



February 17, 2016

Via e-mail

Mr. Patrick Brown, MPP – Simcoe North
Leader of the Official Opposition

Subject: Input to the PC Caucus's policy process

Dear PC Leader MPP Brown:

Thank you for your invitation to provide input to the PC Caucus's policy process. On behalf of CPBH, I am highlighting three key areas:

1. Ontario needs to introduce new legislation for new home warranty that ends the monopoly model and addresses other well recognized problems with the current legislation.

The serious problems with Ontario's new home warranty are widely known. There are four main categories of problems – 1. the same organization acting as both the regulator of the industry and warranty provider, 2. the outdated 40 year old legislation (which many believe never adequately protected Ontario's purchasers of newly built homes), 3. how Tarion is administering that legislation, and 4. the monopoly model. (Other provinces such as Manitoba and Alberta have steered away from a monopoly and offer a number of warranty providers.)

2. Ontario needs to ensure that the Ontario Building Code (OBC) is enforced.

Sadly, many purchasers of newly built homes find that their homes have OBC violations, and once the families have moved in, it is often very difficult to get the builders/Tarion to properly fix the OBC violations. Two examples will highlight the magnitude of this problem:

- a) As reported by CTV's W-Five in 2012 <http://tinyurl.com/hqj1w93> more than 50,000 problematic heating, ventilation and air-conditioning (HVAC) systems were installed in the GTA alone. Former MPP Ted Chudleigh called for a full investigation into these systems in February 2012. Yet these systems continue to be sold in Ontario. Last year, nationally recognized HVAC expert Dara Bowser called for an Inquiry under the OBC Act, providing considerable information to support the call for the Inquiry.
- b) As reported by CTV in 2014, thousands of buildings in Toronto were not inspected <http://tinyurl.com/q3xeop9> .



3. Ontario needs to replace the Licence Appeal Tribunal (LAT) for disputes with Tarion/the warranty provider.

CPBH has been tracking consumers' success rate at the LAT relating to the ONHWP Act for more than a decade, and on average, consumers lose more than 90% of the time. Here is a link to a copy of our most recent analysis: <http://tinyurl.com/ne43ba8> . In a Dec. 2014 meeting with senior officials from SLASTO and the LAT, they acknowledged serious operational problems at the LAT, which continue to this day. Further, new home construction is a very complex process, and some have suggested it warrants its own tribunal, such as the situation with human rights and the Human Rights Tribunal of Ontario.

CPBH is in regular contact with the PC Critics for these three ministries, and we have appreciated their interest and support. If there are any questions, or additional information is required, please do not hesitate to let me know.

The purchase of a home is the largest purchase that most consumers make, and Ontarians need – and deserve – adequate consumer protection and access to justice.

Yours truly,

Dr. Karen Somerville, PhD
President

Cc:

PC Critic for the Ministry of Government and Consumer Services, MPP J. McDonell

PC Critic for the Ministry of Municipal Affairs and Housing, MPP E. Hardeman

PC Critic for the Ministry of the Attorney General, MPP R. Hillier

Founded in 2004, 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 earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada).