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Homeowner Information Package

A Guide to Your New Home Warranty

For all homes with a date of possession
on or after July 1, 2008



TARION

PROTECTING ONTARIO'S NEW HOME BUYERS

The contents of this publication will be updated periodically. This edition applies to freehold homes and condominium units with a date of possession on or after July 1, 2008 and does not apply to Condominium Common Elements.

Protecting your most important investment

Your new **home** is required to 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 a mandatory warranty provided by your builder and backed by Tarion Warranty Corporation (“Tarion”).

Tarion is a non-profit, private corporation established in 1976 to protect new home buyers according to the terms of the *Ontario New Home Warranties Plan 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. The Act also gives Tarion responsibility for managing a guarantee fund to ensure that the builder’s warranty will be honoured, and for enforcing the overall terms of the Act.

It is important that homeowners and builders are aware of and understand their rights and responsibilities under the Act.

Be Sure to Read and Keep this Booklet!

Getting ready to move 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 this *Homeowner Information Package** and become familiar with its contents. It describes your home’s statutory warranties and the responsibilities of both you and your builder, and explains how Tarion will handle a statutory warranty claim. Because of its importance, we recommend that you file this booklet with your other new home documents so that you will be able to refer to it in the future.

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

THIS IS AN IMPORTANT DOCUMENT

- 1) **Be sure to take the time to read and understand its contents.**
- 2) **Keep it with your other new home documents for future reference.**
- 3) **If you have questions, call us at 1-877-9TARION (1-877-982-7466) or visit our website at www.tarion.com.**

* This publication provides a general overview of the coverages and procedures set out in the Act. If there is any conflict between this publication or the Act, the latter prevails. Tarion Warranty Corporation and your builder assume no liability for any omission or error in this publication. To view the full text of the Act, you should visit the Tarion website at www.tarion.com.

EIGHT TIPS ABOUT YOUR NEW HOME WARRANTY



As is the case with any important warranty, there are critical pieces of information (outlined below) which you should be aware of. These and other useful points regarding your home's statutory warranty are covered in greater detail in this booklet.

1) **Deposits Made to Your Builder are Covered**

The deposit you make on your new home is protected by Tarion, up to a maximum of \$40,000 for freehold homes and \$20,000 for condominium units. Condominium deposits in excess of \$20,000 are protected separately by Ontario's *Condominium Act*.

2) **Delays in Closing or Occupancy are Covered**

Every new home builder in Ontario must provide Delayed Closing or Occupancy protection to purchasers. Delayed Closing protection applies to freehold homes (excluding contract homes) and Delayed Occupancy protection applies to condominium units (see pages 7–11 for more details).

3) **You Should Prepare for Your Pre-Delivery Inspection (PDI)**

When your home is ready for Occupancy, your builder is required to provide a PDI (see page 4 for more details) so you have an opportunity to view the home in its completed state before you move in. You should prepare well as this marks a key starting-off point in the new home warranty process.

4) **Statutory Warranty Coverage Continues for Seven Years**

There are three statutory warranties that apply to your completed home: a one year warranty, a two year warranty and a seven year warranty. You can find detailed descriptions about these warranties beginning on page 12. With the exception of deposit coverage, all of your statutory warranties take effect on your home's date of possession and remain in effect even if the home is sold. Your builder may choose to offer additional coverage as well.

5) Your Home is Covered for up to \$300,000

You are entitled to statutory warranty coverage up to a maximum of \$300,000 for most types of claims covered by the one, two and seven year warranties (some lesser limits apply to specific items, such as septic systems).

6) Don't Miss the Deadline for Submitting Your 30-Day and Year-End Forms

You must use Statutory Warranty Forms supplied by Tarion to inform us of outstanding statutory warranty items in your home. You have 30 days, including the day you took possession of your new home, to submit your *30-Day Form* to your builder and Tarion. For example, if you took possession of your new home on November 9, 2009, submit your *30-Day Form* on or before December 8, 2009. It is your opportunity to inform Tarion of items listed on your *PDI Form* and any new items that have not been addressed by your builder.

The next opportunity you will have to notify us of outstanding statutory warranty items is on your *Year-End Form*. You must submit this Form during the last 30 days of the first year of possession and **before** the first anniversary of the day you took possession of your new home. For example, if you took possession of your home on November 11, 2009, submit your *Year-End Form* to your builder and Tarion between October 11, 2010 and November 10, 2010. Timelines for submitting Tarion Forms must be followed in order to protect your warranty rights (see pages 16 –17 for more details). Copies of the *30-Day Form*, *Year-End Form* and *Second-Year Form* can be found at the back of this booklet or on our website at www.tarion.com.

7) Be Sure to Maintain Your New Home

Regular and proper maintenance of your home is important. Please see page 23 and the maintenance checklist provided by Tarion. Your builder is obliged to explain the use and maintenance of major systems in the home. You will see that improper maintenance can adversely affect coverage of certain items.



8) Work with Your Builder to Resolve Deficiencies

By law, your builder must provide you with statutory warranties described in this *Homeowner Information Package*. Tarion steps in to enforce these obligations if the warranties are not honoured. It is important that you maintain communication with your builder to assist in resolving deficiencies in your new home.



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Statutory Warranty Forms (included in Back Pocket of this Booklet)

- The Confirmation of Receipt of the Homeowner Information Package Form
- The 30-Day Form
- The Year-End Form
- The Second-Year Form
- Delayed Closing/Occupancy Claim Forms

Your Home's Statutory Warranty – Roles and Responsibilities

As required by the *Ontario New Home Warranties Plan Act*, every new home built in Ontario comes with specific warranty coverage provided by your builder (and backed by Tarion) or provided by Tarion directly. This booklet provides details about your home's statutory warranty coverage and the process for addressing warranty-related matters.

The Statutory Warranty Process involves three parties: the homeowner, the builder and Tarion. Each party has specific roles and responsibilities which are outlined below.

