural defect warranty that occurs during the second year of possession.

For example, if your home's date of possession is November 8, 2012, you may submit a Second-Year Form to us at any time between November 8, 2013 and November 7, 2014.

Second-Year Forms may be submitted to Tarion anytime during this period and as often as required.

This form can be used to make claims for defects under Tarion's two year and MSD warranties.

Important Deadlines for Submitting Statutory Warranty Forms

The Major Structural Defect Form

A screenshot of the Tarion Major Structural Defect Form. The form is titled "TARION STATUTORY WARRANTY FORM Major Structural Defect Form". It contains several sections for information entry, including "New Identification Information", "Defect Information", "Customer Information", and "Building Information". The form is designed to be filled out by a homeowner to report a major structural defect.

At any time during the third year of possession of your new home, but no later than seven years from the date of possession, you may make a claim regarding any MSD items directly to Tarion using the Major Structural Defect Form.

For example, if your home's date of possession is November 8, 2012, you may submit a Major Structural Defect Form beginning on November 8, 2015 through until November 7, 2019.

Weekend and Holiday Submission Guidelines



Submission periods are subject to the December 24 to January 1 (inclusive) holiday period.

In addition, where the submission period for a Statutory Warranty Form ends on a weekend or holiday, it is extended to the end of the next business day that is not a holiday (i.e., where the time period to submit a 30-Day Form ends on a Saturday or Sunday, it will be extended to end on the next Monday where Monday is not a holiday).

How to Submit a Form

The simplest and most convenient way to submit warranty forms to Tarion is through the homeowner portal called MyHome (MyHome.Tarion.com).

You may also bring them to our office, send them via courier or mail, or email them to info@Tarion.com. Upon receipt of a Statutory Warranty Form, Tarion will send you a notice acknowledging the receipt of your Form, indicating whether or not it is on time. If you do not receive confirmation within 10 days of submitting your form, please contact us. If a Form is sent by regular or registered mail, submission is effective on the postmark date.

Forms sent by regular mail must be received by us on or before 10 days after the submission expiry date for that particular Form. If a Form is sent by registered mail and the postmark is missing or illegible, the date on the receipt given to you by the Post Office will be used. Submission by regular or registered mail is not advisable during a general interruption of postal service (during a labour dispute, for example).

A copy of each Form you submit to Tarion should also be sent to your builder so they can repair or otherwise resolve the item.



Avoid delays in submitting your forms by signing up for Tarion's online portal at MyHome.Tarion.com

How to register for MyHome

You will need to provide your home's enrolment number and original date of possession (which is the warranty start date). This information is on the Certificate of Completion and Possession (CCP), provided by the builder.

Once you locate this information, simply go to MyHome.Tarion.com to register for MyHome.

What Happens After a Form is Submitted

Submission of a Statutory Warranty Form triggers a specific process and series of time periods, as described below.

Note: All time periods below are subject to the December 24 to January 1 (inclusive) Holiday Period. In addition, where a time period ends on a weekend or holiday, it is extended to the end of the next business day that is not a holiday (i.e., where the time period to submit a 30-Day Form ends on a Saturday or Sunday, it will be extended to end on the next Monday where Monday is not a holiday).

The Initial Builder Repair Period

Submission of a 30-Day, Year-End and/or Second-Year Form triggers the builder's initial 120-day repair period as follows:

- 1** The builder repair period for the 30-Day Form begins 31 days following the date of possession. If, for example, your home's date of possession is November 8, 2012, the builder repair period for warranted items listed on your 30-Day Form would begin on December 9, 2012.
- 2** The builder repair period for the Year-End Form begins on the anniversary of the date of possession. So, for example, if your home's date of possession is November 8, 2012, the builder repair period for warranted items listed on your Year-End Form would begin on November 8, 2013.
- 3** The builder repair period for warranted items listed on your Second-Year Form begins on the day after Tarion receives the Form.

Note: During the period it is important that you provide your builder and their tradespeople access to your home.

What Happens After a Form is Submitted

Your Time Period to Request Tarion's Involvement



**Submitting a form
triggers the builder
repair period.**

If your builder does not complete or otherwise resolve items that you believe are warranted by the end of the 120-day period, you will have 30 days to request a Tarion conciliation inspection. You can book an inspection online through your MyHome account, or by contacting us. You must provide a deposit of \$282.50 (\$250 + HST), which will be refunded to you if we determine that one or more items we inspect are covered by warranty. To encourage resolution of disputes, we have introduced a \$1,000.00 charge for builders when we conduct a conciliation and determine that one or more items are warranted.

