

Retired judge to probe homebuyer complaints on Tarion

Homeowners group welcomes J. Douglas Cunningham's review of protections for new home buyers, but Ontario NDP urges reforms sooner, saying "rampant" problems are already known.



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Karen Somerville of the advocacy group Canadians for Properly Built Homes maintains that government oversight of Tarion is long overdue.

By: Rob Ferguson Queen's Park Bureau, Published on Thu Nov 05 2015, Toronto Star

Tarion Warranty Corp., the company behind Ontario's oft-criticized new home and condo warranty program, appears headed for a shakeup.

The provincial government has announced a review of consumer protections for owners of new homes in the wake of concerns [about the non-profit firm.](#)

While Tarion is "righting the ship" after making improvements, Consumer Services Minister David Oraziotti said Thursday he is appointing former associate chief justice J. Douglas Cunningham to take a closer look.

"Whether or not we need to go further is something Justice Cunningham is going to explore," Oraziotti said at a news conference.

Cunningham, who served on the Ontario Superior Court of Justice, pledged to "consult broadly with the public and industry experts on measures that will strengthen Ontario's new home warranty program."

Tarion is a private organization that administers the Ontario New Home Warranties Plan Act, which will also come under Cunningham's scrutiny. About 50,000 new homes and condos are enrolled in the warranty program annually.

Two years ago, a Star investigation found Tarion kept records of shoddy or incomplete work by homebuilders secret, preventing new homebuyers from getting a full picture from Tarion about builders with problems.

Critics complained that prospective buyers need complete information about builders to make informed decisions when shopping for new homes.

Homeowners have also [raised concerns](#) about battles over warranty issues such as repairs to floors, heating systems and other deficiencies.

In a statement, Tarion said the home warranty law has been in place since 1976 and "we agree that it is time to consider how effective the legislation is in today's new home and condominium industry."

"This review will provide us with the opportunity to share our thoughts on how to strengthen the legislation so that we can continue to protect Ontario's new home buyers and regulate new home builders," added spokeswoman Melissa Yollick.

Tarion receives about 15,000 phone calls a month and paid out almost \$10 million in claims last year.

Karen Somerville, president of the national non-profit Canadians for Properly Built Homes, said the review is "long overdue" and she hopes homeowners who feel their claims were wrongfully denied will see their cases reconsidered.

"We encourage all homeowners who feel they have been negatively impacted by what they feel is inadequate consumer protection to come forward, said Somerville, whose organization has been calling for better oversight of Tarion for 11 years.

"This is time to speak up."

Oraziotti said "very significant improvements" at Tarion in the last few years, including a doubling of warranty coverage to \$300,000 and removing the majority of builders from the board of directors, have resulted in a one-third drop in complaints.

New Democrat MPP [Jagmeet Singh](#) tabled a private member's bill a year ago that would require Tarion to publish more detailed information about builders' track records and making the corporation's bylaws subject to government approval.

NDP Leader Andrea Horwath said the problem with Tarion is that "it is like pulling teeth to try to get those warranties respected" and said the government should be getting on with reforms.

"The review is not necessary. The problems are rampant. If the government doesn't know what's wrong with Tarion yet, after all the private members' bills and all the criticisms we've been raising, then they simply have been turning a blind eye to a very bad situation."