The Homeowner's Role

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 and failing to do so could put your home's statutory warranty in jeopardy. To protect your home's statutory warranty:

- 1) You should attend the Pre-Delivery Inspection ("PDI") with your builder in order to view your home before you take possession to assess its condition at that time and ensure that any deficiencies are noted on the *PDI Form* provided by your builder. Use this opportunity to learn how to operate your home's systems, including heating, electrical, plumbing and air conditioning.
- 2) Complete the appropriate Statutory Warranty Form(s) and submit them to Tarion on time. The required Forms for most of the items that may arise during the first two years of possession are included in this booklet. Please see page 16 for more detail about Forms.
- 3) Send a copy of your completed Statutory Warranty Form(s) to your builder so they can repair or otherwise resolve the items. Be sure to provide your builder and their tradespeople with access to your home during regular business hours to make any necessary repairs.
- 4) After you submit a Statutory Warranty Form, your builder has a specific period of time in which to repair or otherwise resolve the warranted items listed. If these items are not resolved within the appropriate time period (see page 18 for details about the Initial Builder Repair Period), then you have 30 days in which to contact Tarion to request a conciliation inspection. If you do not contact us within 30 days, we will not be able to help resolve the situation, unless it's an emergency.

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





- 5) It is important that you properly maintain your home, as improper maintenance can affect warranty eligibility. To help you do this, a maintenance information section is included on page 23 of this booklet. If your builder has provided you with additional maintenance guidelines, you should also refer to them.
- 6) Take the time to read through your purchase agreement and review it with a lawyer. The purchase agreement is a contract between you and your builder which describes the terms under which your new home will be provided, and it is important that you understand what these terms are.

The Builder's Role

Your home is covered by the statutory warranty for seven years and your builder is responsible for following the minimum customer service requirements to address warranty items as outlined in this booklet.

Your builder must:

- 1) Provide you with a copy of the *Homeowner Information Package* at or before your Pre-Delivery Inspection ("PDI") (described on page 4). It must contain your builder's contact information for use should an emergency arise (this may be in a covering letter or on a business card inserted into the inside back pocket). To confirm receipt of this booklet, you or your designate will be asked to initial the box on the Certificate of Completion and Possession ("CCP") under the heading "Receipt of Homeowner Information Package."
- 2) Conduct a PDI of your completed home before you take possession to assess its condition. At the PDI, they 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).

- 3) Provide you with a completed CCP for your home, including the date of possession (the date on which your builder transfers the right of occupancy of the home to you). This is the date on which your home's one, two and seven year warranties begin.
- 4) Provide warranty service based on the regulatory time periods described in this booklet. 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. You should refer to your purchase agreement to determine whether your builder has agreed to provide such supplemental work, materials or warranties on your home.



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 minimum customer service standards to repair or otherwise resolve warranted items in a new home.

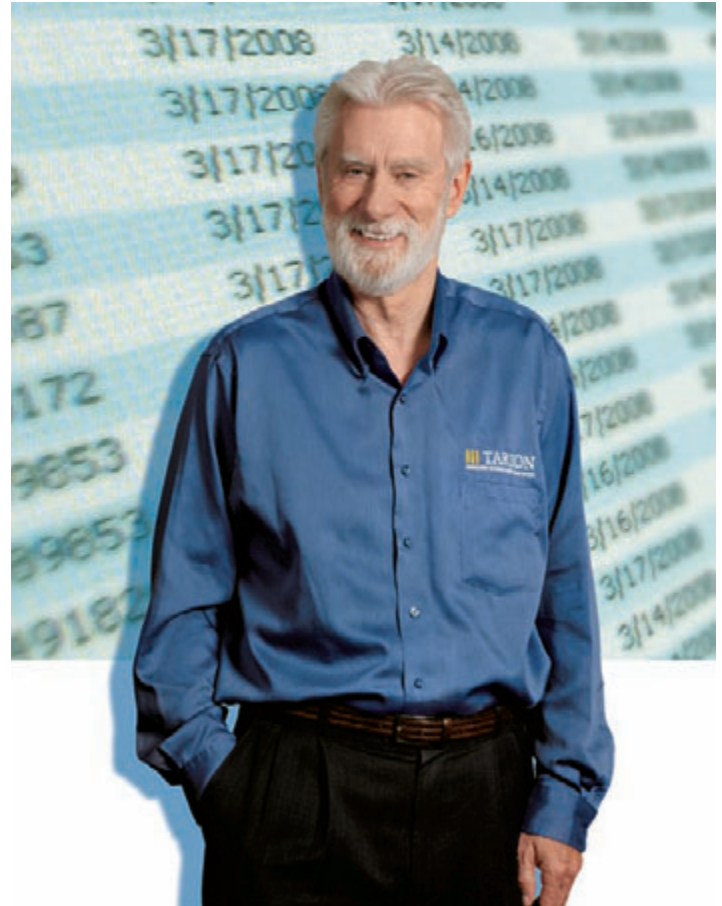
As prescribed by the Act, Tarion's responsibilities cover three main areas:

1. 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.

2. Warranty Enforcement

- We work with homeowners and builders to help resolve disputes about statutory warranty coverage, however Tarion is able to become involved in a claim only at a homeowner's request so be sure to file your Statutory Warranty Forms on time as you will not be able to request our help unless you do so (please see page 16 and 20 for more details).
- We 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 warranty.



3. Builder Licensing

- We act as the Regulator of the home building industry 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.



The Pre-Delivery Inspection (PDI)

The Pre-Delivery Inspection (“PDI”) takes place when your new home is ready for occupancy, making it 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 present. The objective of this inspection is to make a written record of all items that are incomplete, damaged, missing, inaccessible, not operating properly or otherwise deficient.

One purpose of this record is to minimize later disputes between you and your builder as to who is responsible for damaged items by allowing your builder to have, as early as possible, a list of your issues and concerns to work from. 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 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 work – including the heating, electrical, plumbing and air conditioning – making the PDI a good opportunity for your builder to go through them with you. It is very important that you understand how to operate your home’s systems because not using them properly could affect your warranty coverage.

Due to the importance of the PDI, we suggest that you choose a different time to show your new home to family and friends. Your focus during the inspection should be on observing the home itself, listening to the instructions provided by your builder and ensuring that a complete list of deficiencies is made by your builder.

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 in your place, your builder may require you to notify them in advance and to provide written authorization that this person may sign the *PDI Form* or the CCP on your behalf. Check your purchase agreement to see if such notification is required.



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*, take care to review the list and ensure it is complete. You or your designate will be asked to sign it to confirm that the listed items are complete and accurate.