If you do not request a conciliation during this time, Tarion will consider all of the items listed on your Statutory Warranty Form to have been withdrawn.

The Builder's Second Repair Period

After you request conciliation, your builder will have 30 days from the day that the request was made to repair or otherwise resolve the outstanding warranted items described on the Statutory Warranty Form.

Provide access to your builder: When necessary work is required, be sure to give your builder and their tradespeople access to your home during normal business hours, at a time mutually agreed upon in advance. Your builder will arrange this with you at least 24 hours in advance. Failure to do so will jeopardize your statutory warranty rights.

What Happens After a Form is Submitted

Tarion Conciliates the Matter

If the repairs are not completed by the end of the 30 days described above, Tarion will conduct the scheduled conciliation inspection with you and your builder present, and will send you a report of our findings within 30 days. The report will outline which items your builder must resolve under the terms of the statutory warranty and list those that are not covered. There may be items which require further investigation, and if so, you will be notified. Your builder will, in most cases, be given 30 days after the date of the report to resolve any warranted items.

The time period given to your builder may be extended beyond 30 days in certain situations, including where the repair will be affected by the weather, or where the materials required for the repair are unique and additional time is reasonably required to obtain them. If there is at least one warranted item, your \$250 deposit (plus HST) will be refunded to you.

Final Resolution

Tarion will contact you 30 days after the date of the report to confirm that all the warranted items listed in the report have been repaired or otherwise resolved. If any of the items remain outstanding at that time, Tarion will work with you directly to resolve them.

The Right to Appeal a Tarion Decision

If you disagree with a warranty assessment made by Tarion and wish to appeal it, you should request in writing a Decision Letter from us. In your request, list the items you wish to appeal.



You have a right to appeal warranty decisions made by Tarion to the Ontario Licence Appeal Tribunal, an independent tribunal created by the Ontario government to provide an impartial appeals process for homeowners.

For more information about your statutory appeal right, go to www.Tarion.com/Warranty-Protection/Statutory-Warranty/Pages/Appealing-a-Decision.aspx. For more information about the Tribunal, you may visit www.lat.gov.on.ca.

New Home Buyer Ombudsperson Office

The New Home Buyer Ombudsperson Office is a second avenue of assistance for homeowners who believe Tarion has treated them unfairly or improperly or in a manner that is outside the “intent and spirit” of the ***Ontario New Home Warranties Plan Act***.

Complaints received by the Ombudsperson will be investigated to determine whether they have been handled in accordance with Tarion’s practices and procedures.

The Office is not meant to replace the statutory warranty process, but may be used if an individual needs assistance identifying how to resolve a complaint, would prefer to discuss a problem with an impartial third party, or has already gone through established channels without satisfaction. The Office is not a forum to challenge Tarion’s warranty decisions — that venue is the Licence Appeal Tribunal.

The Ombudsperson operates independently of all other departments at Tarion.

Exceptions to the Statutory Warranty Process

There are circumstances that may affect your builder's ability to repair or otherwise resolve warranted items according to the process and timelines described in the previous section for statutory warranty claims.

Emergencies



Certain severe conditions constitute an emergency situation.

An emergency is any warrantable deficiency within the control of your builder that, if not attended to immediately, would likely result in imminent and substantial damage to your home, or would likely represent an imminent and substantial risk to the health and safety of its occupants.

Examples of emergency situations include:

- 1 Total loss of heat between September 15 and May 15.
- 2 Gas leak*.
- 3 Total loss of electricity*.
- 4 Total loss of water supply*.
- 5 Total sewage stoppage*.
- 6 Plumbing leakage that requires complete water shut-off.
- 7 Major collapse of any part of the home's exterior or interior structure.
- 8 Major water penetration on the interior walls or ceiling.
- 9 A large pool of standing water inside the home.
- 10 Any situation that in Tarion's opinion makes the home uninhabitable for health or safety reasons.

During this period, it is important that you provide your builder and their tradespeople access to your home.

* Emergency situations due to the failure of a municipality or utility to provide the service are not covered under warranty because they are not within the builder's control.

Exceptions to the Statutory Warranty Process



What to do in an Emergency Situation

There are a few things you must do to protect your home's statutory warranty. Failing to do so could put your home's statutory warranty in jeopardy.

