

Tarion plan reveals reforms are still a work in progress

CEO says stronger consumer protections are needed to gain public confidence in the home warranty provider and building regulator.

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Tarion Warranty Corp., the Ontario agency that provides new home warranties and regulates the builders of those homes, will have to deliver stronger consumer protections to regain the public's confidence following scathing criticism of its failures to protect new homeowners, says its CEO Peter Balasubramanian.

His comments Friday came with the release of a [plan](#) detailing how the agency is addressing last year's blistering report by Ontario's auditor general.

"There is a theme in the AG's report that there weren't sufficient resources aimed at consumer services so I think that's going to be an ongoing focus of the organization," Balasubramanian said.

Eleven of 25 recommendations to correct those issues have been completed, including clearing a backlog of investigations into illegal building and homeowner complaints, he said. Eight recommendations will be completed by the end of this year and the remaining six recommendations will be addressed by the end of 2021.

Balasubramanian said one of Tarion's priorities — making its claim process clearer — has not yet been completed although consultations on how to correct the problem have begun.

Auditor General Bonnie Lysyk found that between 2014 and 2018, nearly 10,000 consumer complaints about building defects failed to be addressed simply because forms weren't submitted on time.

Tarion is looking at creating a grace period for those submissions but the provincial government's COVID-19 emergency order has suspended those deadlines.

COVID-19 has also stopped in-person home inspections, said Balasubramanian.

In January, Tarion began consultations on interim measures to make its processes more effective and transparent, which included the introduction of a grace period for the deadline to submit some forms.

By the end of the year, Tarion expects to have third-party mediation in place for consumers who dispute its decisions.

Tarion has deployed more resources, invested in new technology and stepped up the quality control of its call centre, after the audit found consumers were being given inaccurate information on the phone.

Still in the works is a new targeted inspection program designed to look at homes still under construction. It's also a way of addressing builders' issues before they are repeated, said Balasubramanian.

"We're not going to inspect every house that's built but we're going to try and target risk or claims experience so we can ensure we do it in a way that balances the cost and the benefit," he said.

Although the government has ordered Tarion's new executive and board compensation be public, Balasubramanian, who was chief operating officer before being named CEO, did not say what he is earning, only that it is less than his predecessor Howard Bogach who made \$769,410 before he left the agency.

Executives will still receive bonuses, but they will be more in line with those of other public agencies, Balasubramanian said.

Consumers, who have complained for years that Tarion was more responsive to its builder members than new home purchasers, said Friday's update lacks urgency and government oversight.

“It is unacceptable that a number of recommendations will take at least two years (from the date of the auditor’s report) to complete,” said Canadians for Properly Built Homes (CPBH), a non-profit group of homeowners that has been pushing for years for Tarion reform.

It remains unclear how many homeowner disputes have been resolved and how many were cases of homeowners, who simply gave up the fight to be compensated for builder defects.

“Tarion is a wealthy organization and it has ample financial capacity to hire additional resources such as consultants and/or part-time staff to expedite the implementation of these recommendations,” said CPBH in a statement.

It remains unclear when the province plans to activate the Home Construction Regulatory Authority it previously announced as a means to separate the warranty program from the building regulation functions of Tarion.

The government does not fund Tarion. It’s revenue comes from the licensing fees of more than 5,500 builders.