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 will 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. So, if you find that any of the items listed on the *PDI Form* have not been repaired or otherwise resolved, you should list them on the *30-Day Form*.

You will also be asked to review and sign a Certificate of Completion and Possession. 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 and forward the CCP to us.

What Should I Look for During the PDI?

During the PDI, you should identify any damaged, incomplete or missing items, as well as anything that is not operating properly or deficient in terms of workmanship or materials, and items that

cannot be assessed because they are obscured from view or inaccessible. All such items should be included on the *PDI Form*.

Be sure to examine both the interior and exterior of the home. While inside, look for things like chips in the porcelain or scratches on countertops, damage to floors or walls, and doors and windows that are not secure or do not open and close easily. When you go outside, check things like the quality of brickwork and siding, whether window screens have been installed, and the appearance of the driveway and landscaping.

You should also note on the *PDI Form* any unauthorized "substitutions" of items to be selected under or referred to in your purchase agreement. You should bring a copy of your purchase agreement with you to the PDI for reference.

A more detailed description of the PDI – including a checklist of interior and exterior items that should be examined – can be found in the brochure called "Getting Ready for the Pre-Delivery Inspection," which is published by Tarion and available in the Resources Section of our website at www.tarion.com.

Although the *PDI Form* is a record, not a claim, it is important that it is accurate and thorough in order to formally communicate to your builder any items that were noted before you took possession of your new home. Your builder may respond to all the issues listed on your *PDI Form*, but Tarion will only require resolution of the issues that are included on a Statutory Warranty Form and found to be warranted.



The PDI for Common Elements (Applies to Condominiums Only)

Condominium Common Elements are not included in the PDI of your unit. The condominium Board of Directors may complete a separate PDI with the builder for all of the common elements. If you see any damage or defects in the common elements, you should notify the Board of Directors so that they can decide whether to record them in a common elements PDI or to take action under the common elements warranty.

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 appliance 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*. 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 and is required to keep it. 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.

Your Home's Statutory Warranty – What's Included

The Act protects new homeowners by requiring that all builders repair or otherwise resolve any item in a new home that is covered by the statutory warranty. Like any warranty, it is important to understand what is and is not covered.

The following sections outline the various warranties and protections that are guaranteed to new homeowners under the Act, and should be read with care. Exclusions are described on page 14 and should also be carefully noted.

Your home's statutory protection begins before you move in, providing both deposit protection and compensation for Delayed Closing and Delayed Occupancy. 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 structural defects.

These warranties begin on the date you take possession of your new home, which may be different than the Closing Date. If you would like more details about any aspect of your home's statutory protection, please visit our website at www.tarion.com or contact us.

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.

You should refer to your purchase agreement to determine whether your builder will provide faster service or additional warranties or agree to matters over and above items warranted by statute. Tarion's guarantee extends to the statutory warranty but not to supplementary contractual provisions in the purchase agreement.

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

Your deposit is protected by Tarion, up to a maximum of \$40,000 for freehold homes and \$20,000 for condominium units¹ 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 are otherwise legally entitled to treat your purchase agreement as terminated.

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

Before treating your purchase agreement as terminated and to ensure that your claim will be within the scope of the deposit protection under the Act, you may wish to consult a lawyer.

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 (a "Contract Home" – see page 15), 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 a 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).

The Delayed Closing and Delayed Occupancy Warranties

Under the delayed closing warranty, your builder guarantees that your 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.

¹ Condominium deposits in excess of \$20,000 and up to an additional \$20,000 are protected by the excess deposit provisions of the *Condominium Act*.



There are two sets of delayed closing and delayed occupancy warranties, which are described in Sections A and B below.

- **Freehold home buyers:** the warranty that applies to your home is based on the date on which you signed the purchase agreement.
- **Condominium buyers:** the warranty that applies to your home is based on the date that the purchase agreement for the first unit sold in your condominium project or phase was signed. (Ask your builder to provide this information to you.)

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

Section A: Applies to purchase agreements signed on or before June 30, 2008

If you are entitled to delayed closing/occupancy compensation, as described below, you can make a claim to your builder after you complete the purchase of your new home at any time during the first year of possession. If your builder does not pay your claim or if you and your builder cannot agree on the amount of compensation payable, you may then make a claim to Tarion during the first year of possession. To do so, please contact us to obtain a *Delayed Closing/Occupancy Form* package. Be sure to keep all receipts and other supporting documents related to your expenses during the period in which the Closing or Occupancy was delayed, as you may be required to provide them during the assessment of your claim.

Freehold Home Buyers

With proper written notice as described in the section below, your builder may delay the Closing of your home for up to 120 days without paying you compensation. Your builder may also delay closing for up to five days without giving notice or paying compensation. However, if the Closing Date of your new home is delayed more than five days without proper written notice, or more than 120 days in total from the Closing Date specified in your purchase agreement (either the original Closing Date or a new Closing Date specified in an amendment to the purchase agreement agreed to by you and your builder), then you may be entitled to compensation from your builder up to a maximum of \$5,000.

There is no compensation for unavoidable delays such as strikes and fire or for delays for which you are responsible.

Note: Should you agree to extend your Closing Date by way of an amendment to your purchase agreement, you may not be eligible for compensation.



When proper written notice is given, your builder is also allowed to extend the Closing Date of your new home once, as follows:

- Closing may be extended by up to 15 days if the builder gives you written notice of a new Closing Date at least 35 days in advance; or
- Closing may be extended by up to 120 days, if the builder gives you written notice of a new Closing Date at least 65 days in advance. If this new date is insufficient, your builder may then delay closing by a further 15 days, if they give you proper written notice of a new Closing Date at least 35 days in advance and if the final new Closing Date is not more than 120 days later than the original Closing Date specified in your purchase agreement.

Termination of the Purchase Agreement

If the Closing Date of your home is delayed more than 120 days from the Closing Date specified in your purchase agreement (or in an amendment to it), you have the right to terminate the agreement between day 121 and day 130. If you don't terminate the agreement by day 130, your builder is entitled to additional delays of up to 120 days in total. During this time, your new Closing Date will be deemed to be the date that is five days after the

date on which construction of your home is completed. If the further 120 days expire without closing, and you and your builder cannot mutually agree to a new Closing Date, then the agreement will automatically terminate and your builder must refund your deposit plus interest for the period that has elapsed beyond the initial 120-day delay.