- 1** Immediately call the emergency contact telephone number provided by your builder.
- 2** If you are unable to reach your builder or if your builder does not attend to the situation within 24 hours, you should contact us at 1-877-9TARION (1-877-982-7466) for further assistance.
- 3** If you cannot reach your builder or Tarion, and have no other option but to have the work completed, you or your contractors should correct the situation. However, only the emergency condition should be corrected and the problem should be documented with pictures taken before and after the repair, if possible.
- 4** You should not repair any damage to builder-installed materials. If your builder is responsible for the emergency item and you have notified him/her, he/she should resolve the damage to builder-installed materials caused by the emergency condition within 30 days. If your builder fails to do so, we will work with you directly to settle the matter.
- 5** To recover costs for the circumstances set out in item 3 above, you will need to submit an Emergency Form to us and your builder as soon as possible after completing the repair. This Form is available by contacting Tarion at (1-877-982-7466). Apart from taking steps to protect your property, you should not undertake any repair work without giving your builder 24 hours to assess the problem and take corrective measures. You will not automatically receive reimbursement for emergency repairs, and, in addition, completing the work without an assessment by your builder may jeopardize your statutory warranty coverage.

Exceptions to the Statutory Warranty Process



Seasonal Warranty Items

Seasonal Warranty Items are items on the exterior of or outside your home that can only be repaired effectively in favourable weather conditions. The period from May 1 to November 15 is generally considered to have suitable weather conditions for making such repairs.

Seasonal Warranty Items include:

- 1 Exterior painting.
- 2 Exterior cement/concrete work (including parging application/repair).
- 3 Exterior mortar work (including brick installation/repair).
- 4 Exterior stucco work/repairs (including repairs to exterior insulation finishing systems).
- 5 Exterior caulking.
- 6 In-ground support for decks.

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 as described above. 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 us and request our assistance. If you do not do so, the Seasonal Warranty Items listed on your Statutory Warranty Form will be considered resolved and the matter will be closed.

(Note: You may resubmit the item at a later date if the warranty covering the item is still in effect).

Exceptions to the Statutory Warranty Process

Special Seasonal Warranty Items

Special Seasonal Warranty Items include the completion of your new home's final grading, landscaping (laying sod, etc.) and the installation of driveways, patios and walkways, and should be listed on your 30-Day or Year-End Form as appropriate.



Your builder has 270 days of “seasonal weather” from your home’s date of possession to complete any of these items.

The seasonal weather days in this example are calculated as follows:

Number of Seasonal
Weather Days

From November 8, 2009
to November 15, 2009

8

From May 1, 2010
to November 15, 2010

199

From May 1, 2011
to July 2, 2011

63

TOTAL

270

For example, if your home's date of possession is November 8, 2012, your builder has until July 3, 2014 to complete the necessary work.

If for any reason your builder does not complete the required work to your satisfaction within this 270-day period, you have 30 days (which in the example above would be from July 3, 2014 to August 1, 2014) to contact Tarion and request our assistance.

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

Exceptions to the Statutory Warranty Process

Air Conditioning

Defects in work or materials that result in problems with your builder-supplied air conditioner are covered under the one year warranty. They should be reported on your 30-Day or Year-End Form and they will be serviced by your builder according to the timelines outlined in the Statutory Warranty Process section, with one exception. A complete lack of cooling between May 15 and September 15 inclusive during the first year of possession of your home may be reported to Tarion separately and will be resolved more quickly. Report the problem to your builder immediately so they can assess the situation and resolve the matter.

Air conditioning problems are covered under the one year warranty.



If you also wish to report the problem to Tarion, we will assist you in determining whether it is an exceptional situation and if so, we will ask you to complete and submit an Air Conditioning Form, available by contacting Tarion. Your builder will be given 30 days from the date that we receive your Form to correct the complete lack of cooling, if it is warranted. If they fail to do so, you will have 30 days to contact us and request conciliation. Tarion will schedule a conciliation inspection and send you a report regarding your claim within 10 days of your request.

Extraordinary Situations

Another exception to the time periods set out in the Statutory Warranty Process is in the case of an extraordinary situation. There are two types of extraordinary situations, either of which could cause your builder to seek an extension of the time periods:



- 1** An industry or regional event that affects a segment of the construction industry or region of the province (such as labour, trade or materials shortages, strikes or other labour disputes, and severe weather or other acts of nature).
- 2** Special circumstances affecting a particular builder or home, such as the special order of a part that will take more time to arrive than the Statutory Warranty Process time periods allow.

