



Home Construction Regulatory Authority
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July 3, 2025

Paul Starkman
13 Durham Ave,
York, ON M6C 1N9

Delivered via email: gaspdesignservices@gmail.com

Attention: Paul Starkman

RE: ADMINISTRATIVE PENALTY ORDER

Pursuant to section 76 of the *New Home Construction Licensing Act, 2017* the Home Construction Regulatory Authority orders Paul Starkman to pay an administrative penalty for contravening section 37(1) of the *New Home Construction Licensing Act, 2017*, and contravening section 10.1 of the *Ontario New Home Warranties Plan Act*. The total amount of the administrative penalty is **\$460,963.47**.

REASONS

OVERVIEW

1. Paul Starkman ("Starkman") sold the new homes located at 26 Durban Road, Toronto, ON ("26 Durban Road") and 30 Durban Road, Toronto, ON ("30 Durban Road"), without being licensed as a vendor, as required by section 37(1) of the *New Home Construction Licensing Act, 2017* ("NHCLA") and without receiving confirmation that the homes had been enrolled in the warranty plan, as required by section 10.1 of the *Ontario New Home Warranties Plan Act* ("ONHWPA").
2. The Home Construction Regulatory Authority ("HCRA") is issuing an Administrative Penalty to ensure compliance with the NHCLA and the ONHWPA (the "Acts") and to ensure that Starkman does not profit from his contraventions of the Acts.

STARKMAN'S CONTRAVENTIONS

26 Durban Road

3. Between February 15th, 2023, and February 16th, 2023, Starkman contravened section 37(1) of the NHCLA, by acting as a vendor of a new home located at 26 Durban Road without being licensed as a vendor.
4. Between February 15th, 2023, and February 16th, 2023, Starkman contravened section 10.1 of the ONHWPA, by acting as a vendor of a new home located at 26

Durban Road without receiving confirmation from that the home had been enrolled in the plan

30 Durban Road

5. Between July 4th, 2023, and July 31st, 2023, Starkman contravened section 37(1) of the NHCLA, by acting as a vendor of a new home located at 30 Durban Road without being licensed as a vendor.
6. Between July 4th, 2023, and July 31st, 2023, Starkman contravened section 10.1 of the ONHWPA, by acting as a vendor of a new home located at 30 Durban Road without receiving confirmation from the Registrar that the home had been enrolled in the plan

EVIDENCE CONSIDERED IN ASSESSMENT

7. The Assessor has reviewed the following evidence related to both homes to determine whether a contravention has occurred and whether an administrative penalty is appropriate in the circumstances:
 - a. Building permit documents from the City of Toronto including the building permit applications, issued building permits, and occupancy permits;
 - b. Real estate trade files obtained via search warrant from Forest Hill Real Estate Inc. Brokerage (Wychwood Branch). The trade files included relevant documents such as MLS listings, listing agreements, and agreements of purchase and sale;
 - c. Geowarehouse and parcel search documents relating to the title of the homes including the severance of the lots;
 - d. Statements provided by a neighbour of the homes, the purchaser of 26 Durban Road and their real estate agent, and the purchaser of 28 Durban Road;
 - e. Confirmations from Tarion about the enrollment status of the homes;
 - f. The investigator's statements about their observations during a site visit and searches of licensed builders and vendors;
 - g. Construction cost estimates for residential construction in Toronto from Chartered Quantity Surveyors;
 - h. Examples of cases where Starkman acted as counsel on Tarion or new home construction matters; and
 - i. Responses from Starkman dated November 5th, 2024, November 26th, 2024, November 29th, 2024, December 12th, 2024, December 31st, 2024,

and January 6th, 2025. These responses were treated as requests to consider additional information pursuant to section 6 of O.Reg 573/22: Administrative Penalties.