Condominium Buyers

If proper written notice is provided (see below for details), your builder may delay occupancy of your condominium unit for up to 135 days after setting a confirmed Occupancy Date without paying compensation. Your builder may also delay occupancy for up to five days without giving notice or paying compensation. However, if the Occupancy Date of your new home is delayed more than five days without proper written notice, or more than 135 days in total from the confirmed Occupancy Date which may be specified in your purchase agreement (or set in accordance with your purchase agreement), then you may be entitled to compensation from your builder up to a maximum of \$5,000. There is no compensation for unavoidable delays such as strikes and fire or for delays for which you are responsible.

Note: Should you agree to extend your confirmed Occupancy Date by way of an amendment to your purchase agreement, you may not be eligible for compensation.

Confirmed and Tentative Occupancy Dates

Every purchase agreement for a condominium unit must include either a confirmed Occupancy Date or a tentative Occupancy Date. If a tentative Occupancy Date is given, your builder is required to inform you in writing of the confirmed Occupancy Date no later than 30 days after the roof assembly is completed (or another specific stage of construction as specified in the purchase agreement). If you are not given notice of the confirmed Occupancy Date by at least 90 days before the tentative Occupancy Date, then the tentative Occupancy Date will automatically become the confirmed Occupancy Date for the purpose of calculating compensation for the delay.



When Proper Written Notice Must be Given

Once the confirmed Occupancy Date is established, your builder is allowed to extend it as follows:

- Once by up to 15 days if written notice of a new confirmed Occupancy Date is provided at least 35 days in advance; or
- Once by up to 120 days if written notice of a new confirmed Occupancy Date is provided at least 65 days in advance. If that is insufficient, your builder may extend the Occupancy Date by a further 15 days, if proper written notice of a new confirmed Occupancy Date is provided at least 35 days in advance, and if the final new confirmed Occupancy Date is not more than 135 days later than the original confirmed Occupancy Date.

Section B: Applies to purchase agreements signed on or after July 1, 2008.*

If you are entitled to delayed closing/occupancy compensation, you may make a claim to your builder within 180 days of your Closing/Occupancy Date or the date on which you terminate your purchase agreement, as described below. Be sure to attach all receipts and other supporting documents for costs incurred as a result of the Closing/Occupancy 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.

If your builder does not pay your claim, or if you and your builder are unable to agree on the amount of compensation payable, you may make a claim to Tarion during the first year of possession of your new home (or up to 365 days after you terminated the purchase agreement). To do so, please complete the *Delayed Closing/Occupancy Claim Form* included with this booklet. 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 is payable without receipts.

Freehold Home Buyers

There is an Addendum to your purchase agreement that clearly indicates when your builder expects to finish your home, as well as the latest dates permitted for extensions and Closing. When you sign your purchase agreement, your builder must also 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.

If your new home is not ready on the Closing Date mutually agreed upon by you and your builder, or by a date that was properly extended as per the Addendum, then your builder must compensate you for all costs incurred by you as the result of the delay up to a maximum of \$7,500 (including a fixed amount of \$150 per day for living expenses).

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.

In rare circumstances (for example, in the event of a strike or a fire), a Closing Date may be unavoidably delayed by your builder. 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 in the Delayed Closing section of the Tarion website, www.tarion.com.

* Capitalized terms in this section are defined in The Addendum to the purchase agreement.

Eligibility for Delayed Closing Compensation

Delayed Closing Compensation is payable if:

- Closing occurs on a date after your home's Firm Closing Date; or
- 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 increase of \$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.

Condominium Buyers

There is an Addendum to your purchase agreement that indicates when your builder expects to finish your condominium unit, as well as the latest dates permitted for extensions and Occupancy. When you sign your purchase agreement, your builder must also 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.

If your new condominium unit is not ready on the Occupancy Date mutually agreed upon by you and your builder, or by a date that was properly extended as per your Addendum, then your builder must compensate you for all costs incurred by you as the result of the delay up to a maximum of \$7,500 (including a fixed amount of \$150 per day for living expenses). The delayed occupancy warranty does not apply to Condominium Common Elements.

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 Occupancy of your condominium unit has not taken place. Should this occur, you are entitled to Delayed Occupancy Compensation and a full refund of all monies paid (i.e., deposits, extras, upgrades) plus interest.

In rare circumstances (for example, in the event of a strike or fire), an Occupancy Date may be unavoidably delayed by your builder. In such cases, your builder must inform you 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. In addition, your builder must provide you with a new Occupancy Date(s), adding the length of the delay onto the original dates shown on your Addendum.

Eligibility for Delayed Occupancy Compensation

Delayed Occupancy Compensation is payable to you if:

- The Firm Occupancy Date is not met; or
- Occupancy is delayed beyond the Outside Occupancy 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 beyond the Firm Occupancy Date, plus other costs incurred by you as a result of the delay (such as additional moving and storage costs). Delayed Occupancy Compensation is payable from 10 days before the Firm Occupancy Date (i.e., an increase of \$1,500 (10 days x \$150) if your builder fails to give you at least 10 days notice of delay of the Firm Occupancy Date). The maximum amount of delayed occupancy compensation payable to you is \$7,500 and compensation is payable only if Occupancy occurs or if the purchase agreement is terminated.



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. For example, if your home's date of possession is November 8, 2009, the one year warranty begins on November 8, 2009 and ends on November 7, 2010. The one year warranty is provided by your builder and it requires that the home be:

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

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.

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. For example, if your home's date of possession is November 8, 2009, the two year warranty begins on November 8, 2009 and ends on November 7, 2011. The two year warranty is provided by your builder and covers:

- Water penetration through the basement or foundation walls;
- Defects in materials, including windows, doors and caulking, or defects in work that result in water penetration into the building envelope;
- Defects in work and materials in the electrical, plumbing and heating delivery and distribution systems;
- Defects in work or materials which result in the detachment, displacement or deterioration of exterior cladding (such as brickwork, aluminum or vinyl siding);
- 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); and
- Major structural defects*.

Homes are the result of the application of human trade skills to a wide variety of materials which by their nature are not perfect. Terms such as "workmanlike" and "free from defects in material" are therefore not intended to mean perfection. Reasonable tolerances should be expected. 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* available for review on the Tarion website.

