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Gaps in New Home Warranty Coverage across Canada

New home warranty programs across Canada are a hodgepodge of provincial systems that offer Canadians inconsistent protection if something goes wrong with what is often the most expensive purchase of their lives, according to new research conducted by the Consumers Council of Canada.

While few people would buy a new car without a warranty, almost a third of Canadians interviewed in a national survey didn't know whether builders were even required to provide a warranty with a new home. (It's mandatory in only three provinces although mortgage and construction financing lenders usually demand it so that almost all houses are covered.)

The study, *Gaps in New Home Warranty Coverage across Canada*, shows widely varying levels of coverage and costs to consumers. About the only thing in common was the feeling expressed by many people that they knew very little about new home warranties, wanted to know more and were distrustful of the whole system.

As a result, the study makes 28 recommendations. They include:

- All new home consumers in Canada should be afforded new home warranty protection.
- Consumers should be protected in a similar fashion in every province.
- All builders in Canada should be required to be registered with their provincial warranty providers.
- Warranty providers should use a range of tactics to better inform and educate consumers including those that use the builder channel to the home buyer.

Representatives from home warranty programs, government agencies and housing organizations, were interviewed for the study. In addition, a telephone survey of homebuyers, conducted and compiled by Maritz Research between Jan. 25 and Feb. 20, 2007, resulted in 6,041 interviews and 565 completed surveys.

The Consumers Council of Canada is an independent, not-for-profit organization, federally incorporated in 1994, that works collaboratively with consumers, business and government to solve marketplace problems.

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