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## Condo Smarts

Headline: Warranty Claims on New Construction

Topic: Warranties

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**Dear Tony:** Our strata corporation is 3 years into its warranty and as instructed we have been providing claims information to our property manager and developer. We assumed these were valid claims because of warranty and we were instructed by the developer to notify of them with everything as they instructed us. To quote the developer's representative: "for the first 2 years, file everything with us if you have any deficiencies or defects under your warranty." We are now a very confused and frustrated strata council. There have been numerous problems with our elevators and mechanical systems, our computerized hot water system is not functioning, and we have issues with several window systems on the south side of the building. We contacted the developer for a list of the deficiencies we have reported and they advised everything was addressed, but we have no reports of repairs, investigations or solutions for our ongoing issues. How do we get the problems fixed and the claims addressed?

**To all strata councils in new buildings:** The developer is not your warranty provider. The developer is under contract with the warranty provider to meet any claims that arise from the project. To ensure your strata corporation has valid warranty claims, the strata council requires a complete copy of the warranty documents for your strata corporation, plus review the warranty documents and make sure strata council knows the starting date of the warranty which usually coincides with either the first occupancy or when the strata plan is filed.

The warranty documents will provide details on how you file a warranty claim, the format you must use, where to send your claims and methods of delivery. You may copy the developer to encourage them to address claims and defects, but don't exclude your warranty provider.

An interesting part of the *Homeowner Protection Act* relates specifically to warranty claims and if your strata corporation follows those provisions, the warranty provider must give you notice when they are going to remedy a claim, what is going to be addressed, and what work was actually done, which may benefit from an additional extended warranty period.

The first 2 years of a strata corporation are the most critical to protect the assets of your community. Unfortunately, residential buildings are rarely commissioned by a third party consultant, where a professional such as a building engineering team will review and evaluate your systems such as: mechanical, safety, energy management, elevators, surface drainage, building envelope, over burden podiums, and electronic systems to verify they are installed and operating efficiently and to manufacturer specifications. Early evaluation and reporting of any defects or failures to the warranty provider and developer will give everyone the best opportunities to resolve the issues at the least cost. With hundreds of thousands of operable parts in a building system, some components will inevitably require attention in every building.