

OPEN LETTER

July 6, 2021

Mr. Hari Panday, Tarion Board Chair
Sent via email to: Chair of the Stakeholder Committee
stakeholdercommitteechair@tarion.com

Subject: Botched evaluation - "Compliance review/evaluation of the office of the New Home Ombuds"

Dear Mr. Panday:

Now that the "Compliance review/evaluation of the office of the New Home Ombuds" report dated March 2021 has finally been made available to the public, we have reviewed it. We have a number of questions/concerns with this botched evaluation including the following:

- The evaluator, Dr. Nora Farrell, was hired by the New Home Ombuds office to conduct the evaluation. The evaluator should have been hired by the Tarion board to maintain independence. Alternatively, the evaluation could have been conducted by the Auditor General of Ontario.
- The sampling method selected by the evaluator concerning homeowners could not be implemented. From our knowledge of other similar evaluations, this is a rare and surprising outcome, which led to the following:

"...there is insufficient information from homeowners to found any conclusions that are dependent on homeowner input" (p. 10) and the Tarion employee input "...is not taken into account either in this analysis as it does not reflect the full spectrum of perspectives on the evaluation criteria.." (p. 10).

"...it is not possible to provide an opinion on whether the Ombuds Office is operating in a manner that is consistent with the ethical principles of impartiality and fairness and the principles of 'good complaint handling' of clarity of purpose, openness and transparency, proportionality, efficiency and quality of outcomes, as there is insufficient input available from case file reviews and homeowners to do so" (p. 19).

- As noted by Dr. Farrell in her report: *"...It is important to reiterate that the number of complaints and concerns brought to the attention of the New Home Ombuds Office by homeowners during the calendar years of 2019 and 2020 totals 1,001. Ultimately, slightly less than three (3) percent of this complainant group gave permission for their case files to be reviewed and volunteered to provide their input through an interview..."* (p. 7). Why was it that so few homeowners gave permission to have their case files reviewed and/or participate in this review?
- Obviously this botched evaluation is a very serious issue. One has to wonder – how did this ever happen, and who is accountable for this unacceptable outcome: You, as the Tarion board Chair, Dr. Farrell, and/or the New Home Ombuds Ms. Jill Moriarty?
- Tarion sent out Dr. Farrell's survey to Tarion employees using Tarion's internal email. This aspect of the methodology was also inappropriate, particularly given that one of the issues raised by the Office of the Auditor General of Ontario in its 2019 report related to the Ombuds office not being sufficiently independent of Tarion.
- Ms. Moriarty has refused to disclose how much was paid for this evaluation, citing it as a "private employment matter". But Dr. Farrell was not an employee, and the funds for this evaluation largely came from Ontario homeowners (via mandatory monopoly payments to Tarion) who ultimately were not included in this evaluation. Even before this botched evaluation was revealed, CPBH's position was the fee should be disclosed to those who primarily paid for it – Ontario's purchasers of newly built homes.

Mr. Panday – we have previously communicated to Ms. Moriarty, the Ombuds, that many homeowners have advised us that they do not have confidence in the New Home Ombuds office. We expect that this was a key factor in homeowners' refusal to participate in this review. Now, this situation with this botched evaluation will undoubtedly further erode confidence in that office.

This botched evaluation is obviously very disappointing and unacceptable. We have the following additional questions for you:

- Will another evaluation be conducted that is designed in such a way so that it is completely independent of the New Home Ombuds office and Tarion – and

designed in such a way to obtain important homeowner input? If yes, when can Ontario's purchasers of newly built homes expect that review to be conducted?

- Unacceptably, this evaluation was largely a waste of Ontario homeowners' money. How much was Dr. Farrell paid for this assignment? Was this amount the amount originally contracted for?
- What steps are you going to take to try to restore Ontario homeowners' confidence in the New Home Ombuds office?

We look forward to your response.

Yours truly,



Karen Somerville, PhD, C.Dir.
President

Cc: Minister R. Romano, MGCS
MPP T. Kernaghan, NDP Critic for MGCS
MPP S. Blais, Liberal Critic for MGCS
MPP M. Schreiner
Ms. B. Lysyk, Auditor General of Ontario
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