

HOME INSPECTORS UPDATE



February 24, 2023

Welcome to Tarion's *Home Inspectors Update*. As a home inspector, you often play an important role in supporting your clients, home buyers and owners, throughout the home buying and warranty process. This newsletter contains useful information that will help you support your clients as they learn about the warranty program.

Changes to the Statutory Warranty

Following public feedback received earlier this year, Tarion is increasing the new home warranty coverage provided by builders in Ontario. The changes involve boosting the warranty compensation limit to \$400,000 for new freehold homes and creating a new Temporary Relocation Warranty.

Warranty Compensation Limit

The warranty compensation limit increase from \$300,000 (current) to \$400,000, applies to freehold homes in which the homeowner owns the land and the home, such as detached, semi-detached homes and some townhouses. This increase will provide new freehold homeowners in Ontario with the highest overall coverage available in Canada when compared to coverage amounts set out by other provincial warranty programs.

The warranty compensation limit for condominium units will not increase, as those homes already benefit from additional coverage under the builder's Common Elements warranty.

The Common Elements warranty coverage for condominiums was increased to \$3.5 million in 2021.

Temporary Relocation Warranty

The new Temporary Relocation Warranty of \$150/day - up to a maximum of \$15,000 - will help cover costs homeowner may have to pay associated with temporary accommodations. This coverage for both condominium and freehold homeowners applies if a warranted repair renders the home uninhabitable and they are required to relocate while repairs or remediation is completed.

Tarion is in the process of creating the guidelines that will govern when and how this new warranty is applied, including clear definitions of when a home would be deemed uninhabitable.

The warranty coverage enhancements will come into effect on July 1, 2023, and will benefit homeowners who enter into a purchase agreement on, or after, that date.

For more information on these new measures, please view our [Q&A here](#).

Tarion consulted on both of these proposed policies in 2021 and 2022, and on draft regulations in fall 2022. Thank you for sharing your feedback on how to create a stronger and more transparent new home warranty and protection program for all Ontarians. The input we received has been crucial for improving the new home warranty process.

We are making these changes and creating a stronger new home warranty and protection program to protect all Ontarians and increase consumer confidence when making one of their most important purchases, a new home.

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