

From Haven to Hell



The Seguin family, who live in Beaverbrook, N.S., are suing their home builder.

W-FIVE Staff

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Home is where the heart is, but what happens when your haven feels more like hell? Canada is experiencing the largest building boom since the 1970s, with nearly a quarter of million homes being built in 2007. But problems can arrive along with this boom. W-FIVE travelled across Canada to investigate the horrors and frustrations faced by homeowners.

In Beaverbrook, N.S. we met members of the Seguin family, who are suing their builder. They had a problem with water leaking into their newly constructed home. They claim that the resulting mould and mildew made them sick. The Seguins' son had a near-fatal asthma attack that sent him to the intensive care unit. Since then, the family has had to rent him an apartment because he can't move back home.

The Seguins fixed some of the problems themselves, but told W-FIVE that this resulted in the Atlantic New Home Warranty program voiding their coverage.

In Barrie, Ont. - one of Canada's fastest growing municipalities - we met Cindy and Alan Griese and their neighbour Bruno Pisano. The neighbours are pitted against their builder and municipality as they try to fix problems they claim are caused by water rolling down a grade in their yard, pooling around their homes and leaking into their houses.

Builder Marco De Simone says he'll keep fixing the walls and insists the grading is just fine. He says three engineering reports back him up. "We like to resolve our problems and when you're put in a situation where you can't resolve a problem, it is frustrating," he says.

In Vancouver, W-FIVE discovered that the leaky condo crisis of the late 1990s - the one that drained the province's new home warranty program - is far from over. Street after street of condos are peppered with white and blue tarpaulins and scaffolding, as builders and homeowners continue to fix structural problems and water damage.

So why don't these homeowners just sell their condos and houses and start fresh? In many cases, they can't sell their homes until the problems are fixed. But there's also a legal reason, according to Richard Oldaker, a Vancouver leaky condo owner.

"Sell it to somebody else and let them take on the problem? I don't think so. If you do that and you don't make full disclosure and tell them all the problems that they're buying into, they can come after you personally and sue you," says Oldaker.



Builder Marco De Simone says he'll keep trying to fix the problem.



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Bill Teron is a developer known around Ottawa as the 'father of Kanata' - a model community built four decades ago. A builder for more than 40 years, Teron ran the Canadian Mortgage and Housing Corporation (CMHC) in the 1970s. During his time in charge, one out of every two houses built in Canada was insured by CMHC and checked by federal inspectors. If the problems didn't get fixed, the builders didn't get paid.

"It was quick justice. You could resolve it right then and there," recalls Teron.

In the 1980s, the Conservative Mulroney government gave in to pressure from builders and the provinces and CMHC got out of the business of inspecting new homes, giving builders greater freedom to regulate themselves.

Teron says there were 350 federal inspectors working coast to coast when he was running CMHC. Today that job falls largely on the municipalities. But many of the booming communities don't have enough inspectors and some of the smaller ones don't have any. This can mean little or no inspection and potential problems and huge bills for homeowners if problems aren't caught during construction.

One solution is to hire your own qualified inspector during construction of your new home - a cost of around \$1,000. But the independent inspectors aren't always welcome.

Mike Guihan, who has been in the home inspection business in Newfoundland for 30 years and is president of the Canadian Association of Home and Property Inspectors, has been lobbying for higher standards for home inspectors. He says that members of his association are sometimes ordered off builder's sites, even though they are working for the buyer.

"Unless you have it entrenched in your contract that you are allowed to bring in a private or third party, yes, he (the builder) has a legal right to do that," says Guihan.

Karen Somerville, president of Canadians for Properly Built Homes says the biggest problem facing Canadian new home buyers is lack of consumer protection.

"There's an old saying that is often quoted that we have more consumer protection if you go to a department store and buy a towel than there is if you buy your dream home," she said.

"There's something wrong. There's no protection whatever for the consumer" says Debbie Seguin, in Beaverbrook, N.S. "You're on your own. Buyer beware."