

Condominium Home Owners' Association

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Bulletin: 300-255

Condo Smarts

Headline: Warranties can be tricky business

Topic: Warranties

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Dear Condo Smarts: We had a new roof done on our townhouses in April of this year. It took six months and the company provided us with a 10-year warranty.

In a rain storm a few weeks ago, one of the units was seriously damaged by a defect in the installation, resulting in the water running under the flashing. We immediately contacted the company, but to date, nothing has been done. The company says they did not have the time to return and now we find out they've gone out of business.

How do we get them to honour their warranty? It looks like we might be stuck with these repairs and a poor roofing job.

-- CK, Langley

Dear CK: There are several types of warranties but the most common are warranties provided by the contractor or manufacturer, and warranties provided by a third party such as an insurance policy.

Manufacturer/contractor warranties are only as good as the company you hire and whether they have the ability or desire to meet their honoured commitments for their warranties.

A warranty is also a form of a contract, so it's critical that for every service or product you purchase, you have a clear written agreement regarding terms and conditions.

Never take a verbal guarantee and always read the warranty terms and conditions closely before you sign the contract. A note on a bill that says "service/product warranted for three years" means very little.

Check out the company's service history. If they've only been in business two years, how do you know they'll be around in five or 10 years?

The other type of warranty involves a third party, often an insurance company that is sufficiently satisfied with the risks and will underwrite a warranty. These warranty systems serve consumers much better, but you must also be careful of the fine print. There can be many exclusions and conditions you have to meet, or the warranty may be null and void.

With any type of warranty, it's important to document all inspections and maintenance work. As well, document all communication with the service provider or the warranty company. Phone calls should be followed up with a written confirmation of the conversation and the results. When you end up in a court room, your documentation will be critical.

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