PARTICULARS OF THE CONTRAVENTIONS

8. To find that a contravention of section 37(1) of the NHCLA has occurred an Assessor must be satisfied of the following elements:
 - a. The structure in question meets the definition of a “home” set out in the ONHWPA;
 - b. The “home” is new and has not been occupied prior to being sold or listed for sale; and
 - c. The person selling the home or offering it for sale is not licensed as a vendor with the HCRA.
9. To find that a contravention of section 10.1 of the ONHWPA has occurred in these circumstances an Assessor must be satisfied of the following elements:
 - a. A person sold or offered to sell a new home after construction commenced; and
 - b. The person selling or offering to sell the new home did not receive confirmation from Tarion’s Registrar that the home was enrolled in the warranty program.
10. Based on a review of the above noted evidence, the Assessor is satisfied that the required elements are made out for the contraventions.

PARTICULARS

Severing the Lots

11. On January 12th, 2018, Starkman purchased 28 Durban Road for \$1,350,000.
12. Later that year, on May 15th, 2018, Starkman purchased 30 Durban Road for \$1,350,000.
13. Sometime after these purchases Starkman applied to the City of Toronto to sever these two lots into three lots.
14. On January 16th, 2020, the City of Toronto Committee of Adjustments approved the severance on conditions. As a result, 28 Durban Road and 30 Durban Road were severed to create 26 Durban Road, 28 Durban Road, and 30 Durban Road.

26 Durban Road

15. On February 26th, 2021, the City of Toronto issued a building permit for the construction of a new single family detached home at 26 Durban Road.
16. On December 22nd, 2022, the City of Toronto issued an occupancy permit for the new home at 26 Durban Road.
17. On February 15th, 2023, the new home located at 26 Durban Road was listed for sale for a purchase price of \$2,950,000. The listing described the home as new, vacant, and ready for immediate possession.
18. On February 16th, 2023, Starkman entered into an agreement of purchase and sale to sell 26 Durban Road for \$3,006,000.
19. The evidence clearly establishes the elements of both contraventions relating to this property. Specifically,
 - a. The building permit documents, agreement of purchase and sale, and investigator observations show that 26 Durban Road is a “self-contained one family dwelling”;
 - b. The agreement of purchase and sale explicitly states that the home is “100% new construction including its foundation, and that the subject dwelling has never been previously occupied”. This statement is consistent with the witnesses’ observations;
 - c. The HCRA Investigator searched the applicable HCRA database to confirm that Starkman was not and is not licensed by the HCRA; and
 - d. Tarion confirmed that the home is not enrolled in the warranty program and therefore, its Registrar has not provided confirmation of enrollment to Starkman.
20. The limitation period for 26 Durban Road has expired since the Notice of Proposal to Issue an Administrative Penalty to Starkman (“Notice of Intention”) was issued on October 22nd, 2024, and today. The HCRA received a complaint relating to this property on March 1, 2023. By that time, the contravention had already occurred. Section 76(12) of the NHCLA prevents an Assessor from issuing an administrative penalty order for a contravention that the Assessor was aware of for more than two years. While the specific Assessor in this case was not aware of the facts underlying the complaint on March 1, 2023, out of fairness to Starkman, this Assessor has decided to exclude the 26 Durban Road contraventions from this Order

30 Durban Road

21. On February 25th, 2021, the City of Toronto issued a building permit for the construction of a new single family detached home at 30 Durban Road.

