



Presentation to the Standing Committee on Finance and Economic Affairs, Thurs. Jan. 25, 2024

My name is Karen Somerville, and I am the President of Canadians for Properly Built Homes (CPBH). Thank you for the opportunity to meet with you today.

Imagine saving up to purchase a newly built home in Ontario, moving in, and a year later finding yourself living in your vehicle as that home is making you sick due to Code violations and mould.

This is happening today in Ontario to the purchaser of a newly built home: Living in their vehicle in the winter.

Tragically, this is not the first time that this has happened in Ontario. It could be you, your mother, your father, your child next.

CPBH has now been operating 20 years – entirely with volunteers – no one is paid a cent. We do this because of the need.

We know that organizations charged with consumer protection responsibilities in Ontario often do not adequately protect consumers when it comes to newly built homes – the largest purchase that most make.

The following five points summarize the reality for far too many who purchase a newly built home in Ontario:

1. The Ontario Building Code is often not enforced during construction and many agree that the Canadian governments' "build faster" movement is going to result in even greater numbers of homes with Code violations. To begin to understand the depth of this serious problem, just look at the City of Toronto's 2023 audit report related to Toronto's building inspections.



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The audit findings show that the City of Toronto’s building inspection group’s performance is very weak and that many weaknesses are not new, often persisting from the 2013 audit. The auditors found that “construction is proceeding without inspections”, “deficiencies are not always well documented, communicated or followed-up” and “inspectors are not always issuing orders to enforce compliance” (p.2).

The picture that emerges in this audit report is one of a fundamentally important public function that is in chaos and not working. Here is the link to CPBH’s two-page statement concerning the audit report:

<https://canadiansforproperlybulthomes.com/wp-content/uploads/2023/03/Mar.-15-2023-CPBH-statement-related-to-the-Audit-of-Toronto-Buildings-Inspection-Function.pdf>

2. Tarion continues to fail many purchasers of newly built homes. As one example, often homeowners have to wait for years for Code violations to be assessed by Tarion and then repaired, if they ever convince Tarion at all. This delay threatens the health and safety of the occupants.
3. Now we have the Home Construction Regulatory Authority (HCRA) failing many purchasers of newly built homes. As one example, consider the Ontario Builder Directory that continues to mislead potential purchasers for many builders. Please refer to Appendix 1 as a specific example from the Ontario Builder Directory.
4. The Administrative Authority model used in Ontario often does not provide adequate consumer protection. The problems with Tarion and HCRA provide specific examples.
5. A newly built home with Code violations typically takes a tremendous toll on Ontario families – financially, physical health, mental health, and or family breakdowns. In extreme cases, people consider declaring bankruptcy or suicide – just because they purchased a newly built home in Ontario with Code violations.

We understand that the Ontario Government is currently not interested in addressing the decades-old problem of the lack of enforcement of the Code during construction, or the decades-old issues with Tarion, or the decades-old issues with the Administrative Authority model, or the serious shortcomings with the relatively new HCRA.



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So, what is CPBH recommending this year for Ontario's budget?

Provide the resources to effectively operate a Consumer Watchdog office, which is proposed in Bill 122, Ontario's Consumer Watchdog Act, 2023. In the recent hearings related to Bill 142, Ontario's Consumer Protection Act, most, if not all presenters expressed their support for a Consumer Watchdog, related to newly built homes and many other serious consumer protection issues in Ontario. One way to fund the Consumer Watchdog Office is to divert some of the millions of dollars Administrative Authorities are forced to pay annually to the Ministry of Public and Business Service Delivery for oversight fees.

As I close today, please know that the suffering by so many Ontarians just because they purchased a newly built home with Code violations and inadequate consumer protection is great – unbearable for some. We are gravely concerned that it is getting worse with the governments' movement to build faster. Please don't look away – please help fix this.

Thank you. I will be happy to address your questions.

Please submit questions/comments to: info@canadiansforproperlybulthomes.com.

