

NEW OR USED HOME?

There are lots of great properties to purchase. You should talk to your real estate agent about the new and used houses that are available to be purchased. This article will discuss some warranty issues related to new and used homes.

Warranties

New homes in Ontario are protected by Tarion formerly known as the Ontario New Home Warranty Program which has been mandated by the Province of Ontario since 1976. It has coverage for materials and workmanship and based upon a licensing process that ensures builders are qualified and enroll new units in the program.

Your real estate lawyer will check that your new home has been enrolled in the Tarion program and can review the documentation provided to you by the builder.



Used residential homes are typically bought “as is”. It is recommended that buyers have a home inspection done prior to finalizing the sale. It is essential that you satisfy yourself of the quality of the home you are buying. There are no warranties in the standard agreement of purchase and sale on the quality of the home. It will be difficult to hold a vendor liable for defects to your home after the completion of the transfer, including latent or hidden defects. A vendor may be found liable if they knew about defects and purposefully or fraudulently concealed or covered up the defects.

Your real estate lawyer can review the warranty provisions in your agreement of purchase and sale and in some instances draft additional warranty provisions to cover specific concerns, subject to the vendor agreeing to such warranties.

Contact Kraemer LLP today and let us advise you on this and any other legal questions you may have.



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