22. On July 4th, 2023, the new home located at 30 Durban Road was listed for sale for a purchase price of \$3,185,000. The listing described the home as new, vacant, and ready for immediate possession.
23. On July 5th, 2023, the City of Toronto issued an occupancy permit for the new home at 30 Durban Road.
24. On July 31st, 2023, Starkman entered into an agreement of purchase and sale to sell 30 Durban Road for \$2,965,000.
25. The evidence clearly establishes the elements of both contraventions relating to this property. Specifically,
 - a. The building permit documents, agreement of purchase and sale, and investigator observations show that 30 Durban Road is a “self-contained one family dwelling”;
 - b. The agreement of purchase and sale reveals that Starkman refused to warrant that the home was not subject to GST or HST. This condition was replaced with an acknowledgement that the purchase price of the home included HST. This would only be applicable to a new home. Further, the home was listed for sale before the occupancy permit was granted. A home cannot be legally occupied before an occupancy permit is issued; therefore, Starkman could not have occupied this new home before it was listed for sale. All of these inferences from the documents are consistent with the witnesses’ observations about the home;
 - c. The HCRA Investigator searched the applicable HCRA database to confirm that Starkman was not and is not licensed by the HCRA; and
 - d. Tarion confirmed that the home is not enrolled in the warranty program and therefore, its Registrar has not provided confirmation of enrollment to Starkman.

REQUEST TO CONSIDER ADDITIONAL INFORMATION

26. On October 22nd, 2024, the HCRA issued a Notice of Proposal to Issue and Administrative Penalty to Paul Starkman (the “Notice of Intention”). On the same date, the HCRA issued a Notice of Proposal to Issue an Administrative Penalty to Esuna Inc., a company owned and operated by Starkman, relating to contraventions at 28 Durban Road, Toronto, Ontario (“28 Durban Road”) (collectively, the “Notices of Intentions”).
27. On November 5th, 2024, Paul Starkman submitted a request for the Assessor to consider additional information pursuant to section 6 of O. Reg 573/22 on his own behalf (“Starkman’s First Request”) and on behalf of Esuna Inc relating to 28 Durban Road. Starkman’s First Request consisted of the following submissions:

- a. Starkman explains that he initially acquired the “properties”¹ in 2018 for his personal use and the personal use of his family. Starkman claims the project was delayed due to the COVID-19 pandemic which meant he could not use the properties as he originally intended.
- b. Starkman claims that the buyers were provided a warranty in the Agreements of Purchase and Sale which are equivalent or better to the Taron Statutory Warranty and that the vendors² have satisfied any warranty issues or claims with the buyers. Starkman argues that because a similar warranty was offered, he did not contravene the ONHWPA.
- c. Starkman claims he did not receive any profits from the sale and the project did not make a profit. He provided a chart arguing that the monetary benefit cost did not include HST paid, Commission paid, interest on mortgages, land transfer tax, warranty costs, Municipality costs, utility fees, and project management fees totalling \$2,791,106.00. According to Starkman, that would result in a deficit of \$1,632,621.00. Starkman did not provide documentation to support these amounts. He claimed he would need more than two weeks to provide this information however, he did not request an extension of time to provide these documents, and they have not been provided in the 7 months since this request was submitted.
- d. Starkman claims, without evidence, that he could not have remedied the contraventions because it would have taken months to have any application reviewed by a government agency which would have created “substantial risk” for him.
- e. Starkman makes a number of procedural/legal arguments relating to the Notices of Intentions. He argues that the Assessor cannot issue an Administrative Penalty for a contravention that took place on one day, that the Notices of Intentions did not provide an explanation for how the base penalty amount was determined by the Assessor, and that the limitation period to issue the Orders had passed. He did not point to anything specific to support his claim that the limitation period had expired. Starkman also argues that it is a violation of Charter principles to impose penalties for both contraventions because they involve the same conduct.
- f. Starkman requested the documents referred to in the Notices of Intentions and questioned the HCRA’s authority to make decisions involving the ONHWPA.

¹ He does not specify which “properties” but presumably it was 28 Durban Road and 30 Durban Road before the lots were severed.

² Starkman does not identify a different “vendor” than is alleged by the HCRA.

