

# His dream home had it all — except enough heat to keep him warm

Consumer protections lacking for new homeowners, advocate says



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Retiree William Lobodici's new home in Hamilton had everything he and his wife wanted, except proper heating and cooling — the furnace and air conditioner installed in the townhouse were initially too small. (Robert Krbavac/CBC)

When the weather turned cold, William Lobodici found himself packing on the layers of clothing while constantly cranking up the temperature in his home.

"It's asinine," Lobodici told Go Public. He moved into a new development called Chedoke Heights in Hamilton with his wife in June.

"The floor is freezing, so we turn it up. But when I do that, the furnace runs and runs and runs and doesn't stop. We're very worried about the gas bills."

According to the City of Hamilton, Lobodici and about 20 others bought brand new homes only to discover they were missing a key component — furnaces that could keep them warm during the winter.

"It's maybe efficient for a 1,200 square foot house, but not a 2,300 square foot house like ours," Lobodici said.

After buying into a new housing development in Hamilton, Ont., some homeowners realized they were facing a very cold winter after the builder installed furnaces that were too small for the size of their homes. They told CBC's Go Public the builder refused to do anything about it.

The owners had to agree to rent the furnace from the HVAC company, Reliance Home Comfort, as part of the purchase agreement with the builder, Starward Homes.

The owners didn't get a say on the type or size of the furnace installed. The air conditioner installed in Lobodici's \$675,000 townhouse was also smaller than what had been approved by the city. He says it couldn't properly cool the place in the summer.

Complaints to Starward Homes and Reliance Home Comfort went nowhere, he says.

Lobodici and some of his neighbours say the builder ignored their pleas for help.

Meanwhile, several homeowners said Reliance told them it wasn't their fault, since they just installed the units the builder told them to.

But Reliance kept charging \$92 a month to rent the A/C units, furnaces and a few other pieces of HVAC equipment.



The furnace installed in Lobodici's Hamilton home was about one-third smaller than what is needed to keep the townhouse warm. (Robert Krbavac/CBC)

"The frustration was really setting in," Lobodici said. "To have two major companies show no interest in helping. You feel like throwing your hands up."

An advocate for new homeowners says there is a lack of consumer protection around the largest purchase most people make — a new home.

"The whole system is fraught with problems," said Karen Somerville, president of the national nonprofit Canadians for Properly Built Homes.

The most common complaints are about HVAC, she says. "It can be undersized furnaces, or used furnaces that were sold in newly built homes that are damaged. It's all kinds of issues."

Both the builder, Starward Homes, and the HVAC company, Reliance Home Comfort, declined an interview request.

Within days of Go Public's inquiries, both companies contacted some of the owners promising to quickly resolve the complaints they'd known about for more than six months.

## City OK'd undersized furnaces

After talking to his neighbours, Lobodici suspects all of the 211 units in the new development he bought into got the same size A/C and furnaces — despite the floor plans ranging from 1,472 to 2,577 square feet, according to the Starward website.

"I wouldn't want to share some of the language coming from the neighbours around here, but they were furious," he said.



Of about 211 new homes built as part of a new development in Hamilton, the city says approximately 20 got furnaces and air conditioners that are too small. (Paul Smith/CBC)

Bob Fraser was angry, too.

He bought the same sized townhouse as Lobodici and got the same undersized furnace and A/C units — units that were about one-third smaller than what the city approved on the builder's permits.

The City of Hamilton says it was always aware of the problems with the undersized units, but let it slide temporarily while it worked with the builder since July to address the issues.

The city says it aims to "ensure compliance with the Ontario Building Code, and approved permit drawings."

"Considering the HVAC was complete, and operational, it was determined that occupancy may be permitted," Hamilton's chief building official Alan Shaw wrote in an email to Go Public.



For months, homeowner Bob Fraser says the builder, the HVAC company and the City of Hamilton would not address the issue with his undersized furnace. (Paul Smith/CBC)

## Homeowners warm up after Go Public inquiries

That's not good enough for Fraser, who can't believe the city sat on the problem while his new home was either too hot or too cold for months.

"They knew about this problem, but they put it into the background and said, 'We'll deal with it later.' And they didn't come back," he told Go Public.

Lobodici and Fraser's home purchase agreement from Starward only has a few lines about the HVAC equipment, saying the homeowners have to rent it and that the units would be "name brand" and "high efficiency."

After hearing from Go Public, Starward Homes emailed the homeowners, apologizing for taking "far longer" than anticipated to fix the problem, saying they "haven't done an adequate job" of keeping homeowners up to date as they worked with Reliance to come up with a solution.

Lobodici says it was the first time he got a reply from the company since he first filed a complaint months earlier.

Reliance also contacted Lobodici and Fraser within days of hearing from CBC News. A couple of weeks later, just after Christmas, they replaced the furnace and A/C in the two homes with larger units.

Go Public asked Reliance and Starward Homes how many other homes in the development also had their furnaces and air conditioners replaced with bigger units. Neither company responded.

## **Building boom a bust for new homeowners**

At the centre of this issue is Canada's building boom and the problems it's causing, according to Somerville, the advocate for homebuyers.

She says she hears these kinds of complaints "all the time" from across the country.





Karen Somerville, the president of the national nonprofit Canadians for Properly Built Homes, says governments at all levels need to step up and provide more protection for new homeowners. (Alan Dean Photography )

"Given the building boom, the building faster movement, what you're seeing is an increase in issues generally with newly built homes, including condos," she said.

"There's a shortage of labour. There's a shortage of municipal inspectors." According to Somerville, another challenge is the lack of available national data that shows how common problems really are.

As an example of the problems, Somerville points to what she says is a rare audit the City of Toronto released last January.

It found persistent issues with the construction industry, including construction going ahead without inspections, building deficiencies being poorly documented and not followed up on, inspectors being weak on building code compliance enforcement, and poor record-keeping.

The federal Liberals promised action in their 2021 campaign platform in the form of a Home Buyers' Bill of Rights.

Nearly two years later, Somerville says nothing has changed. "We need adequate consumer protection across the country. It really needs to be stepped up," she said.



Despite the varying square footage of homes in the new Hamilton development of Chedoke Heights, some residents believe all the homes got the same sized furnace and air conditioning units. (starwardhomes.com)

Go Public asked the office of Sean Fraser, federal Minister of Housing, Infrastructure and Communities, when Canadians can expect more protection.

Spokesperson Micaal Ahmed said the Ministry is working on a Home Buyers' Bill of Rights.

"Consultations with key stakeholders have been completed... more information on this will be shared as soon as possible."

New home regulations are also under the jurisdiction of municipalities, provinces and territories, so the rules can vary across the country.



Both Lobodici and Fraser say they'd likely still be waiting for proper heat if they hadn't contacted Go Public.

After what he went through, Lobodici says a Home Buyers' Bill of Rights "is a must," noting that neither the builder nor the city lived up to their obligations.