Founded in 2004, Canadians for Properly Built Homes (CPBH) is a national, independent, 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 X/Twitter: @cpbh01

LinkedIn: <https://www.linkedin.com/company/canadians-for-properly-built-homes/?viewAsMember=true>

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Appendix 1 – Example from the Ontario Builder Directory
Record retrieved Jan. 25, 2024

TARION WARRANTY OVERVIEW LAST 10 YEARS CHARGEABLE CONCILIATIONS UPDATED DAILY, OTHER DATA UPDATED AS OF SEP 30, 2023

5 Chargeable Conciliations

Occurs when Tarion determines that one or more items reported by the homeowner is warranted under the Ontario New Home Warranties Plan Act and the vendor/builder failed to repair or resolve the item(s) during the applicable repair report and no exception to chargeability applies.
Click the link to view our full Glossary.

\$14,459.55 Total Dollars Paid in Claims

Shows the total amount of money a vendor/builder has paid in claims of warranty violations.
Click the link to view our full Glossary.

\$2,885,783.45 Outstanding Claims Paid Owing

The amount owing by the builder or vendor to Tarion as a result of warranty claim(s) submitted by a homeowner and investigated and/or resolved by Tarion that has been outstanding for greater than 30 days.
Click the link to view our full Glossary.

\$0.00 Breach

Outstanding claims on cases where there was a warranty breach by the builder or vendor.
Click the link to view our full Glossary.

\$2,885,783.45 Tarion Action on Behalf (TAB) of Vendor/Builder

LICENCE CONDITIONS

There are no conditions on this vendor/builder's licence.

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What happens when Tarion decides that Conciliation is chargeable

When Tarion decides that a conciliation is chargeable, two things happen:

- You will pay Tarion a fee for having to conduct the inspection; and,
- Your company's record on the Ontario Builder Directory (administered by the Home Construction Regulatory Authority) is updated to reflect that you have received a chargeable conciliation. **The chargeable conciliation is a measure of your performance and stays on your record for 10 years.**

Chargeable Conciliation Fees - Exceptions to chargeability

Not all conciliations where Tarion finds warranted items are chargeable. A conciliation is "non-chargeable" if you can show that you could/would have complied with your customer service obligations but were unable to do so through no fault of your own.

The following are situations in which a conciliation could be determined to be non-chargeable:

Exceptions Description

Denied Access	You made reasonable efforts to address the warranted item but the homeowner unreasonably denied access to repair the warranted item(s).
Reasonable Repair Refused	You were committed to resolving the warranted item and proposed a reasonable repair. However, the homeowner disagreed with one or more aspects of your plan, such as timing, scope, or method.
Reasonable Cash Settlement Refused	You tried to resolve the warranted item through a reasonable offer of monetary compensation which the homeowner did not accept.
Evidence of Prior Satisfaction	You decided to take no further action on an item based on documentation indicating that the homeowner was satisfied with a prior repair or resolution.
Re-introduced	You did not have a reasonable opportunity to address the warranted item because: a) it was not described accurately enough by the homeowner (including with regard



Exceptions Description

items or new to your obligation to speak with the homeowner to clarify the issue);
issue b) the item was removed from a homeowner’s list and later re-introduced; or
c) in the course of repairing or replacing the item, a new and different defect arises,
that you were unaware of, but agree to address at or before the conciliation.

Shortened or You were not given reasonable time to address the warranted item either because
no builder Tarion decided to abridge the repair period through no fault of your own, or because
repair period Tarion failed to provide notice of the claim or conciliation to you.

Warranty [SEP]The homeowner’s appeal to the Licence Appeal Tribunal resulted in a reversal
Decision of Tarion’s warranty decision. [SEP]

Overtaken by the If you believe that an exception applies to your situation, you must advise
Tarion and provide evidence of the exception prior to conciliation.

License Appeal Tribunal The specific evidence required to support an exception to chargeability is
outlined in Registrar Bulletin 4.

(LAT) Please note that if Tarion determines that an exception applies and the
conciliation is not chargeable, you are still responsible in almost all cases for
resolving the warranted item(s).