28. On November 15th, 2025, the HCRA provided all the documents the Assessor relied upon in reviewing the Starkman and Esuna Inc. Notices of Intentions. The disclosure included the following documents:
- a. Building permit documents, for all three homes, from the City of Toronto including the building permit applications, issued building permits, and occupancy permits;
 - b. Committee of Adjustment documents, for all three homes, from the City of Toronto;
 - c. Real estate trade files for all three homes, obtained via search warrant from Forest Hill Real Estate Inc. Brokerage (Wychwood Branch).
 - d. Search Warrant signed by Her Worship L. Ritchie.
 - e. Tarion Builder Bulletins with enrolment fees;
 - f. Ontario Corporation Profile Report for Esuna Inc.;
 - g. Administrative penalty documents including the Administrative Penalty Assessment Forms and Notices of Intentions;
 - h. Geowarehouse and parcel search documents, for all three homes, relating to the title of the homes including the severance of the lots;
 - i. Investigator notes that document statements provided by a neighbour of the homes, the purchaser of 26 Durban Road and their real estate agent, and the purchaser of 28 Durban Road;
 - j. Observations during a site visit and searches of licensed builders and vendors;
 - k. Construction cost estimates for residential construction in Toronto from Chartered Quantity Surveyorsl
 - l. Email confirmations from Tarion about the enrollment status of the homes;
 - m. Email from Chartered Quantity Surveyers regarding construction cost estimates for residential construction in Toronto; and
 - n. Photographs of the homes;
29. The HCRA also provided a new deadline of November 30th, 2024, to allow Starkman time to provide a request to the Assessor to consider additional information after reviewing the disclosure.
30. On November 26th, 2024, Starkman advised that he was unable to open the link to the disclosure. The next day, the HCRA provided a new link to the disclosure.

31. On November 29th, 2024, Starkman indicated he was able to access the documents and requested an extension until December 17th, 2024. The HCRA extended the date to reply to December 12th, 2024, which was 15 days after the new link was provided to Starkman.
32. On December 12th, 2024, Starkman submitted an additional request for the Assessor to consider additional information pursuant to section 6 of O. Reg 573/22 on his own behalf and on behalf of Esuna Inc. ("Starkman's Second Request"). Starkman's Second Request made the following submissions:
 - a. Starkman claimed that the original or copies of the underlying documents had not been produced, were missing details, and that documents and information he requested have not been disclosed.
 - b. Starkman requested original documents or copies of:
 - i. All communication between The Glynn Group and anyone at the HCRA. He also requested any calculations, information, and all documentation used to determine the construction costs of \$482 per sq/f used;
 - ii. All cost estimates and supporting documents referred to in paragraph 50 of the Notice of Intention;
 - iii. All complaints dated and received by Tarion or HCRA, including the complaint made by Michelle Manzon from March 1, 2023;
 - iv. Information and affidavit filed with the Court used to obtain the search warrant and a copy of the warrant;
 - v. All statements, interviews and communications with the owners of 26, 28, 30 Durban Road and/or their real estate agents;
 - vi. Notes relevant to site visits, communications with the neighbours and others on Durban Road including persons at 23 and 24 Durban Road;
 - vii. All searches of the HCRA database and information received from Tarion; and
 - viii. All communications with Tarion, City of Toronto Building Records department, and the Committee of Adjustments;
33. On December 16th, 2024, the HCRA replied to Starkman's Second Request acknowledging that Starkman had not provided any new information or documents for the Assessor to consider in determining whether the proposed Administrative Penalty Orders ("APOs") should be issued. The HCRA confirmed that it had already provided copies of all the documents the Assessor relied on in considering the Notices of Intentions. The HCRA also referred Starkman to Section 76 of the NHCLA which outlines the HCRA's authority to issue administrative penalties for

contraventions of the ONHWPA. The HCRA also responded to the specific requests included in Starkman's Second Request as follows:

- a. Starkman had already received a copy of the correspondence between Glynn Group and the investigator that was relied on by the Assessor. Starkman was directed to review the investigator's notes for further information about this topic.
 - b. Starkman had already received a copy of the construction cost estimate that was relied on by the Assessor. Starkman was referred to additional information in the investigator's notes.
 - c. The HCRA confirmed that the Assessor did not rely on any complaints in reaching the decision and therefore these documents would not be relevant disclosure.
 - d. The Assessor did not rely on the search warrant or the accompanying affidavit in reaching the decision and therefore these documents would not be relevant disclosure.
 - e. The statements relied upon by the Assessor are provided in the investigator's notes.
 - f. Starkman had already received a copy of the investigator's notes.
 - g. Starkman had already received information responsive to this request and he should review the investigator's notes for more information.
 - h. Starkman had already received all the documents that the Assessor relied upon related to this request.
34. The HCRA extended Starkman's deadline to submit a Request to Consider Additional Information to December 31st, 2024.
35. On December 31st, 2024, Starkman responded to the HCRA with a letter indicating he will send his response on January 6th, 2025.
36. On January 6th, 2025, Starkman submitted an additional request for the Assessor to consider additional information pursuant to section 6 of O. Reg 573/22 on his own behalf ("Starkman's Third Request"). Starkman's Third Request consisted of the following submissions:
- a. Starkman sought confirmation that his earlier submissions would be considered. He advised it would take considerable time to provide documents to support his calculations and wanted the HCRA to provide a list of documents he should provide.

- b. Starkman claimed that he had not received documents that were provided in the disclosure package.
 - c. Starkman repeated his request for the HCRA's authority to issue an administrative penalty for a contravention of the ONHWPA.
37. The Assessor has considered all of the submissions in Starkman's multiple requests to consider additional information. Given the volume of submissions made by Starkman, the Assessor addresses them individually below:
- a. Starkman's intention when he purchased and constructed the properties does not exempt him from the requirement to be licensed before acting as a vendor. While intention at the time of commencing construction can be relevant to determine whether a party is acting as a builder (see. *Tarion v Boros* 2011 ONCA 374) it is irrelevant in determining whether a party is acting as a vendor (see *Melo v. Hiebert*, 2024 ONSC 223 at paras 132 and 133). Starkman's attempt to rely on his prior intention reveals an admission about the key issue in the case, these homes were not occupied prior to being sold.
 - b. Starkman's contractual warranty does not exempt him from the requirements of the ONHWPA or the NHCLA. A contractual warranty is not equivalent to a statutory warranty. If Starkman fails to honour his contractual warranty, the purchasers would be forced to commence a civil action to enforce the contract. If Starkman refuses to comply with the statutory warranty, Tarion steps in to complete the warranty work. Tarion deals with the fallout, not the purchasers. The ONHWPA is clear that it applies to all new homes sold in Ontario (see section 13 of the ONHWPA). A party cannot contract out of the statutory requirement by providing a similar warranty.
 - c. Starkman has failed to provide any documentation to support his claim he did not make a profit or that the calculation proffered in the Notice of Intention to Issue an Administrative Penalty is incorrect. It has been more than 7 months since Starkman claimed he would need more time to provide supporting documentation and the HCRA has not received those documents. Further, as elaborated on further below, the costs that Starkman pointed to in his claim he suffered a loss on the project were already included in the per square foot calculation used by the HCRA.
 - d. Starkman's claim that applying for a licence would have created a substantial risk is unsupported and illogical. Even if his claim that it would have taken months for his application to be reviewed is true (which is not accepted by the Assessor), it is not an excuse to contravene the NHCLA . Laws cannot be ignored simply because following them is inconvenient. If Starkman's projects were not viable without contravening the law, he should not have undertaken the projects.