You should be aware that natural settling and the drying of construction materials will take place in your new home during the first year and this may affect items that are both warranty-related and non-warranty related.

* Major structural defects are specifically defined in the Act, and are discussed in more detail on page 13 of this booklet.

The Seven Year Warranty

Your home's seven year warranty covers major structural defects (MSD) and begins on the date you take possession of the home and ends on the day before the seventh anniversary of that date. For example, if your home's date of possession is November 8, 2009, the seven year MSD warranty begins on November 8, 2009 and remains in effect until and including November 7, 2016.

A major structural defect is defined in the Act as:

- Any defect in work or materials that results in the failure of a load-bearing part of the home's structure or materially and adversely affects its load-bearing function; or
- Any defect in work or materials that materially and adversely affects the use of the building as a home.

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

In addition to the general exclusions described on page 14, the seven year MSD warranty specifically excludes: dampness not arising from failure of a load-bearing portion of the building; damage to drains or services; and damage to finishes.

Proving Your Statutory Warranty Claim

The *Ontario New Home Warranties Act* places the onus on you to show that there is a warranted defect in your home. "Onus" means that you are required to show Tarion the defect about which 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 be able to assess whether the problem is "warranted." A problem is warranted if it falls below the standards required by the statutory warranty; for example, a problem is an item that amounts to a defect in work and materials.

For information about what is and is not covered under the statutory warranty, please consult the *Construction Performance Guidelines* which are available on our website at www.tarion.com. They describe many of the most common warranty items that homeowners submit to Tarion and indicate which are covered by the statutory warranty.

If the defect you are reporting on 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 Field Claims Representative who conducted your conciliation inspection.

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

* Soil movement means subsidence, expansion or lateral movement of the soil not caused by flood, earthquake, "acts of God" or any other cause beyond the reasonable control of the builder.



Your Home's Statutory Warranty – What's Excluded

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

Homeowner Action/Involvement

- 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., footing/foundation, exterior cladding, building envelope, or an electrical, plumbing or heating system), then the home may not qualify for the statutory warranty.
- 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. Please see page 23 for information about how to ensure you are properly maintaining your new home.
- 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).
- Defects in materials, design and work supplied or installed by the homeowner/purchaser.
- Damage caused by the homeowner or visitors.

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 how the damage was caused and why it was not listed on the *PDI Form* (for example, if the damage was caused later during repair work to the home).

Normal Wear and Tear

- 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.
- Normal shrinkage of materials that dry out after construction (such as nail "pops" or minor concrete cracking).
- Settling soil around the house or along utility lines.

Third Party Damage

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

Secondary/Consequential Damage

- 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.
- Personal injury and loss of income associated with defects or repairs.

Supplementary Warranties/Agreements

- 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.

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 a 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 contractor, exercises significant control over the construction of a new home, or is responsible for contributing essential elements 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 for information. You should also consult a lawyer to assist you with the construction contract and explain your rights and obligations.

Other Types of New Homes

There are other types of new homes that may or may not be entitled to statutory warranty coverage. Information on these is available through www.tarion.com.





Protect Your Statutory Warranty – Submit Your Forms On Time

Tarion is responsible for ensuring that builders provide the warranty coverage that homeowners are entitled to under the Act and for ensuring that they follow minimum customer service standards to repair or otherwise resolve warranted items. We work with homeowners and builders to resolve disputes about statutory warranty coverage and to determine how repairs should be completed and how much time they will require. 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 as you will not be able to request our help unless you do so.

When considering whether to submit a Statutory Warranty Form, you should 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* which outline what does and does not represent a warrantable defect for almost 300 items. The Guidelines are available on our website at www.tarion.com.

Statutory Warranty Forms

In order to protect your warranty, you must use specific Statutory Warranty Forms to submit outstanding warranty items to Tarion, and you must submit the Forms within specific time periods as follows:

- During the first year of possession of your new home, a *30-Day Form* can be submitted during the first 30 days after you take possession and a *Year-End Form* can be submitted within the last 30 days of the first year of possession (with the deadline being one day prior to the anniversary of your home's date of possession).
- During the second year of possession, a *Second-Year Form* can be submitted anytime.
- During years three through seven of possession, a *Major Structural Defect Form* can be submitted anytime.

Submit forms online. You can complete the *30-Day*, *Year-End* and *Second-Year Forms* and submit them through our new homeowner portal called MyHome.

Register at www.tarion.com

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 Sunday, it will be extended to end on the next Monday where Monday is not a holiday). An example of this is provided in the *Year-End Form* section on page 17.

These Forms may be submitted to Tarion online through our new homeowner portal called MyHome. You may also bring them to our office or send them via fax, courier or mail. **Upon receipt of a Statutory Warranty Form, Tarion will send you a notice acknowledging the receipt of your Form, and indicating whether or not it is on time.** If you do not receive a confirmation within a reasonable time (10 days), please contact us. You should be aware that 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).

During the first two years of possession, 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.

The 30-Day Form

Use the *30-Day Form* (provided with this booklet) 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, 2009, you can submit your *30-Day Form* between November 9, 2009 and December 8, 2009. 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. 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, so make sure it is complete. 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.

Protect your warranty by submitting a *30-Day Form*. If you fail to do so, you will have to wait until the last 30 days of the first year of possession of your new home to notify us of outstanding warranty items.

The Year-End Form

Use the *Year-End Form* (provided with this booklet) 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 one day prior to your home's date of possession). For example, if your home's date of possession is November 8, 2009, you may submit a *Year-End Form* to us between October 8, 2010 and November 7, 2010. Since, in this example, the year-end expiration of November 7, 2010 falls on a Sunday, the submission period is extended to the next business day, which is November 8, 2010.

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. If we do not receive a *Year-End Form* from you on time, then you will have to wait and you will only be able to report two year warranty items to us at that time.

The Second-Year Form

Use the *Second-Year Form* (provided with this booklet) 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 possession. For example, if your home's date of possession is November 8, 2009, you may submit a *Second-Year Form* to us at any time between November 8, 2010 and November 7, 2011. *Second-Year Forms* may be submitted to Tarion anytime during this period and as often as required.

The Major Structural Defect Form

At any time during the third year of possession of your new home, but no later than the end of the seventh year of possession, you may make a claim regarding any MSD items directly to Tarion using a *Major Structural Defect Form*. For example, if your home's date of possession is November 8, 2009, you may submit a *Major Structural Defect Form* beginning on November 8, 2011 through until November 7, 2016.

