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Real News

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Dear clients, friends and family,

We hope this finds you well. In this issue we share with you more information for new home buyers in regards to pre-delivery inspections and different types of warranties and protections under the ONWHP Act.

Did you know that we post all of our newsletters online? Yes, they are available on our website by clicking [here](#).

We also include a list of this month's community events for those of you interested in getting involved in the community.

We thank you for your ongoing support.

Sincerely,

Jacques & Team

Pre-Delivery Inspection

Every new home purchaser should be advised that they are entitled to and should take very seriously the Pre-Delivery Inspection ("PDI"). Every new home builder is obliged to provide to every new home buyer with this opportunity to inspect the new home just prior to occupancy/closing. A representative from the vendor will take the home buyer through an inspection of the home and should at the same time explain how the various systems in the home work. The builder is required to arrange for a PDI form to be completed which will set out a formal record of all items that the home buyer feels are incomplete, damaged, missing, not operating properly or otherwise deficient. The home buyer should also record items that he or she feels are improper substitutions. Some other tips include:

- A home buyer is entitled to be accompanied by another person including a home inspector.
- A home buyer should insist upon enough time to conduct the inspection and not be rushed.
- The homeowner should write down everything that they think is incomplete, damaged, missing, not working properly, otherwise deficient or is an improper substitution. If any items cannot be properly inspected because they are inaccessible, dirt or there is ongoing construction, note this on the PDI form.
- Make sure that the list is as complete as possible and do not fail to list items based on assurances by the vendor that they will be fixed. The PDI is a record of what the home buyer observed at the time the PDI is conducted.
- Deficiencies relating to common areas for condominium homes need not be included on individual unit PDI forms. Any complaints about common elements will be addressed in owner surveys by the condominium corporation and claims regarding common elements must be made by the condominium corporation. However, if a condominium home buyer is unsure as to what is a unit concern and what is a common elements item, the homeowner should include those items on the PDI.
- Try every appliance, window, door, lock, tap, light fixture, etc.
- Remember to look for water stains as an indicator of possible leaks.
- It is very important to note any items of damage. Failure to note an item of damage may lead to the conclusion that the damage having not been noted pre-closing occurred after the homeowner took occupancy.
- Don't forget to ask for manuals and manufacturers' warranty papers.

It is hoped that the vendor will then attend to any deficiencies noted on the PDI form. If any of the items on the PDI are not resolved by the vendor and the home buyer believes they are warranted, those items must be repeated on a 30-Day warranty claim form along with any other items discovered after the PDI and submitted to Tarion within the required timeframe.

Types of Warranties and Protections

The ONWHP Act sets out specific deemed warranties and protections which apply to all eligible new homes. Warranties and protections commence as of the date of possession for residential condo units and, for condominium common elements, the date of registration of a declaration and description.

The deemed warranties and protections can be summarized generally as follows:

- Deposit Protection
 - Deposit warranty - up to \$40,000 for a freehold home (\$20,000 for a condominium unit).
- Delayed Closing/Occupancy
 - Up to \$7,500 for occupancy or closing delays beyond permitted extensions.
- Unauthorized Substitutions
 - If a home buyer entitled to select an item of construction or finishing, there can be no change without consent.
 - If an item is referred to in the purchase agreement, (as opposed to an item the buyer is entitled to select), any substitution must be of equal or better quality.
- One Year Warranties
 - Built in workmanlike manner;
 - Free of defects in materials;
 - Fit for habitation;
 - Free of Ontario Building Code violations;
 - Free of major structural defects.
- Two Year Warranties
 - No water penetration through basement or foundation;
 - Free of building envelope defects that cause water penetration;
 - Free of defects in delivery and distribution systems (e.g., electrical, plumbing, HVAC);
 - Free of exterior cladding defects;
 - Free of Ontario Building Code violations that affect health and safety;
 - Free of major structural defects.
- Seven Year Warranty
 - Free of major structural defects.

The onus lies upon the unit purchaser (or the condominium corporation in respect of common elements) to show that alleged defects or deficiencies lie within the scope of the warranties. As important are the exceptions to warranty coverage discussed next.

Warranty Exceptions

The ONHWP Act sets out various exclusions from the deemed statutory warranties including the following:

- Defects in materials, design and work supplied or installed by the homeowner.
- Normal wear and tear, (such as scuffs and scratches to floor and wall surfaces caused by moving, decorating, and/or day-to-day use of the home).
- Normal shrinkage of materials that dry out after construction, such as nail "pops" or minor concrete cracking.
- Damage caused by dampness or condensation due to failure by the homeowner to maintain adequate ventilation levels, (including improper operation of a humidifier or hot tub).
- Damage caused by the homeowner or resulting from improper maintenance.
- Alterations, deletions or additions made by the homeowner.
- Secondary damage such as property damages and personal injury.