







New homes in Ontario come with warranty coverage provided by your builder and backed by Tarion Warranty Corporation.

Warranty coverage includes financial protection before you move in and construction defect protection after you move in. The coverage begins when you sign the purchase agreement and remains in effect even if the home is sold. Each warranty comes with certain limits and obligations on you as a homeowner, so it’s important to understand what is covered and how to make a claim.

Tarion also sets the following minimum customer service requirements to protect home buyers:

- Your builder must provide you with a copy of Tarion’s Homeowner Information Package at or before the Pre-Delivery Inspection of your new home. The Homeowner Information Package helps you understand what is covered by the warranties and the processes involved in making a warranty claim.
- A Pre-Delivery Inspection will be conducted by your builder before you take possession of your new home. This is important as it’s your first opportunity to identify any damaged, incomplete or missing items, as well as anything that is not operating properly or cannot be assessed because it’s obscured from view or is inaccessible.
- Specific repair times are established when a Statutory Warranty Form is submitted.

For more warranty coverage information, visit Tarion.com

# Warranty Coverage

## Before You Move In

### Deposit Protection

If you sign an Agreement of Purchase and Sale for a new home or condominium and give your builder a deposit, Tarion protects those funds up to certain limits.

Deposits for freehold homes are protected to a maximum of \$40,000. Deposits paid for condominium units are protected in two ways: all deposit monies are protected by the trust provisions of the Condominium Act; and in addition, Tarion provides deposit refund coverage up to a maximum of \$20,000.

### Financial Loss Protection for Contract Homes

If you enter into a contract with a builder for the construction of a new home on property that you own, some or all of the money you give your builder under that contract may be protected.

If your builder fails to substantially perform the contract, you may be entitled to compensation from Tarion for the difference between the amount you paid the builder and the value of the work and materials that were supplied, up to a maximum of \$40,000.

### Delayed Closing/Occupancy Warranty

Your builder guarantees that your home will be ready for you to move in either by a date specified in the purchase agreement or by a date that has been properly extended if circumstances occur that delay the home’s completion.

You may be able to claim up to \$7,500 from your builder in compensation for an improper delay in your closing or occupancy date.



## After You Take Possession/Occupancy

### 1<sup>st</sup> Year Warranty

- Requires that your home is constructed in a workmanlike manner and free from defects in material;
- Ensures your home is fit for habitation;
- Protects against Ontario Building Code violations.

### 2<sup>nd</sup> Year Warranty

- Protects against water penetration through the basement or foundation walls;
- Protects against defects in materials, including windows, doors and caulking, or defects in work that result in water penetration into the building envelope;
- Covers defects in work and materials in the electrical, plumbing, and heating delivery and distribution systems;
- Covers defects in work and materials that result in the detachment, displacement, or deterioration of exterior cladding (such as brick work, aluminum, or vinyl siding);
- Protects against Ontario Building Code violations that affect health and safety.

### 7<sup>th</sup> Year Warranty

Provides coverage against major structural defects. These include:

- Defects in work or materials that affect a structural load-bearing element of the home resulting in structural failure or that materially and adversely compromise the structural integrity.
- Defects in work or materials that materially and adversely affect the use of a significant portion of the home.



## Condominium Common Elements

For most condominiums, warranty coverage also includes the shared areas of the building, referred to as the common elements.

Common elements have the same one, two and seven year warranties that apply to freehold homes and condominium units, and coverage begins on the date the condominium corporation is registered.

The *Ontario New Home Warranties Plan Act* recognizes the condominium corporation as the "owner" of the common elements and requires the condominium corporation to make warranty claims to Tarion.

## Construction Performance Guidelines

Tarion publishes guidelines for many common complaints that outline specifically what is, and what is not covered by the statutory warranty. For your new freehold or contract home, or individual condominium unit, you can consult the Construction Performance Guidelines.

To learn more about coverage for the shared areas of your condominium building, please consult the Common Element Construction Performance Guidelines. *You can search, browse, or download these documents at Tarion.com.*