You can obtain this Form by calling us at 1-877-9TARION (1-877-982-7466). Upon receipt of your Form, Tarion will schedule and conduct an inspection within 30 days.



The Statutory Warranty Process – After Form Submission

Submission of a Statutory Warranty Form triggers a specific process and series of time periods, as described below. Specific exceptions to this Statutory Warranty Process are described beginning on page 20.

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 Sunday, it will be extended to end on the next Monday where Monday is not a holiday). An example of this is provided in the *Year-End Form* section on page 17.

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:

- 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, 2009, the builder repair period for warranted items listed on your *30-Day Form* would begin on December 9, 2009.
- 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, 2009, the builder repair period for warranted items listed on your *Year-End Form* would begin on November 8, 2010.
- The builder repair period for warranted items listed on your *Second-Year Form* begins on the day after Tarion receives the Form.

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

Your Time Period to Request Tarion's Involvement

If your builder does not complete repairs or otherwise resolve items you believe are warranted to your satisfaction by the end of the 120-day period, you will have 30 days to contact Tarion and request conciliation. When you do, we will schedule a conciliation inspection with you between 30 days and 60 days after your request or we will arrange a desk assessment. We will also charge you a \$250 (plus GST) fee, which will be refunded if at least one item listed on your Statutory Warranty Form is determined to be warranted. After you request conciliation, you should send Tarion a copy of your purchase agreement and all its schedules, amendments and attachments, as well as any photographs that support your claim. To encourage resolution of disputes, we have introduced a fee of \$1,000 payable by the builder if at least one item is determined to be warranted.

If you do not request a conciliation during this time period, Tarion will consider all the items listed on your Statutory Warranty Form resolved and the matter closed.

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

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.



Tarion Conciliates the Matter (Adjudicates the Dispute)

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, then 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 fee (plus GST) 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 claims decision 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 claims 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 consumers. In most cases, appeals are settled between homeowners and their builders prior to any hearing taking place before the Tribunal. For more information about your statutory appeal right, please visit our website at www.tarion.com. 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. If not, the Office will seek resolution in a timely and effective manner.

The Office is not meant to replace established channels of assistance, 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 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. While these are infrequent, it is important that you understand what they are.

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; or **10)** Any situation where, in the opinion of Tarion, the home is uninhabitable for health or safety reasons.

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

What to do in an Emergency Situation

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 and failing to do so could put your home's statutory warranty in jeopardy. To protect your home's statutory warranty:

1) You should immediately call the emergency contact telephone number provided by your builder when you received this booklet.

- 2)** If you are unable to reach your builder or if your builder does not assess and correct 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 them, they 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 us. 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.

* 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.

Seasonal and Special Seasonal Warranty Items

Special 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

Seasonal Warranty Items include:

- Exterior painting;
- Exterior cement/concrete work (including parging application/repair);
- Exterior mortar work (including brick installation/repair);
- Exterior stucco work/repairs (including repairs to exterior insulation finishing systems);
- Exterior caulking; and
- In-ground support for decks.

These items should be listed on your *30-Day, Year-End* or *Second-Year Form*, as appropriate (see page 17). They will be dealt with according to the timelines set out in the Statutory Warranty Process (see pages 18 and 19), subject to suitable weather conditions as described above. If, however, your builder cannot complete or repair a Seasonal Warranty Item within the required timelines due to unsuitable weather conditions, they 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.)

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, unless a longer period within the time limits permitted under applicable municipal agreements was negotiated between you and your builder. For example, if your home's date of possession is November 8, 2009, your builder has until July 3, 2011 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 below would be from July 3, 2011 to August 1, 2011) to contact Tarion and request our assistance.

THE SEASONABLE 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



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.

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. 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*. 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); or
- 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 confirm it with you.

Maintaining Your New Home

By conducting regular and proper maintenance on your home, you will be helping to ensure that your statutory warranty rights are protected. Talk to your builder about what you should be doing both inside and outside during the various seasons of the year to benefit from their experience with home maintenance. They might even provide you with an instruction guide to help you along. We have included some useful tips to help you get started, such as the home maintenance checklist on pages 25 and 26 of this booklet. As you'll learn, there are many items involved in an ongoing maintenance program, including one of the most important: moisture control.

Control the Moisture in Your New Home – It's Important!

Today's building products have eliminated much of the time-consuming and often tedious work involved in home maintenance. However, no home is maintenance-free. Special care is especially required to maintain modern, energy-efficient homes which are tightly constructed to seal out the cold weather in the winter and keep in cool air in the summer.

Guidelines for properly ventilating your home should be followed in order to prevent excess moisture from building up inside the home, which can result in damage that would not be covered by the statutory warranty. Bathroom fans, kitchen range hoods and packaged ventilators such as heat-recovery ventilators are specifically installed in your home to help you control moisture and contaminants. As well, regular use of your home ventilation system will remove excess airborne moisture caused by bathing, showering, doing laundry and cooking.

What causes moisture damage?

Your home can be damaged when weather-related water is allowed to enter and remain in the structure. Water from leaking pipes or fixtures that is not immediately cleaned up, and indoor humidity levels that are not properly controlled, can have serious consequences.

Sometimes this damage is easily seen; at other times the damage is hidden inside wall or roof space. Regardless of where it occurs, moisture damage can lead to serious problems, such as rot and structural failure that will affect the performance of structural and interior wood finishes.





How can I control moisture?

Tarion recommends that new homeowners always use their home ventilation system to control moisture. Here are some extra tips you can follow to help prevent moisture damage to your home.

Outside the home

- 1) Keep flowerbeds or landscaping at least six inches or 150 mm away from the top of the foundation and ensure the direction of the grading or the slope of the ground is downhill away from the house. Placing soil near or above the top of the foundation creates a problem because it allows moisture to come into direct contact with the structure of the building.
- 2) Clear eavestroughs of debris regularly, and extend downspouts and sump pump discharge drains so that water is directed away from the building. Water flow can erode the ground near the foundation and create depressions where water collects. Standing water near the foundation can find its way into the basement.
- 3) Inspect the caulking around windows and doors and on the roof to ensure it hasn't become cracked or separated. If there are cracks, recaulk as needed.
- 4) Have your roof inspected regularly to ensure shingles, flashing and chimney caps are in place and sealed properly.

