



An Outline of Your Warranty

In addition to deposit protection and delayed closing compensation, homeowners may be entitled to the following:

One Year Warranty

- Requires a home is constructed in a workman-like manner and free from defects in material;
- Protects against [unauthorized substitutions](#)
- Requires the home to be fit for habitation;
- Protects against Ontario Building Code violations; and
- Applies for one year, beginning on the home's date of possession even if the home is sold.

Two Year Warranty

- Protects against water penetration through the basement or foundation walls;
- Protects against defects in materials that affect windows, doors and caulking and defects in work that results in water penetration into the building envelope;
- Covers defects in work or materials in the electrical, plumbing and heating delivery and distribution systems;
- Covers defects in work or materials that result in the detachment, displacement or deterioration of exterior cladding (such as brickwork, aluminum or vinyl siding);
- Protects against violations of the Ontario Building Code that affect health and safety; and
- Applies for two years, beginning on the home's date of possession.

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 seventh anniversary of that date. For example, if your home's date of possession is October 23, 2005, the seven year MSD warranty begins on October 23, 2005 and remains in effect until and including October 23, 2012.

A major structural defect is defined in the The Ontario New Home Warranties Plan Act as:

In respect of a post June 30, 2012 home, any defect in work or materials in respect of a building, including a crack, distortion or displacement of a structural load-bearing element of the building, if it,

(i) results in failure of a structural load-bearing element of the building,

(ii) materially and adversely affects the ability of a structural load-bearing element of the building to carry, bear and resist applicable structural loads for the usual and ordinary service life of the element, or

(iii) materially and adversely affects the use of a significant portion of the building for usual and ordinary purposes of a residential dwelling and having regard to any specific use provisions set out in the purchase agreement for the home

The seven year MSD warranty 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, 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.

Common Elements

For most condominium projects, warranty coverage also includes the shared areas of the building, referred to as [Common Elements](#).

*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.

Coverage Limits

The maximum statutory warranty coverage available for freehold homes and condominium units is \$300,000.

The maximum coverage for condominium common elements is \$50,000 times the number of units, up to a maximum of \$2.5 million.

The maximum combined coverage for a condominium project (units and common elements) is \$50 million.

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.

Warranty Exceptions

Exceptions in Case of Emergency

Certain severe conditions constitute an emergency situation. An emergency is defined as any warrantable deficiency within the control of the builder that, if not attended to immediately, would likely result in imminent and substantial damage to the 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.

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

What to do in an Emergency Situation

1. Call the emergency contact telephone number provided by the builder. (Condominium owners should also contact the condominium corporation's Board of Directors and/or the Condominium Manager).
2. If you are unable to reach the builder or if the builder does not correct the situation within 24 hours, the homeowner should contact Tarion for further assistance.
3. If damage to builder installed materials results, do not repair it. If you cannot reach Tarion or your builder, and have no other option but to have the work completed, you or a contractor should correct the emergency condition only and document the problem with pictures, both before and after if possible.
4. Submit an Emergency Form to Tarion as soon as possible after completing the repair with a copy to your builder. Forms are available by calling Tarion. Include all receipts/invoices for work and materials.

If the builder is responsible for the emergency item, they will handle any resulting damage within 30 days of the homeowner's notice to them and Tarion. If the builder fails to repair the resulting damage, Tarion will work with the homeowner directly to settle the matter.

Seasonal Warranty Items

Seasonal warranty items involve service requests regarding the exterior of the home which cannot be repaired effectively within the timelines set out in the Homeowner Information Package due to regular seasonal conditions and/or severe sustained weather.

The period from May 1 to November 15 is generally considered to have suitable weather conditions for making such repairs. In high-rise and low-rise condominium projects, these items are more likely to affect the common elements warranty and if so, would be handled by the condominium corporation's Board of Directors.

These 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 [EIFS]);
- Exterior caulking;
- In-ground support for decks; and
- Any other exterior work deemed appropriate by Tarion (but not including air conditioning, grading, sod, driveways and walkways which are covered separately below).

Seasonal warranty items should be reported on a 30-Day, Year-End or Second-Year Form, as appropriate. They will be dealt with according to the timelines set out in the Homeowner Information Package subject to suitable weather conditions as described above. If the builder cannot correct a seasonal warranty item within the required timelines due to unsuitable weather conditions, they must complete the repairs 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 the builder does not complete the repairs to the homeowner's satisfaction, the homeowner has 30 days (until October 1) to contact Tarion and request our assistance. If the homeowner does not do so, the seasonal warranty items listed on the Warranty Service Form will be considered resolved and the matter will be closed. (Note that the homeowners may resubmit the item at a later date if the warranty covering the item is still in effect).

Special Seasonal Warranty Items

The completion of the new home's final grading, landscaping (laying sod, etc.) and the installation of driveways, patios and walkways are considered special seasonal warranty items. (In a high-rise or low-rise condominium, these items are more likely to affect the common elements warranty and if so, would be handled by the condominium corporation's Board of Directors).

The builder has 270 days of "seasonable weather" from the date of possession to complete any warrantable special seasonal items reported on a 30-Day or Year-End Form (unless a longer period within the time limits permitted under applicable municipal agreements was negotiated between the builder and the homeowner).

