

Ellen Roseman

Straight talk on personal finance and consumer issues

ON YOUR SIDE



People freezing and sweating in newly built homes

April 29 2012 by Ellen Roseman

Karen Somerville heads a non-profit housing organization that receives more complaints about faulty heating and cooling system than any other issue. Here's her guest post.

Far too many homeowners from different parts of Ontario are freezing and sweating in their newly built homes! Clearly, this is unacceptable.

The problems have been highlighted by the media (Toronto Star, W-Five on CTV and Holmes on Homes on HGTV). Yet, the problems persist.

Government officials often don't help consumers – their accountabilities seem vague or non-existent. Different levels of government point at each other as the source of the problem, leaving homeowners to fend for themselves.

There are good builders and when mistakes happen, good builders take responsibility and fix them properly and promptly.

But there are also poor and marginal builders who may not respond appropriately to consumers' complaints. Worse, consumers have no reliable, objective way of distinguishing between good builders and the others.

Can you knock on doors in a housing development to ask current owners if they're satisfied? If there are construction defects, some owners may reveal them. But often they won't, for fear of lowering their property value. Some fear litigation from the builder.

Heating, ventilation and air conditioning (HVAC) defects can be very expensive to fix. You may have to tear out walls and ceilings, which usually requires that you relocate. These repairs often range from \$40,000 to more than \$100,000 and are very stressful for the families involved.

So, if you're considering buying a newly built home, what can you do to try to protect yourself? Here are some tips:

* Take your time and do not rush into a deal. Do your due diligence.

- * Make sure you know what warranties come with your home and that you understand them. Often these warranties are quite limited. Read the fine print.
- * investigate the HVAC system to be installed and see if there are any media/consumer reports with concerns about the HVAC system.
- * Before signing your purchase and sale agreement, review it with your own qualified lawyer.
- * Include a clause indicating that you want the right to have the HVAC inspected (and tested if necessary) by your own independent HVAC expert, before the drywall is put up, and if you are not satisfied with the HVAC, you can get out of the deal.
- * Include a clause for an extended warranty on the HVAC system.
- * Beware of clauses about leasing HVAC equipment. This can be problematic.
- * Follow through with finding and retaining the services of a qualified HVAC expert.
- * If the builder will not include such clauses in the agreement, think twice about proceeding.

If you're looking at buying a recently built home on the real estate market, here are some tips:

- * Again, take your time – do not rush into a purchase. Before you submit an offer, review all claims submitted to the warranty company, and figure out if there is a warranty remaining on reported HVAC issues.
- * Determine if there is leased HVAC equipment and the implications.
- * Include a clause indicating the right to have the HVAC inspected (and tested if necessary) by your own HVAC expert, and specify that if you are not satisfied with the HVAC, you can get out of the deal.
- * Find and retain the services of a qualified HVAC expert.

It may be difficult to find qualified HVAC experts. Many home inspectors are not qualified for HVAC. One place to look is the [Heating, Refrigeration and Air-Conditioning Institute](#).

A home is the largest purchase most of us will ever make. A home with HVAC construction defects can consume your life – and drain your bank account – as you try to get it properly repaired. So do your homework when purchasing a home.

Dr. Karen Somerville is president of [Canadians for Properly Built Homes \(CPBH\)](#), a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians. CPBH receives no government funding and relies on donations from consumers to cover its operating expenses. To send an email, write to info@canadiansforproperlybuilt homes.com.