

Condo Smarts

Headline: Who is the warranty provider?
Topic: Warranties
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Dear Condo Smarts: Our strata corporation was newly built in September of 2010. At the time we told that we had a warranty of 2-5-10. The printed documents cover 2 years on operational items, 5 years on the building envelope and 10 years on the structure of the building. We were told by the warranty provider and the developer that the developer was responsible for all those items that were covered under the first 2 years. We have been contacting the developer every month to address a number of deficiencies in addition to two items that are really warranty claims to address a deck issue for one of the units. The developer is ignoring us and we are concerned that the warranty will run out before we get these claims addressed. Is there some way of forcing this issue? *Glen P, Aldergrove*

Dear Glen: Many strata corporations often ignore their warranties on new developments, products, or renovations until a claim arises. Contacting the developer and the warranty provider regularly when you have a claim is important to protect the strata interests. The warranty provider for your project is the insurance company who has underwritten the warranty contract with your strata corporation. The developer provides assurances to the warranty provider that they will undertake certain obligations on behalf of the warranty provider. The common area warranty has very specific terms and conditions of the contract which a strata corporation needs to understand. You have an obligation to maintain and inspect the warranted product or construction as prescribed by the operations manual provided to your strata corporation. Contract a qualified professional to perform routine inspections of the building components before each of the expiry dates of the warranty passes. Any defects that result in

warranty claims need to be filed with the warranty provider prior to those expiry dates, and in the proper form. The warranty contract will identify how you contact the warranty provider and the location for notice. Always communicate with the parties in writing, and even if you have a conversation with the developer or warranty provider, immediately follow up with a letter confirming your understanding of the conversation. Your warranty is a valuable asset for your strata corporation and has a value of \$100,000 per unit to a maximum of 2.5 million per building. Keeping good maintenance and inspection records is critical to maintain the value of your warranty. It is also important for every strata corporation to closely review their warranty documents so they are aware of the actual dates. The warranty starts when the first strata lot is sold or the first occupancy, whichever is first. Compare your warranty schedule to those occurrences. If your strata corporation has no success in getting your warranty provider or developer to remediate the defect, then there is a provision for Mandatory Mediation under the Homeowner Protection Act. Contact the Homeowner Protection Office, a division of BC Housing, at 1-800-407-7757 and request to speak to the registrar, or go to www.hpo.bc.ca There are a number of helpful guides under dispute resolution to get you started.

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