



Manitoba's New Home Warranty Legislation



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Purpose of the Act

- The purpose of the *New Home Warranty Act* is to ensure that all buyers of new homes in Manitoba will be protected by a home warranty covering construction defects.

Warranty Models

- Government announced its intention to develop new home warranty legislation in its *Let's Make a Better Deal* five-year strategy for stronger consumer protection.
- Two existing models were considered:
 - Ontario's single legislated warranty provider model
 - British Columbia and Alberta's market-based model

Interested Warranty Providers

- Blanket Home Warranty Ltd.
- National Home Warranty Group Inc.
- Progressive Home Warranty Inc.
- Travelers Insurance Company of Canada
- Manitoba New Home Warranty Program

Warranty Coverage

- 1 Year
 - defects in materials, labour and design.
- 2 Years
 - violations of the Manitoba Building Code;
 - defects that render the new home unfit to live in;
 - defects in electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems; and
 - defects in the building envelope, exterior cladding, caulking, windows, doors, including those resulting in water penetration.
- 7 Years
 - structural defects.

Homes Requiring Warranty

- Single family homes
- Town homes
- Condominium units and common property
- Recreational homes
- Ready-to-move homes
- Modular homes
- Warehouse conversions

Excluded Homes

- Hotels
- Dormitories
- Camps
- Mobile homes
- Cooperatives
- Hospitals, personal care homes
- Homes built by Habitat for Humanity
- Homes built by Hutterite colonies, on colony land
- Rental apartment buildings

Home Builders

- Home builders must be registered with the Province.
- Only registered builders will be allowed to build homes for others or for sale.
- Registered home builders will be listed on a public registry.
- Home builders will have to work with a registered warranty provider.

Owner Builders

- An owner who wishes to build their own home will not need to obtain a home warranty, subject to certain restrictions:
 - They will need to apply for and obtain authorization from the Registrar.
 - There will be restrictions on the sale of the home within the warranty period, unless home warranty is offered.
 - There will be a notice placed on title.

Permit Issuers – Evidence Provided

No building permit without home warranty

- 7(1) An authority having jurisdiction to issue building permits must not issue a building permit for a proposed new home unless the applicant provides evidence, in the prescribed form,
- (a) that the home will be built by a registered home builder, an authorized owner-builder or an exempt home builder; and
 - (b) that a warranty provider has committed to provide a home warranty for the home, unless the home will be built by an authorized owner-builder or an exempt home builder.

Prescribed Evidence

- The evidence for warranty coverage, owner-builders or exemption will be standardized:
 - Permit issuers will have secure access to a public registry to validate; or
 - Builders will be able to request and received paper evidence.
- The Registrar will work with permit issuers to provide training and assistance, as may be required.

Permit Issuers – Registrar requests

Information provided to registrar

- 7(2) At the registrar's request, an authority having jurisdiction to issue building permits must give the registrar copies of the evidence provided to it under subsection (1).

Permit Issuers – Liability Protection

Liability protection

- 7(3) If an authority having jurisdiction issues a building permit for a proposed new home, relying in good faith on the evidence provided under subsection (1), the authority is not liable, either directly or vicariously, for any damages or other loss, including economic loss, sustained by any person because the new home is not covered by a home warranty or because the home builder is not registered, authorized or exempt.

Questions?