"Seasonable weather" is the period between May 1 and November 15 (inclusive) of any given calendar year. There are 199 days of seasonable weather in one calendar year. For details and examples on how to calculate "seasonal weather" days, please refer to Builder Bulletin 42.

If the item is not installed or the repair is not completed by (i) the 270th day of seasonable weather from the date of possession; (ii) another date agreed between the homeowner and the builder, granting the builder a longer period; or (iii) the date permitted for such installation by any applicable municipal agreement if earlier than the date agreed between the homeowner and the builder, then the homeowner may contact Tarion and request an assessment within 30 days. If the item is determined to be warrantable, Tarion will work with the homeowner directly to settle the matter.

Air Conditioning

Defects in work and materials that result in problems with builder-supplied air conditioners are covered by the one year warranty. A complete loss of cooling due to the failure of a builder-supplied air conditioner between May 15 and September 15 (during the first year of possession) is considered undue hardship and can be dealt with outside the timelines set out in the Homeowner Information Package.

IMPORTANT In a condominium, the air conditioning may be part of the condominium project's common elements and therefore not covered by the unit's one year warranty. If the air conditioning is part of the common elements, homeowners should report the issue to the condominium corporation's Board of Directors.

Homeowners should report an air conditioning issue on either the 30-Day or Year-End Form. It will be dealt with according to the timelines set out in the Warranty Service Rules.

However, if the air conditioning is not working between May 15 and September 15, homeowners should contact the builder and Tarion to arrange an assessment. If the condition is assessed to be covered by the one year warranty, the builder will arrange repair or complete the installation within 30 days of the initial request. If the air conditioning has not been restored within 30 days of contacting the builder, the homeowner should [contact us](#) for further assistance.

Extraordinary Situations

An extraordinary situation exists when it is not possible for the builder to complete a repair within the timeframes set out in the Homeowner Information Package for reasons not related to seasonality.

There are two types of extraordinary situations that could cause a builder to seek an extension:

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 Warranty Service Rules allow.

If the builder applies to Tarion for this type of extension on any of your outstanding items, the homeowner will be notified in writing. If the extension is granted, we will set a new timeline and confirm it with both the builder and the homeowner.

Homeowners should call the builder or [contact us](#) if they require a more detailed account of the process for resolving items affected by extraordinary situations.

Items/Deficiencies Not Covered

The following matters are not covered by the statutory warranties:

Normal Wear and Tear

- Normal shrinkage of materials that dry out after construction such as nail pops or minor concrete cracking
- Settling of soil around the house or along utility lines (other than subsidence beneath the footings of the home)
- Scuffs and scratches to floor or wall surfaces caused by moving, decorating, or day-to-day use of the home by the homeowner

Damage Caused by Improper Maintenance

- Dampness or condensation caused by failure to maintain proper ventilation
- Damage resulting from improper maintenance

Damage Caused by a Third Party

- Damage caused by municipal services or utilities
- Damage caused by floods, “acts of God” (see [below](#)), acts of civil or military authorities or acts of war, riot, insurrection, civil commotion or vandalism
- Damage caused by insects or rodents, unless it is the result of construction that does not meet the *Ontario Building Code*

Secondary Damage Caused by Defects that are Under Warranty

- Personal or property damage, such as personal injury, loss of income and other secondary loss associated with warranted defects or repairs. (However, your homeowner insurance may cover such secondary or consequential damage.)

Supplementary Warranties

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

Deficiencies Caused by Homeowner Actions

- Alterations, deletions or additions to the home that were made by the homeowner
- Changes by the homeowner to the direction of the grading or the slope of the ground
- Defects in materials, design or work that was supplied or installed by the homeowner

Elevators

- The seven year MSD warranty does not extend to elevating devices

HVAC Appliances

- The seven year MSD warranty does not extend to appliances that form part of the heating or cooling apparatus, equipment or systems, whether for water, air or other substances, including furnaces, air conditioners, chillers and heat recovery ventilators

Specific Defects Accepted in Writing

- Ascertained defects in work or material accepted in writing by the homeowner

Act of God Exclusion

The warranties in the Ontario New Home Warranties Plan Act do not apply to “damage resulting from an act of God”.

An act of God is a natural event that is unexpected and unavoidable and causes damage that is beyond the control of the builder. Examples include tornadoes, earthquakes and extreme winds.

This exclusion does not include weather events that are typical to our climate, such as ice, snow, high winds and heavy rains. It includes only extraordinary occurrences or conditions of nature that could not have been reasonably foreseen or guarded against. For example, a high wind is not an act of God unless it is of such exceptional strength that no builder in Ontario could be reasonably expected to anticipate or provide against it. Homes that are designed and built to Ontario’s standards (e.g., the Ontario Building Code) should withstand Ontario’s normal environmental conditions.

If an owner reports a concern after a storm or other natural event has occurred, the builder should not assume that the act of God exclusion applies. The condition must be inspected and assessed to determine whether there is a defect in the builder’s work or materials, Ontario Building Code violation or other defect covered by the warranties.

If there is a builder defect, then the onus shifts to the builder to show that the act of God exclusion applies. For example, if roof shingles were not installed properly by the builder and

flew off on a windy day, the builder would be required to replace the shingles unless the builder can show that the shingles were performing properly and flew off only because there were extraordinary winds.

Tarion will review situations on a case-by-case basis as they are brought forward by owners or builders to determine if the act of God exclusion applies.