Inside the home

- 1) Purchase a hygrometer to monitor the relative humidity in your home.
- 2) When using a humidifier or dehumidifier, be sure to follow the manufacturer's instructions. In the winter, keep the relative humidity in your home in the range of 30% to 45%. Lower humidity levels may affect your health and cause wood products to shrink. Excess humidity can cause condensation on windows and windowsills and cause damages to the surrounding wall. In the summer, dehumidify the basement to avoid condensation build-up on the cool foundation walls. Relative humidity levels should not exceed 60%.



- 3) Work with your builder to ensure that leaky pipes and fixtures are repaired immediately. Clean and completely dry any areas that are dampened or wet within 48 hours.
- 4) Store organic materials such as newspapers, cardboard boxes and clothes away from cool, damp areas to prevent moisture build-up. Keep storage areas tidy so that air circulates freely.
- 5) If you are adding a hot tub to your home, or have a large collection of plants or a large aquarium, consider the amount of moisture they will add to indoor air and ventilate accordingly.
- 6) Never vent your clothes dryer inside your home.
- 7) Investigate and identify any musty smells and odours. They are often an indicator that there is a hidden moisture problem.

We have included a Home Maintenance Checklist in this booklet (on the following pages) to guide you through your annual maintenance routine. The checklist provides a monthly breakdown of items for inspection, and is intended to help you set up a regular schedule of checkups and cleanups.

Home Maintenance Checklist (All items may not apply to your home)

SPRING

March

- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Clean the mechanisms of the humidifiers
- Check attic for signs of moisture & even distribution of insulation
- If possible, carefully remove snow/ice from roof overhangs/vents
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Check sump pump, float & discharge line & test overall operation
- Test smoke alarms & carbon monoxide detectors

April

- Check eavestroughs & downspouts & clean if needed
- Clean window wells, drainage swales or catch basins of leaves, snow & ice build-up
- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Inspect basement or crawl space for signs of seepage/leakage & check for dampness or musty smells
- Check for missing, loose or cracked shingles
- Remove winter cover from air conditioning unit; inspect air conditioning unit; vacuum or brush the outdoor coil & wash; service as needed
- Check driveways & walks for frost damage & reinstate if required
- Check water heater for leaks, etc.
- Plan landscaping to avoid soil settlement & water ponding. Keep soil at least 200mm (8in.) below the top of the foundation wall & ensure that the direction of the grading will allow water to flow away from the house
- Test smoke alarms & carbon monoxide detectors

May

- Open outside hose connection & check for leaks
- Clean & check windows, screens & hardware
- Check air intakes & exhaust are clear of debris, nests, etc.
- Check exterior finishes [siding, trim] & eavestroughs to ensure they are secure
- Check caulking for soundness, cracking, detachment & signs of water or air penetration

[remove & replace with appropriate type of caulking if necessary]

- Lubricate rubber or plastic weatherstripping around doors & operable windows [replace weatherstripping if damaged]
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Test smoke alarms & carbon monoxide detectors
- Check septic tank system fluid/solid levels & pump out if needed; check for erosion/water pooling around septic field

SUMMER

June

- Check roof flashing, valleys & vents, & check for missing/damaged shingles
- Check auxiliary buildings such as sheds for secureness to base anchors; loose or missing components; damage caused from rodents, etc.
- Check sump pump, float and discharge line & test overall operation
- Test smoke alarms & carbon monoxide detectors
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Clean range hood filter
- Check exterior wood surfaces for deterioration & refinish the wood surfaces including window frames & doors

July

- Air out damp basements on dry, sunny days
- Clean air conditioning filter, vacuum or brush the outdoor coil & wash
- Clean & test all exhaust fans; lubricate if necessary
- Test smoke alarms & carbon monoxide detectors

August

- Air out damp basements on dry, sunny days
- Clean air conditioning filter, vacuum or brush the outdoor coil & wash
- Inspect driveways & walks
- Inspect doors & locks
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Test smoke alarms & carbon monoxide detectors



Home Maintenance Checklist (continued)

FALL

September

- Check exterior finishes [siding, trim] & eavestroughs to ensure they are secure; check exterior brick mortar joint & voids [repoint if necessary]
- Check movement of garage doors & lubricate moving parts as needed
- Check caulking for soundness, cracking, detachment & signs of water or air penetration [remove & replace with appropriate type of caulking if necessary]
- Check fireplace & chimney dampers; service or clean if needed
- Have furnace/heating system serviced including heat recovery ventilator & humidifier
- Check sump pump, float & discharge line & test overall operation
- Check clothes dryer vent & remove lint & obstructions
- Test smoke alarms & carbon monoxide detectors

October

- Check eavestroughs & downspouts & remove leaves & other debris
- Shut off exterior water supply & drain water lines
- Install winter cover for air conditioning unit
- Check roofing & flashing for signs of wear or damage
- Lubricate rubber or plastic weatherstripping around doors & operable windows [replace weatherstripping if damaged]
- Check septic tank system fluid/solid levels & pump out if needed; check for erosion/water pooling around septic field
- Check caulking for soundness, cracking, detachment & signs of water or air penetration [remove & replace with appropriate type of caulking if necessary]
- Winterize landscaping
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Test smoke alarms & carbon monoxide detectors

November

- Check attic for signs of moisture & even distribution of insulation
- Inspect floor drains to ensure traps are filled with mineral oil

- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Clean the mechanisms of the humidifiers
- Check for condensation & humidity
- Clean & test all exhaust fans; lubricate if necessary
- Test smoke alarms & carbon monoxide detectors

WINTER

December

- Check air ducts, remove covers & vacuum dust from vents
- If possible, carefully remove snow/ice from roof overhangs/vents
- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Test smoke alarms & carbon monoxide detectors

January

- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Check & ensure that air intakes, exhausts & meters are clear of snow
- If possible, carefully remove snow/ice from roof overhangs/vents
- Test smoke alarms & carbon monoxide detectors

February

- Clean or replace furnace filter
- Check/clean heat recovery ventilator [HRV]; wash or replace filter
- Check & ensure that air intakes, exhausts & meters are clear of snow
- If possible, carefully remove snow/ice from roof overhangs/vents
- Check & reset ground fault circuit interrupter [GFCI] (e.g. exterior outlets, bathrooms or at main electrical panel)
- Test smoke alarms & carbon monoxide detectors

Glossary of Terms

Certificate of Completion and Possession (CCP)

The Certificate of Completion and Possession is a certificate which specifies the possession date of your home and which is used to fix the starting date of the warranties which apply to your home. The CCP should be given to you by your builder and should be filled out at the PDI.

