



NEWS RELEASE

Toronto, ON – June 1, 2015 – As each month passes, the urgent need for Bill 60, the Tarion Oversight and Accountability Act, becomes more obvious. Here are six examples of why this new legislation is so important – we have many more:

1. Using Tarion's own client survey data, approximately 60,000 Ontario families (Tarion's clients) are dissatisfied with Tarion. This is very significant. The purchase of a home is the largest purchase most consumers make. A home with serious construction defects, an unresponsive builder and lack of adequate consumer protection is financially very difficult for most families. But money is only part of the consideration – stress and anxiety in these situations are also big problems.
2. Media reports continue to highlight serious problems as a result of shoddy construction in Ontario. It is important to note that in addition to its warranty responsibilities, Tarion is the regulator of the building industry. While there are good builders, there are also marginal and poor builders. Why does Tarion continue to let their "Tarion approved" marginal and poor builders operate?
3. Unfortunately, there continue to be serious problems with municipal inspections. Section 18 of the Act¹ allows Tarion to also inspect during construction. But it appears that Tarion continues to choose not to inspect during construction. If Tarion exercised its inspection rights with sufficient qualified inspectors, it would pick up many Ontario Building Code violations missed by municipalities during inspection, and also pick up habitability and workmanship issues (not covered by municipal inspections). Tarion could then ensure that the construction defects are properly fixed -- before the homes are sold to consumers. We understand that qualified Tarion inspectors would quickly pay for themselves, while improving the quality of Ontario's housing stock and improving consumer protection.
4. Section 13 of the Act says that Tarion's warranty needs to ensure the home is constructed in accordance with the Ontario Building Code. But Tarion has denied homeowner claims involving Ontario Building Code violations, as consumers did not report within timeframes that Tarion has set for itself via its regulations². As one example, Tarion has left numerous seniors to freeze in their newly built homes with Ontario Building Code violations. We have been asking how Tarion can legally ignore Section 13 of the Act, but no answers about this have been provided by Tarion or Minister Oraziatti.
5. Generally, both Tarion and Minister Oraziatti appear to have adopted a strategy of not answering most of our questions related to Tarion, but then often respond that they did answer the questions. When asked to resend their original responses, we

¹ Ontario New Home Warranties Plan Act

² Tarion is the only DAA in Ontario allowed to approve its own regulations.



have been met with silence. It is surprising how Minister Oraziotti's words seem to parrot what Tarion says. Also, Minister Oraziotti says that he is "working with Tarion" but he/his Ministry are supposed to be providing "oversight" to Tarion. Indeed, according to Tarion's financial statements, the Government of Ontario receives about \$250,000 annually in an "oversight" fee, called "related party transactions". The lines between the Government of Ontario and Tarion are very blurred. Tragically, Premier Wynne, Minister Oraziotti – and others in the Ministry of Government and Consumer Services - seem much more interested in protecting Tarion/the building industry than Ontario's consumers.

6. Tarion is a mandatory monopoly and Ontario's purchasers of newly built homes pay most of the fees collected by Tarion. Tarion's financials show that Tarion's wealth continues to grow. As one example, Tarion reported \$478 million in "investments" in Dec. 2014. How has Tarion, a non-profit corporation, been allowed to accumulate this wealth – while denying consumer claims for Ontario Building Code violations?

It's time for proper oversight of Tarion, and for Tarion to become accountable to Ontario's consumers. Bill 60 is an important step in this urgently needed transformation of Tarion.

Ontarians deserve and need meaningful consumer protection on the largest purchase most of them ever make: a new home. CPBH supports this goal for Ontarians and all Canadians. CPBH supports Bill 60, the ***Tarion Oversight and Accountability Act***, and continues to encourage all members of the Ontario Legislature to do the same – quickly!

- 30 -

Canadians for Properly Built Homes (CPBH) is a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH has supporters in different parts of Canada, undertakes projects at the municipal, provincial and federal level, and offers a variety of ways for Canadians to get involved. CPBH earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada). Visit www.canadiansforproperlybulthomes.com .

For further information, media may e-mail: info@canadiansforproperlybulthomes.com



Canadians for Properly Built Homes: Backgrounder, June 2015

Canadians for Properly Built Homes (CPBH) was founded in 2004 by Karen Somerville and Alan Greenberg, a couple who faced serious problems with their newly built home in Ottawa, Ontario. In trying to solve their own home problems, they talked to many homeowners, as well as builders, home inspectors, engineers and others involved in the home construction process. They learned that there are serious problems in Canada from coast to coast. Undoubtedly, the worst housing disaster in Canadian history relates to the "BC leaky condo crisis", which continues to this day. While there are good builders, there are, unfortunately, also poor builders, and consumers currently have no objective, reliable means of knowing who the good builders are.

CPBH is a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH's Advisors and Board members have diverse backgrounds including the following professions: architecture, engineering, home building, fire safety, real estate, home renovation, environmental medicine, industrial hygiene, insurance, law, academe, political science and business. CPBH has more than 40 volunteers in different parts of Canada and earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada).

Consumers from many regions of Canada communicate with CPBH regularly, raising their issues and concerns and asking for assistance. Unfortunately, home construction defects present considerable problems for homeowners at all stages of life: from young adults barely able to scrape together their down payment for their first home through to senior citizens who are often on fixed incomes. While there are builders who will quickly and appropriately address these construction defects, there are also builders who will not. In some of these cases, warranty programs and government officials are unwilling or unable to assist the homeowners, which, unfortunately leaves the homeowners to fend for themselves. Once faced with this situation, homeowners quickly learn that there is insufficient consumer protection for the largest purchase most consumers ever make: a home.

CPBH has had a number of notable successes. For example, CPBH hears regularly from Canadian consumers that CPBH has helped them, and that its work is important and necessary. CPBH has gained the support of Canada's Heating, Ventilation and Air-Conditioning (HVAC) industry in trying to raise the bar for HVAC in Canada. CPBH representatives have appeared on television, for instance, CTV's W-Five on multiple occasions, as well as a variety of appearances on local news broadcasts on CBC and CTV, and radio talk show programs such as Peter Warren's program from Victoria, BC, and Peter Silverman's program in Toronto, ON. Articles written by CPBH representatives have been published in national magazines such as The Canadian Home Inspector and Real Estate Marketing. Numerous newspaper articles have referenced the work of CPBH, including the Globe and Mail, the Toronto Star and the Ottawa Citizen. A number of different organizations seek the input from CPBH as government programs are developed. Also,



the Office of the Ombudsman of Ontario began to monitor complaints relating to new home ownership after CPBH presented a detailed submission to the Ombudsman in March 2007. This led to the Ombudsman Ontario's report: *"Building Clarity: Investigation into how the Ministry of Government and Consumer Services represents its relationship with the Tarion Warranty Corporation to the public"*. CPBH collaborates with a comparable consumer organization in the United States: Homeowners Against Deficient Dwellings (HADD).

In 2013, Canada's Heating Ventilation and Air Conditioning (HVAC) Industry supported CPBH and signed a Joint Statement, which may be found at this link: <http://www.canadiansforproperlybuilt homes.com/html/HVAC/2013/May302013HVACIndustry-final.pdf> . An HVAC expert from the United States advised that this is an "amazing" initiative and he wishes that the US would follow suit.

CPBH enjoys considerable grass roots support from across Canada from many homeowners, and potential homeowners. As well, many professionals working in the home inspection industry, the home construction industry, and government officials have expressed their support for CPBH and its work. CPBH receives no government funding, and relies on donations to cover its operating costs.