

HCRA Directive - Addendum to Purchase Agreement

Directive 1 - Addendum to Purchase Agreement

Effective: January 1, 2027

Last Updated: September 2, 2026

Requirement

Vendors are required to ensure that the correct addendum is completed and forms part of new home purchase agreements. The addenda can be found on the HCRA website.

The addendum sets out the obligations of vendors and purchasers related to closing and potential delays to the new home being ready for occupancy or closing. The addendum is required under the New Home Construction Licensing Act, 2017 (NHCLA) Regulation **O. Reg. 289/26 Addenda and Information Sheets for Purchase Agreements**. The same addendum is also required under the [Ontario New Home Warranties Plan Act](#) (ONHWPA) Regulation [O. Reg. 165/08 Warranty for Delayed Closing or Delayed Occupancy](#).

To learn more about what constitutes a “new home”, see the definition of “new home” in NHCLA and [HCRA Advisory 3 – Common Definition of “Home”](#).

If a vendor of a new home does not complete the applicable addendum or ensure that the addendum forms part of the purchase agreement, an administrative penalty of up to \$50,000 may be imposed on the vendor of the new home under NHCLA Regulation [O. Reg. 573/22 Administrative Penalties](#). The total administrative penalty amount could also be increased by the amount of the monetary benefit acquired by the vendor as a result of the contravention.

For new freehold home purchase agreements entered into on or after January 1, 2027, the correct addendum and information sheet must both be completed and included as part of the purchase agreement delivered to the purchaser for the purchase agreement to be binding on the purchaser, and for the 10-day cooling-off period for new freehold homes to begin. To learn more about information sheets, see [HCRA Directive 2 – Information Sheets](#).

What is an addendum and why is it important?

It can sometimes be difficult to predict when exactly the construction of a new home will be sufficiently complete to allow a purchaser to take occupancy or for the title of the home to be transferred.

A delay that results in a purchaser being unable to take occupancy or that delays the closing of a purchase agreement may give rise to a purchaser's entitlement to compensation under ONHWPA. To learn more, please visit [Tarion's website](#).

It is important to note, not all delays may be eligible for compensation. There are specific documents to describe the circumstances and types of delays which may qualify for a claim for compensation. These documents are collectively known as addenda. Each addendum specifies the circumstances in which they apply and the obligations of the vendor and purchaser(s). These obligations include the vendor's obligation to provide notice, the number of days for giving that notice, and the form that the notice must take.

Each addendum also includes a statement of critical dates, which clearly indicates the date the builder expects to finish the home and the latest possible date for permitted extensions (also known as the outside closing date or occupancy date). Occupancy of the home cannot happen until an occupancy permit is issued by the municipality. If the home is not ready on the outside closing/occupancy date, a 30-day termination period is triggered, during which a purchaser may have a right to terminate the agreement. Agreeing to changes to a purchase agreement with new closing or occupancy dates may affect whether a purchaser has a right to compensation because of delay.

Which addendum should be used?

The addendum that must be completed and form part of a purchase agreement depends on:

- The type of home, such as a freehold or condominium home;
- Whether the vendor wishes to use a firm or tentative closing/occupancy date; and
- The date that the purchase agreement was entered into.

An addendum is not required for construction contracts to build a home on land that a consumer already owns.

Purchase agreements from February 1, 2021 to December 31, 2026

For purchase agreements entered into on or after February 1, 2021 up to December 31, 2026, vendors must complete and ensure that purchase agreements include one of the below addenda:

For a freehold or vacant land condominium home:¹

¹ The Freehold Home Addendum is not to be used for new freehold home sales that involve a parcel of tied land. Instead, use the Limited Use Freehold Addendum.

- Freehold Form (Tentative Closing Date) dated October 7, 2020; or
- Freehold Form (Firm Closing Date) dated October 7, 2020.

For a standard condominium home:²

- Condominium Form (Tentative Occupancy Date) dated October 7, 2020; or
- Condominium Form (Firm Occupancy Date) dated October 7, 2020.

For a freehold home on a parcel of land tied to a common elements condominium corporation:

- Limited Use Freehold Form (Tentative Occupancy Date – POTL/CEC) dated October 7, 2020; or
- Limited Use Freehold Form (Firm Occupancy Date – POTL/CEC) dated October 7, 2020.

Purchase agreements on or after January 1, 2027

For purchase agreements entered into on or after January 1, 2027, vendors must complete and ensure that purchase agreements include one of the below addenda:

For a freehold home:³

- New Freehold Home Addendum (Tentative Closing Date) dated August 24, 2026; or
- New Freehold Home Addendum (Firm Closing Date) dated August 24, 2026.

For a standard condominium home:⁴

- New Condominium Home Addendum (Tentative Occupancy Date) dated August 24, 2026; or
- New Condominium Home Addendum (Firm Occupancy Date) dated August 24, 2026.

For a vacant land condominium home:

- New Vacant Land Condominium Home Addendum (Tentative Occupancy Date) dated August 24, 2026; or

² The Condominium Home Addendum is not to be used for sales that involve a new vacant land condominium home. Instead, use the Freehold Home Addendum.

³ The New Freehold Home Addendum is not to be used for new freehold home sales that involve a parcel of tied land. Instead, use the New Freehold Home on a Parcel of Tied Land Addendum.

⁴ The New Condominium Home Addendum is not to be used for sales that involve a new vacant land condominium home. Instead, use the New Vacant Land Condominium Home Addendum.

- New Vacant Land Condominium Home Addendum (Firm Occupancy Date) dated August 24, 2026.

For a freehold home on a parcel of land tied to a common elements condominium corporation:

- New Freehold Home on a Parcel of Tied Land Addendum (Tentative Closing Date) dated August 24, 2026;
- New Freehold Home on a Parcel of Tied Land Addendum (Firm Closing Date) dated August 24, 2026;

Updates to the addenda from the October 7, 2020 versions to the August 24, 2026 versions can be reviewed in the [Tracked Addenda Changes](#). Addenda differences include:

- Separate addenda created that are tailored to new vacant land condominium homes; and
- Removal of language to account for statutory cooling-off periods under NHCLA (comes into force on January 1, 2027) and the Condominium Act, 1998 (already in force).