Closing Date

Closing Date means the date the transaction of purchase and sale of the home is completed and title to the home passes to the home buyer.

Conciliation

A conciliation is a process in which Tarion assesses whether a disputed item is warranted (i.e., covered by statutory warranty) and/or whether Tarion supports the way a repair was done. Where possible, Tarion will base its conciliation decisions on the *Construction Performance Guidelines* which are available on our website at www.tarion.com. A conciliation may include an inspection at the home (if items that require repair are involved) or a desk assessment (if items can be assessed based on a paper record, e.g., Delayed Closing/Occupancy Compensation claim) and may also include a review of the purchase agreement, the completed *PDI Form* and other relevant documentation. A Warranty Assessment Report is issued by Tarion following conciliation. The builder is expected to fully comply with any direction that has been provided by Tarion in the Warranty Assessment Report.

Condominium Common Elements

Common elements are areas or property in a condominium where ownership is shared among all unit owners. The nature of the common elements will vary depending on the type of condominium project, such as townhouse, high-rise or fully detached. Common elements include items that are outside the boundaries of your unit and may include, for example, the heating systems or the windows of your unit. To determine the

boundaries between your unit and the common elements, you should refer to “Schedule C” of the Declaration of your condominium. The Declaration should be included with your Disclosure Statement (delivered to you when you entered into your purchase agreement).

For most condominiums, warranty coverage also includes the common elements. (There is no warranty coverage for the common elements of a Common Elements Condominium, or for the common elements of Vacant Land Condominiums.) Coverage for common elements as well as some spaces that may be for your exclusive use (known as “exclusive use common elements”) begins on the day the condominium corporation is registered. See “Schedule F” of the Declaration of your condominium for details of exclusive use common elements.

Note: This booklet does not apply to the common elements of a condominium.

Contract Home

A Contract Home is a freehold home built on a homeowner’s land by a builder who agrees to perform all the work and supply all the materials necessary to construct a completed home.

Date of Possession

The Date of Possession is the date on which your builder transfers the right of Occupancy to you, as specified on the Certificate of Completion and Possession provided to you by your builder. It is also the date your home’s statutory warranties begin. For freehold homes, the Date of Possession can be verified by checking it on your Transfer Deed of Land or your Statement of Adjustments. For condominium units, the Date of Possession can be verified by checking it on your Interim Occupancy Agreement.



Glossary of Terms (continued)

December 24 to January 1 (inclusive) Holiday Period

In recognition of difficulties which builders may face in scheduling appointments with homeowners and/or performing work in the holiday period between December 24 and January 1 (inclusive) every year, administrative periods fixed in the Statutory Warranty Process will be extended if any portion of the time period occurs during this holiday period. Time periods which would span, or would start or end during, this holiday period will be extended by nine days and all related subsequent time periods will be adjusted so that they remain consecutive. For example, a time period for submitting a form which would otherwise end on December 28 will be extended to January 6; and a repair time period which starts December 15 and would otherwise end on January 13 will be extended to January 22.

Enrolment Number

The Enrolment Number is the number Tarion uses to identify your home in our computer systems. It can be found on your Certificate of Completion and Possession.

Home

In this booklet, a home means either your new freehold home or your new condominium unit. There are also several types of dwellings that are not covered by the warranties under the Act. These include a dwelling that:

- Is not built according to the requirements of Part 9 of the Building Code which may include, for example, a seasonal dwelling not capable of year-round Occupancy;
- Is built on existing footings or foundations;
- Is built in converted buildings;
- Has been lived in or rented by the builder before they are sold; and
- Is built by the owners.

The Ontario New Home Warranties Plan Act and Regulations ("the Act")

This Government of Ontario legislation requires builders to offer a warranty to each purchaser of a new freehold home or condominium unit in Ontario, defines what is covered under this warranty protection, and gives Tarion Warranty Corporation the power to administer all aspects of the rules and regulations contained in the Act.

Occupancy Date

Occupancy Date means the date when a home buyer is given legal possession of the home.

Purchase Agreement

Your written agreement with a builder providing for the purchase of your new home including, for the purpose of this booklet, a construction contract for the construction of your new home.

Statutory Warranty

Under the Act, new home buyers benefit from various warranties coverages including: deposit protection, protection against financial loss for contract homes; undue Delayed Closings or Occupancies, unauthorized substitutions, Ontario Building Code violations, defects in workmanship and materials, water penetration and major structural defects.

Statutory Warranty Form(s)

Specific Tarion Forms that must be used by homeowners to inform Tarion about potential outstanding warranty items. These include the *30-Day Form*, *Year-End Form*, *Second-Year Form* and *Major Structural Defect Form*. Each must be submitted to Tarion according to specific time frames based on the Date of Possession as described on page 16.

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,

Vendor/Builder Number

The Vendor/Builder Number is the number Tarion uses to identify your vendor or builder in our computer systems. This number can be found on your Certificate of Completion and Possession.

Warranted/Warrantable/Warranty Item

A warranted/warrantable/warranty item is a defect in workmanship or materials which is contrary to one of the statutory warranties. For information about statutory warranty coverage, please visit our website at www.tarion.com and consult the *Construction Performance Guidelines* which document many of the most common warranty items homeowners submit to Tarion and indicate which are covered under the statutory warranty.

providing you with information regarding your rights and responsibilities, and investigating and conciliating your dispute with your builder. 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, please visit our website at www.tarion.com.



Please keep this *Homeowner Information Package* in a safe place along with copies of your **Certificate of Completion and Possession (CCP)**, and your purchase agreement (and its attachments).

If you sell your home within seven years of the date of possession, please give this booklet to the new owners. Coverage under the **Ontario New Home Warranties Plan Act** remains in effect even if the home is sold.

The *Homeowner Information Package* will be updated periodically. Visit Tarion's website at www.tarion.com to read the latest version.

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