- e. Most of Starkman’s procedural/legal arguments about the Notice of Intention lack particulars and merit.
 - i. The NHCLA does not prohibit issuing an Administrative Penalty for a contravention that took place on one day. Section 8(3) of O.Reg.573/22 Administrative Penalties addresses how a continuing contravention that spans two or more days should be addressed in an Order but it does not prohibit penalizing contraventions that span less than two days. In any event, the contravention length for 30 Durban is 27 days.
 - ii. The Notice of Intention issued on October 22nd, 2024, set out all of the factors the Assessor considered in determining the base penalty amount. These factors are established by the governing regulation of the NHCLA (O.Reg.573/22 Administrative Penalties). This was further supported by the Administrative Penalty Assessment Form which was provided to Starkman as part of his disclosure request.
 - iii. The HCRA has responded to Starkman’s document requests and provided full disclosure of the evidence that was reviewed by the Assessor in deciding the issues in this Administrative Penalty Order.
 - iv. The NHCLA is clear that the HCRA has the authority to issue Administrative Penalty Orders for matters involving the ONHWPA. Section 76(1) sets out the contraventions that can result in an Administrative Penalty Order. Subsection (c) authorizes Administrative Penalty Orders in relation to ONHWPA contraventions. Greater clarity is provided in Schedule 1 of the Administrative Penalty regulation. Table 6 of that Schedule lists all of the ONHWPA contraventions that can be subject to an Administrative Penalty Order.
- 38. One of Starkman’s procedural arguments, the limitation period, did not impact the Assessor’s determination relating to 30 Durban Road. Those contraventions did not occur until July 2023. An Assessor could not be aware of the contravention before it occurred. Therefore, the limitation period for those contraventions has not expired and those contraventions will be included in this Order.
- 39. After considering all of the information provided by the Investigator and provided by Starkman the Assessor continues to believe the following:
 - a. 26 Durban Road and 30 Durban Road are both “homes” as defined by the Acts;
 - b. 26 Durban Road and 30 Durban Road were new homes and were not previously occupied prior to being sold or listed for sale;

- c. 26 Durban Road and 30 Durban Road were listed for sale after construction had commenced;
 - d. 26 Durban Road and 30 Durban Road were not enrolled in the warranty program; and
 - e. Starkman has never been licensed with the HCRA.
40. The Assessor remains satisfied that Starkman contravened the Acts.

ADMINISTRATIVE PENALTY AMOUNT

Base Penalty Amount

41. In determining the base penalty amount, the assessor has considered the statutory requirements listed in O. Reg 573/22 as set out below. The Assessor has considered the submissions in Starkman's requests in determining the appropriate base penalty amounts.
42. The Assessor has removed any consideration of 26 Durban Road from the penalty determination given the above noted comments about the limitation period for those contraventions.

Impact of the contraventions on the HCRA's ability to carry out its purpose;

43. There is a moderate impact on the HCRA's ability to carry out its purpose. When a person fails to engage in the regulatory scheme it directly undermines a regulator's ability to fulfill its mandate. It is much less effective to engage with builder and vendors who have contravened the Acts after a consumer has been impacted by illegal conduct. If Starkman had engaged with the regulatory scheme the HCRA would have been able to provide a level of oversight and consumer protection.
44. This is an aggravating factor in determining a base penalty amount.
45. Starkman claimed that there was no impact on the HCRA's purpose because no consumers were harmed by this conduct. His claim is based on the suggestion that the consumers received an equivalent warranty to that provided by the ONHWPA. This argument ignores the oversight function that the HCRA provides over its licensees. When builders and vendors do not follow the statutory requirements, it limits the HCRA's ability to exercise this oversight function to fulfill its consumer protection mandate. Further, contractual warranties are not nearly as effective as the statutory warranty. If Starkman decides to fail to abide by the warranty, the consumers would have limited options to enforce the warranty. If Starkman became insolvent the consumer may be left without any warranty. This would not occur with the statutory warranty. The ONHWPA establishes a guarantee fund to ensure that the warranty can always be upheld even if the licensee is unwilling or unable to meet its warranty obligations.

Impact of the contraventions on purchasers of new homes;

46. The home was not enrolled in Tarion's warranty program. As a result, the homeowners may not be aware of the statutory warranty protection that applies to the home and may miss critical deadlines to ensuring full coverage. These purchasers would have missed their 30 day and 1-year statutory coverage deadlines. These two deadlines cover the majority of warrantable claims.
47. This is an aggravating factor in determining a base penalty amount.
48. Starkman claims there was no impact because "the vendor" (Starkman) was currently honouring the contractual warranty. For the reasons outlined above, this contractual warranty does not alleviate the harm to the purchasers.

