



Nov. 3, 2021 – **CPBH’s response to CBC Alberta’s article today: Home warranty program failing to protect Albertans from shoddy builds, advocate warns, and the Nov., 2, 2021 Radio-Canada article Votre garantie pour maison neuve vous protège-t-elle vraiment? by Andréane Williams**

CPBH appreciates Andréane Williams’ reporting on these serious issues with construction defects in newly built homes and issues with warranty companies. CPBH is very sorry that any homeowner has to go through this.

CPBH has also heard from newly built home purchasers in Alberta who are fighting with their warranty insurance company and CPBH has assisted them – at no cost. CPBH has contacted the Alberta Government about these issues over the years, encouraged them to address these issues and adequately protect consumers.

Indeed, these sorts of issues are happening across Canada. This is a national issue, and CPBH encourages the new federal Ministry of Housing to address them.

There is no perfect system when it comes to addressing construction defects, including Code violations. CPBH has surveyed consumers regarding the possibility of making new home warranties optional, and consumers were split on that possibility – about 50/50. CPBH supports making new home warranties optional for those who choose to do so. Given the value of homes today and the warranty limit on coverage, new homeowners are already assuming a very large portion of the risk. Many are not fully aware of this.

In 2016 CPBH raised the possibility of making new home warranty optional with Justice Cunningham when he conducted the Tarion Review in Ontario, but he did not recommend it. Instead, he recommended the multi-provider warranty model for Ontario.

While CPBH recognizes that there are issues with private insurance companies that provide new home warranties – no system is perfect – our position is that the competitive, multi-provider warranty model is definitely preferred over the monopoly model that continues in Ontario with Tarion. Hands down, consumers are better off in a competitive marketplace than in a monopoly.

CPBH maintains:

- that builders’ track records need to be current, accurate, comprehensive and readily available to consumers to assist them in making their purchase decisions. This remains another serious issue across Canada.
- there needs to be much more emphasis on building right at the outset across Canada, that is, by better regulating builders and by strengthening municipal inspections during construction. The best warranty is the one that is not needed.
- that the Canadian federal government needs to take the lead on these issues of poor housing quality and the lack of adequate consumer protection as the current system with the provinces/territories is not working adequately. These issues directly relate to housing affordability: a house is not affordable if it does not meet the minimum standards of the Code.

<https://www.cbc.ca/news/canada/edmonton/home-warranty-program-failing-to-protect-albertans-from-shoddy-builds-advocate-warns-1.6234600>

<https://ici.radio-canada.ca/recit-numerique/2978/garantie-maison-neuve-construction-assurance>

<http://canadiansforproperlybulthomes.com/what-weve-learned/new-home-warranties/>

<http://canadiansforproperlybulthomes.com/what-weve-learned/affordable-housing/>

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).

Website: www.canadiansforproperlybulthomes.com

Facebook: <https://www.facebook.com/pages/Canadians-for-Properly-Built-Homes/1613240682226191>

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