If your builder applies to Tarion for this type of extension on any of your outstanding items, they will notify you in writing. If the extension is granted, we will set a new time period and advise you.

Maintaining your New Home



Conducting regular and proper maintenance on your home will help ensure that your statutory warranty rights are protected. Talk to your builder about what you should be doing inside and outside your home during the various seasons of the year. He/she might even provide you with an instruction guide to help you along. Tarion's website also includes helpful checklists on maintaining your home by season, and how to avoid moisture damage.

Go to the links below to access our maintenance tips.

New Home Maintenance Checklists by Season:

- **Spring**
www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/Spring.aspx
- **Summer**
www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/Summer.aspx
- **Fall**
www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/Fall.aspx
- **Winter**
www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/Winter.aspx

Avoiding Moisture Damage

www.Tarion.com/New-Home-Buyers/Maintaining-Your-Home/Pages/Avoiding-Moisture-Damage.aspx

Next Steps: Sign Up for MyHome



The easiest way to stay on top of your coverage is to register for Tarion's web-based service, MyHome (MyHome.Tarion.com).

By registering online, many of the more onerous tasks of managing your warranty, such as remembering deadlines and keeping track of the correspondence, is done for you.

This service also allows you to:

- 1** Securely submit statutory warranty forms.
- 2** View forms submitted to, and official correspondence received from, Tarion regarding the home.
- 3** Receive email alerts with personalized warranty timelines, including key due dates for form submission and inspection requests.
- 4** Access key statutory warranty information specific to your home, and manage it all in one safe, secure place.
- 5** Schedule a Tarion conciliation inspection.

How to register for MyHome

You will need to provide your home's enrolment number and original date of possession (which is the warranty start date). This information is on Tarion's Certificate of Completion and Possession (CCP), provided by the builder.

Once you locate this information, simply go to MyHome.Tarion.com to register for MyHome.

Useful Links

Tarion's website is a great resource for new homeowners. It is full of information about your warranty rights, the process and some additional tools to provide you with extra support.

Some useful information includes:

Online Education Seminars

[www.Tarion.com/About-Tarion/News-and-Events/Pages/Welcome to Our Online Seminar Library.aspx](http://www.Tarion.com/About-Tarion/News-and-Events/Pages/Welcome-to-Our-Online-Seminar-Library.aspx)

Top Ten Tips for New Home Buyers

www.Tarion.com/New-Home-Buyers/Pages/Top-Ten-Tips-For-New-Home-Buyers.aspx

MyHome

MyHome.Tarion.com

Construction Performance Guidelines

www.Tarion.com/Warranty-Protection/Pages/Construction-Performance-Guidelines.aspx

Ontario Builder Directory

www.Tarion.com/Pages/Find-a-Builder.aspx

Looking for something else? Go to Tarion.com and use our search function.

Privacy Policy

Tarion may collect personal information from you if you request our assistance regarding a dispute with your builder, or make a warranty claim under the Act. For example, you may provide Tarion with personal information when you complete a Statutory Warranty Form, when you call our Customer Service Centre, when you send us correspondence, or during a conciliation inspection at your home.

By providing Tarion with personal information, you are consenting to Tarion using and disclosing it for the primary purposes of assessing whether you have a valid warranty claim or complaint, providing you with information regarding your rights and responsibilities, and investigating and conciliating your dispute with your builder. Any information you submit as part of your claim can and will be shared with the builder and Tarion, as well as their representatives, including staff and applicable consultants, advisors, suppliers, tradespeople and subcontractors.

Tarion will not use or disclose your personal information for other purposes, except with your consent or as required or permitted by law.

Some of Tarion's services can only be offered if personal information is provided to us. Accordingly, if you elect to not provide necessary personal information to Tarion, certain services may not be available to you.

For more information about Tarion's Privacy Policy, go to www.Tarion.com/Pages/Privacy.aspx

Questions? How to Contact Tarion

Visit our Contact Us page at www.Tarion.com/Pages/Contact-Us.aspx for ways to reach us.

Tarion Representatives are also available by phone Monday to Friday, 8:00 AM to 5:00 PM:

Telephone: **1-877-9-TARION**
(1-877-982-7466)

Accessibility at Tarion

Tarion is committed to promoting the independence, dignity, integration, and equality of opportunity of persons with disabilities by ensuring the accessibility of our facilities and services.

For more information and resources related to Accessibility, [click here](#).