History of complying or not complying;

49. Starkman does not have a history of non-compliance with either the HCRA or Tarion. This is the first instance of non-compliance.
50. This is a significant mitigating factor in determining a base penalty amount.

Remedied the contravention or in the process of remedying the contravention;

51. No attempt has been made by Starkman to remedy the contraventions and harm done. The HCRA is not aware of any attempt by Starkman to become licensed or contact Tarion to enroll the homes.
52. This is an aggravating factor in determining a base penalty amount.
53. Starkman's responses confirm that he does not intend to come into compliance.

Whether the contraventions were deliberate;

54. There is evidence that the contraventions are deliberate. Starkman is a senior litigator with over 20 years of legal experience. Starkman has represented both builders and purchasers in matters involving Tarion and the requirements under the ONHWPA. He was clearly aware of the statutory requirements for new home builders and vendors yet took no steps to comply with the Acts.
55. The agreement of purchase and sale for the home contains a schedule regarding a two-year warranty provided by the vendor and builder, demonstrating Starkman deliberately attempted to provide a different warranty coverage on the home and instead of providing the purchasers the legislated warranty provided by Tarion.
56. This is a significant aggravating factor in determining a base penalty amount.
57. Starkman does not dispute that these contraventions were deliberate. He appears to be relying on an incorrect interpretation of well-established legal principles. For

the reasons outlined above, this misinterpretation of the NHCLA and the ONHWPA does not excuse the contraventions. At best, Starkman was willfully blind to the licensing requirements of his conduct.

Length of time the contravention continued;

58. The home located at 30 Durban Road was first listed for sale on July 4th, 2023, and sold on July 31st, 2023. This longer but still short-term non-compliance is a mitigating factor in determining a base penalty.
59. Starkman's responses argued that the short length of the contravention meant that the administrative penalty would be invalid. While that is not true, the Assessor has considered the duration of the contravention as a mitigating factor in determining the appropriate penalty.

Finding on Base Penalty Amount

60. The maximum base penalty amount for a contravention of section 37(1) of the NHCLA is \$50,000. The maximum base penalty amount for a contravention of section 10.1 of the ONHWPA is \$50,000.
61. By using the HCRA's points system for weighing the statutory base penalty factors resulted in a base penalty amount of \$20,380.43 for one contravention of the NHCLA and a base penalty amount of \$20,380.43 for one contravention of the ONHWPA, for a total base penalty amount of \$40,760.86
62. This is a case where it is appropriate to deviate from the HCRA points system. The proposed base penalty based on this system is too high for the facts in this case. Based on my review of the assessed risk factors, particularly that this is the sale of a single home by someone with no prior contravention history, the appropriate base penalty amount is \$20,380.43.

Monetary Benefit Amount

63. In determining the monetary benefit amount, the Assessor has considered the statutory requirements listed in O. Reg 573/22 as set out below. The Assessor has considered the submissions in Starkman's requests in determining the appropriate base penalty amounts.

Costs avoided by failing to comply;

64. Starkman avoided the following costs associated with obtaining an HCRA licence and enrolling the home by failing to comply with the Acts:
 - a. \$3000 – HCRA Licensing Fee;
 - b. \$875 – Examination fees to prove required competencies;

- c. \$1,971.85 - Tarion Warranty Program Enrollment Fee for 30 Durban Road; and
 - d. \$163.85 - HCRA Regulatory Oversight Fee for 30 Durban Road.
65. Starkman has not disputed this amount of monetary benefit in his responses.

