

Government introduces mandatory warranty protection for new home buyers

Global News : Thursday, October 25, 2012 10:43 PM



The New Home Buyer Protection Act was introduced in the Legislature on Thursday.
Global News

EDMONTON- Albertans will now be more protected when it comes to one of the biggest purchases they'll ever make.

Albertans who buy a new home will have warranty coverage for their purchase under new legislation proposed by the Alberta government.

The New Home Buyer Protection Act was introduced in the Legislature on Thursday. If approved, it will require builders to provide home warranty coverage for all new homes built in the province starting in fall 2013.

Municipal Affairs Minister, Doug Griffiths made the announcement, Thursday afternoon.

"This is the strongest home warranty protection in all of Canada," he explained.

Under the proposed legislation, all new homes- detached homes and condominiums- would at minimum, include a warranty for:

- One year labour and materials;
- Two years for defects in labour and materials related to delivery and distribution systems;
- Five years building envelope protection, with a requirement for the warranty provider to offer the consumer the option to purchase additional years of coverage; and,
- 10 years coverage for major structural components.

"Protecting the leakage of water into your home for a period of five years, it's a very significant coverage, particularly if you are living in an apartment style condominium or building of bigger size. These are the types of buildings that tend to leak the most," explained Mike Garritty, President of Progressive Home Warranty.

The act comes after years of complaints from home buyers in Alberta. If approved, the new home warranty will cost about \$2,000 for an average home.

"The largest purchase that most any of us will make is on a new home, and it's critically important that we make

sure that the quality of those homes are built to stand the test of time. If things go wrong, this legislation gives stronger protection to get those homes repaired," explained Minister Griffiths.

"It helps to create a level playing field for builders right across the province, and of course the most important thing, it provides stronger protection for consumers," added Dave Hooge with the Canadian Home Builders' Association.

However, there is an exemption. Those who choose to build their own homes will not be required to get the warranty unless they sell the house before the warranty period is up.

That piece of the legislation isn't sitting well with the Canadian Home Builders' Association.

"We at CHB support warranty for all homes in Alberta, and some of our concerns are first of all, is there a product that's available to come into place once the home has had people living in it?" Hooge wondered.

Minister Griffiths will be joining the morning news team for a live interview on Friday morning, just after 8:00a.m. to speak more about the act.

With files from Julie Matthews and Ross Neitz.

© Global News. A division of Shaw Media Inc., 2012.

Read it on Global News: [Global Edmonton | Government introduces mandatory warranty protection for new home buyers](#)