Alert: Tarion Revised Addendum Forms for Freehold and Condominium

Date: July 05, 2012

Original Newsletter(s) this article was published in: Blaneys on Building: July 2012

Tarion has yet again introduced revised Tarion Addendum forms that are required to be attached to every agreement of purchase and sale for both freehold and condominium new home sales. These revisions are the result of internal review and industry consultation over the past two years. There are now revised Tarion forms for freehold and condominium sales and new forms (for both tentative and firm occupancy dates) for parcels of tied land attached to common element condominiums (POTL/CEC forms).

These new forms are available for use from July 1, 2012, and most importantly, are *required* to be used for all freehold sales **from and after October 1, 2012**, and for any new condominium project (or phase) where the first sale to an arm's length purchaser is signed on or after October 1, 2012.

There are a number of amendments in the new forms that have been made to clarify language in the existing forms as well as formatting changes. The most substantive change however, which will affect all vendor's standard form agreements, is that all adjustments to the purchase price or closing adjustments which are typically located within the body of the agreement are also to be located in a separate schedule - new Schedule B to the Tarion Addendum - to be attached to the Agreement. This new Schedule B is divided into two parts - Part I requires a list of all adjustments where there is a value specifically set out in the Agreement. Part II requires a list of all adjustments where the value of the adjustment is not determined prior to signing the agreement. Of critical importance - if the adjustment is not contained within the new Schedule B, it cannot be included as an adjustment on closing.

Tarion has issued new Builder Bulletins to assist in understanding the new forms which can be located on Tarion's website - www.tarion.com. Feel free to contact the writer should you have any questions with respect to the above.