A man and a woman are standing in a bright, modern room with large windows and a wooden ceiling. They are holding hands and looking out the window. The man is on the left, wearing a light purple shirt and brown pants, holding a folder. The woman is on the right, wearing a grey top and light-colored pants. A large white paper lantern hangs from the ceiling.

Get all the facts
about La Garantie
des maisons neuves
de l'APCHQ


Everything you need to know about
buying a new home

Signing the Contract



Finding a good builder made easy



A man and a woman are standing in a bright, modern interior space, possibly a home or office. They are holding hands and looking out a large window. The man is on the left, wearing a light-colored shirt and dark pants, holding a folder. The woman is on the right, wearing a dark top and light pants. The scene is bathed in warm, golden light, suggesting a bright day. The overall mood is positive and hopeful.

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Signing the Contract

Since January 1, 1999, new residential buildings in Québec have been covered by a mandatory guarantee plan overseen by the Régie du bâtiment du Québec, under an order-in-council.

As private administrator of the mandatory plan, **La Garantie des maisons neuves (GMN) de l'Association provinciale des constructeurs d'habitations du Québec (APCHQ),*** the Québec home builders association new-home warranty program acts as guarantor for certain legal and contractual obligations of the builder, under the *Regulation respecting the guarantee plan for new residential buildings*. The builder is required to build homes in compliance with the current *Building Code*, meet certain quality standards and ensure that customers are well informed of the steps involved in buying a new home.

* La Garantie des bâtiments résidentiels neufs de l'APCHQ inc., commonly known as La Garantie des maisons neuves de l'APCHQ, or, in English, as the APCHQ new-home warranty program or the Québec home builders association new-home warranty program, is a plan administrator authorized by the Régie du bâtiment du Québec.



Signing the Contract

AVOIDING MISUNDERSTANDINGS AND UNPLEASANT SURPRISES

Your decision is made. You've found the right neighbourhood, selected a builder, worked out the financing, and your home-building project is well under way. When you buy a new home, the contract between you and your builder-vendor is the document that spells out your mutual obligations. It is an important document that should not be taken lightly. Contracts are governed by the *Civil Code of Québec*, which sets out specific rules regarding the sale of residential buildings.

PRELIMINARY CONTRACT OR CONTRACT OF ENTERPRISE

What's the difference between a preliminary contract and a contract of enterprise? A preliminary contract deals with the sale of the house and the land it sits on. A contract of enterprise governs the provision of house construction services to the client, who already owns the land. The contracts also differ in terms of cancellation. A contract of enterprise does not have a mandatory cancellation provision. A client who cancels a contract of enterprise with a builder is required to pay for work already done and is responsible for any other loss incurred by the builder.

If a builder of an existing or planned residential building sells it to someone who intends to occupy it, article 1785 of the *Civil Code of Québec* states that a preliminary contract is needed.

In signing the preliminary contract, which is a kind of pre-contract, the promisor-buyer promises to purchase the property. In addition to the names and address of the vendor and promisor-buyer, a description of the work to be performed, the selling price, the date of delivery and the real rights affecting the building, the preliminary contract must also contain any useful information pertaining to the features of the building. Also, the preliminary contract must contain a provision giving the promisor-buyer the right to cancel the contract, within 10 days of the parties signing it.

Where the preliminary contract provides for an indemnity in the event that the promisor-buyer exercises the right to cancel, the builder may charge an indemnity not exceeding 0.5% of the selling price.

Articles 1787 and 1788 of the Civil Code of Québec also set out certain obligations regarding fractions of buildings held in divided co-ownership or undivided parts of multi-family buildings comprising at least 10 dwelling units. Buyers of these types of dwellings should make sure that these provisions are complied with.

Signing the Contract



OBLIGATIONS OF THE PARTIES

The buyer agrees to purchase the house named in the preliminary contract, take possession of it and pay the agreed upon price. The builder, for his part, agrees to build the house in accordance with contract specifications, deliver the house to the buyer and transfer the title of ownership.

Before signing the preliminary contract, smart buyers will check whether their builder is accredited with the APCHQ new-home warranty program, for the category of home they wish to buy.

The buyer and builder must also sign the warranty contract approved by the Régie du bâtiment du Québec. This contract contains the provisions of the *Regulation respecting the guarantee plan for new residential buildings*.


GET IT IN WRITING

To avoid misunderstandings, it is in the best interests of both the buyer and builder to clearly state each party's obligations in the contract, including a full description of the work to be completed as well as payment terms and conditions.

A number of documents can be helpful in providing a description of the work, including a layout plan, construction plan and technical specifications.

Note that the warranty applies only to those items agreed upon in writing. It's advisable that the parties agree, in writing, on items in the original contract as well as on all subsequent changes. Like the contract, any changes must be decided upon by mutual, reciprocal agreement between the buyer and the builder.

Don't forget that only the builder or a duly authorized representative may agree to the contract and any changes.

A photograph of a traditional Japanese interior. The ceiling is made of light-colored wood with a grid pattern. The walls and sliding doors are also made of wood, with some sections featuring a grid pattern. A tatami mat is visible in the foreground, with a dark, ornate object resting on it. The overall atmosphere is warm and traditional.

Defining our
terms...

LAYOUT PLAN

This identifies the precise orientation and location of the new home, and defines the distances with respect to the front, back and lateral limits of the property. It positions the house in accordance with municipal regulations governing clearance margins. Servitudes and slope information are also identified.

CONSTRUCTION PLAN

These are two-dimensional drawings made to scale and that serve several purposes. They allow builders to obtain building permits, order materials and perform work to specifications. A set of construction plans includes plans for the façade, interior floor plans and structure plans.

TECHNICAL SPECIFICATIONS

Technical specifications are included as part of the construction plans. They contain a description of exterior and interior finishes, colours and styles. They may also include other aspects of construction, such as the warranty offered by the builder and fire insurance.

Signing the Contract