Gains accrued by failing to comply;

66. Starkman made a substantial profit from the sale of these homes. Starkman paid \$2,700,000 for two lots. He then severed these lots into three lots. The value of each lot becomes \$900,000.
67. Starkman sold 30 Durban Road for \$2,965,000. A review of construction estimates for residential real estate in the City of Toronto (which includes development charges) revealed that the average cost per square foot is \$482. Using the \$482 per square foot construction cost number, with this home being 3,382.63 square feet, the HCRA estimates construction costs for 30 Durban Road to be \$1,630,427.66.
68. According to these estimates, Starkman accrued gains of approximately \$434,572.34 from these contraventions relating to 30 Durban Road.
69. Starkman argued that he lost money from these contraventions. He alleges that almost \$2.8 million dollars of costs were not included in the HCRA estimate. This is untrue. The disclosure provided to Starkman clearly indicates that the \$482/square foot estimate included the following costs:
- a. building the home;
 - b. development costs;
 - c. city fees;
 - d. new service connections;
 - e. design fee;
 - f. insurance during construction;
 - g. lender fees for construction advances; and
 - h. a \$600,000 management fee.
70. This estimate was based on a cost assessment that was completed on a house nearby 30 Durban Road that was built during the same time frame. The estimate noted that it would be lower (\$386/square foot) if there was no construction manager or HST paid. Aside from Starkman's bald allegations that fail to address the substance of the estimate, he has provided no supporting documentation to

support his assertions. Given the obvious errors in Starkman's unsupported assertions, the Assessor finds that the Glynn Group estimate more accurately represents the costs incurred for these projects. Accordingly, the Assessor finds that Starkman accrued gains of approximately \$434,572.34 from these contraventions

Finding on Monetary Benefit

71. As a result of the above factors, the assessor has determined the monetary benefit to Starkman from these contraventions was \$440,583.04.

PURPOSE OF IMPOSING ADMINISTRATIVE PENALTIES

72. The HCRA is satisfied that imposing administrative penalties on Starkman will satisfy the following purpose(s) under section 76(4) of the NHCLA:
- a. To ensure compliance with the Acts; and
 - b. To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening the Acts.

RIGHT TO APPEAL

If you dispute this decision, you have the right to appeal this decision to the Licence Appeal Tribunal ("Tribunal").

To appeal, you must deliver a Notice of Appeal form within 15 calendar days after this Order is delivered to you, addressed to the following:

Licence Appeal Tribunal
PO Box 250
Toronto, ON M7A 1N3
LATregistrars@ontario.ca
Phone: 416-326-1356
Toll free: 1-888-444-0240
TTY: Call the Bell Relay Service at 1-800-855-0511

AND

Todd Drain
Assessor
Home Construction Regulatory Authority
40 Sheppard Ave West, 4th Floor, Suite 400
Toronto, ON M2N 6K9
adminpenalties@hcraontario.ca

The Notice of Appeal form and other information about hearings may be found on the Tribunal's website at <https://slasto-tsapno.gov.on.ca/lat-tamp/en/>.

When an applicant delivers a Notice of Appeal form within the timeline set out above, a legal proceeding before the Tribunal will commence. The Tribunal may uphold the Order or may substitute its opinion.

The HCRA cannot advise you about the appeal process. If you dispute this decision, you have the right to retain a lawyer or paralegal to represent you.

Information about this Order will be reported publicly on the HCRA website <https://www.hcraontario.ca/> and the Ontario Builder Directory <https://obd.hcraontario.ca/>.

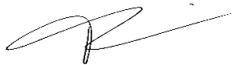
PAYMENT INFORMATION

Pursuant to section 9 of O. Reg. 573/22, payment of the administrative penalty must be paid within 30 days. This administrative penalty must be paid on or before August 2, 2025.

The HCRA accepts payments through Certified Cheque by *registered mail*. Please make the certified cheque payable to the Home Construction Regulatory Authority and send by Canada Post registered mail to the following address:

Attention: Glen Medeiros
40 Sheppard Avenue West
Fourth Floor, Suite 400
Toronto, ON
M2N 6K9

Dated at Toronto this 3rd day of July 2025.



Todd Drain
Assessor, HCRA