

Tarion review "long time coming," says advocate



"From our perspective it's a long time coming," **Karen Somerville**, co-founder Canadians for Properly Built Homes (CPBH), said.

"CPBH is in its 11th year of operation and we have been calling for changes to **Tarion** since the outset."

Toronto area real estate lawyer **Andrew Fortis** also welcomed it.

"I don't believe that Tarion - which is really the only warranty in the event of building defects, in addition to being a **resolver of disputes** between builders and purchasers - is doing a sufficient enough job in protecting the homebuyer."

Cunningham, who is charged with "making recommendations on how to improve consumer protection, accountability, transparency and board governance," will submit his **draft report** in May and final report at the end of June.

Over the years there have been various criticisms of how Tarion operates.

Tarion is mandated to provide beneficial **warranty protection** to protect consumers from shoddy workmanship.

But critics say the company has a structural bias because half of its **directors come** from the Ontario home builders.

As well there's a conflict of interest when an organization whose purpose is to hear and rectify homeowners' complaints is administered in large part by the **building industry**.

"Tarion has a dual role, ostensibly regulating the home builders and then providing the warranty," Somerville said.

"Many of us are concerned that they can't wear **those two hats**."

Somerville also said there should be more people on the Tarion board representing consumers.

The Ontario government itself appoints **five directors**, but Somerville said this is "insufficient" to begin with, and "many question whether those five really are consumer advocates."

(No directors are from south of the GTA.)

Then there is the way by which complaints **are handled**.

Somerville said Tarion's warranties for crucial aspects of home construction last only two years.

An example is **HVAC**.

"HVAC is the largest single issue that we have reported to our organization," she said.

"If you have two consecutive years of mild winters and then in your third winter you have a more **severe winter** and that's the first time you realize you've got HVAC concerns then your warranty has expired," Somerville said.

Ontario Building Code violations also can only be reported within

two years. (correction: Jan 25 - within seven years)

Critics also complain about Tarion's monopoly status.

In **other provinces** consumers can choose from among different warranty companies.

"Manitoba recently passed new warranty legislation, they offer currently five approved warranty providers," Somerville said.

Simply having competition "**provides incentives** for the warranty providers to be doing a good job.

"But when you've only got one organization in Ontario ... 'Why bother' is what many people say."

There is no provincial oversight for Tarion but provincial ombudsman **Andre Morin** has logged almost 300 complaints between 2007-13.

For its part Tarion welcomes the review.

"Our act has not been reviewed since it was created in 1976 (when Tarion was created), and we agree that it is time to consider **how effective** the legislation is in today's new home and condominium industry."

Ben Klundert, president of the Windsor Essex Home Builders Association and president of BK Cornerstone homes, called the review "standard" and likened it to reviews of other agencies such as a recent examination of WSIB funding.

"They feel there's a need to review every layer of bureaucracy a little closer," he said.

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