



March 5, 2020

Tarion Warranty Corporation
5160 Yonge Street
North York, ON M2N 6L9

RE: Regulatory Impact Assessment - Interim Enhancements to the Customer Service Standard

The Residential Construction Council of Ontario (RESCON) is pleased to provide comments to the Tarion Warranty Corporation (“Tarion”) regarding the proposed regulatory changes as they relate to the Customer Service Standard. Given the impact these changes will have to our industry and members, we appreciate the opportunity to submit our feedback.

RESCON represents over 200 residential builders of high-rise, mid-rise and low-rise buildings in the province. Our goal is to work in cooperation with government and related stakeholders to offer realistic solutions to a variety of challenges facing the residential building industry, which in turn have wider societal impacts. The focus of RESCON’s work is on technical standards; labour relations; industry research and innovation; health and safety; regulatory reforms; and training and apprenticeship.

The bulk of our membership has indicated that they presently work with homeowners in order to be flexible in honouring warranty obligations and are not rigid with deadlines. Therefore, regarding the matter of adding a grace period to the first 30-day submission period, RESCON is supportive of a five-day grace period if the details are appropriate and measured. This would serve to formalize a business practice which most builders already provide and Tarion should ensure that the new standard aligns with industry best practices. If Tarion moves ahead with a grace period, it is important to have another round of industry consultation to consider how this process will be implemented to ensure a consistent and transparent implementation in Ontario.

In terms of adding a grace period to the request for conciliation period for all form types, RESCON believes that a five-day grace period would be appropriate. We have always believed that it is beneficial for all parties involved if issues are solved between a homeowner and builder. Tarion should encourage parties to reach their own resolutions, which would reduce the current administrative burden placed on Tarion and lead to better outcomes for all parties.

In order to provide excellent customer service, builders need deficiencies clearly articulated and well documented. Therefore, regarding allowing submission of more than one 30-day form in the initial and year-end periods, RESCON would recommend there be only one consolidated 30-day submission and one one-year submission allowed. Currently, builders have to consolidate and track multiple forms that are submitted regarding the same housing unit through different means (e.g., electronic, written, etc.), which creates a significant administrative burden.



Additionally, many builders use software tracking programs that are unable to accommodate multiple form submissions. The more submissions, the higher the likelihood there are issues which may be inadvertently missed. Further, reflecting the goals of the government to streamline processes, RESCON believes that capping the number of times a form can be submitted would greatly assist industry in addressing deficiencies.

In terms of adding a grace period after the year-end submission deadline in cases where the homeowner can show that the builder was provided with written notice of the defect within the one-year period, RESCON recommends a five-day grace period. The current forms of written communication are adequate and working well, thus, we do not propose any changes to correspondence methods.

Regarding policy changes to the definition of emergency claims to include any water penetration, RESCON does not believe that a change is necessary. However, we do believe that there can be better information provided to homeowners as to what constitutes “major water penetration” and “emergency water penetration”.

RESCON appreciates the opportunity to provide feedback on this important consultation. It is imperative that industry and government agencies such as Tarion work together and collaborate to ensure that policies and communications to new homeowners promote confidence and clarity.

We look forward to a continuing dialogue with Tarion and we look forward to discussing the above concepts with you in person.

Regards,

A handwritten signature in blue ink, appearing to be 'R. Lyall', is written over a light blue circular stamp.

Richard Lyall
President