



50th ANNUAL MEETING

March 18, 2026

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.
Unit 340 - 530 KENASTON BOULEVARD, WINNIPEG, MANITOBA R3N 1Z4
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Vision and Mission

Vision Statement

The New Home Warranty Program of Manitoba Inc. is the leading provider of warranty services for the New Home Building Industry.

We are dedicated to providing a service that will enhance the new home building industry and ensure that consumers are satisfied with the results.

Mission Statement

The New Home Warranty Program of Manitoba Inc. will provide warranty protection for new home buyers and support the building industry in its goal to achieve excellence in building standards.

Agenda

- Call to Order
- Introduction of Board of Directors
- Results of the 2026 Nominations for the Winnipeg Electoral District
- Minutes of the 49th Annual Meeting – March 26, 2025
- Annual Financial Report – Year Ending 2025
- Appointment of Auditors
- Ratification of the Board of Directors Actions for the Year 2025
- Chief Executive Officer's Report
- Chairman's Report
- Presentation of Membership Awards
- Other Business
- Closing Remarks

The Board, Committee Members, and Staff

Board of Directors

Spencer Curtis - CHAIRMAN
Hilton Homes Ltd.

Gary Bernard - SECRETARY-TREASURER
Canadian Bankers Association

Erwin Plett - VICE-CHAIRMAN
Springwood Homes Inc.

Frank Spezzano
A & S Construction Ltd.

Braeden Westphal
21st Century Builders 2020 Inc.

Randy Douglas
Stefan Home Builders Ltd.

Dorothy Anscorb
Consumers' Association of Canada/Manitoba

Anthony Reimer
Insurance Industry of Manitoba

Peter Halamandaris
Law Association of Manitoba

Carol Paul
Manitoba Construction Sector Council

Technical Committee

Randy Douglas
Director/Builder Member

Peri Maric
Builder Member

Ron Chausse
Builder Member

Registration Committee

Gary Bernard
Director

Kristen Willis
BDO Canada LLP

Peter Halamandaris
Director

Public Relations Committee

Dorothy Anscomb
Director

Spencer Curtis
Director/Builder Member

Melanie Snow
Builder Member

Human Resources Review Committee

Dorothy Anscomb
Director

Spencer Curtis
Director/Builder Member

Peter Halamandaris
Director

Staff

Lori Crandell
Chief Executive Officer

Jay Kent
Warranty Manager/Inspector

Vladimir Stoychev
Warranty Representative/Inspector

Tabatha Funk
Administrative Assistant/Member Services

New Home Warranty Program of Manitoba Inc.

Unit 340 – 530 Kenaston Boulevard, Winnipeg, Manitoba R3N 1Z4

Minutes of the 49th Annual General Meeting of the New Home Warranty Program of Manitoba Inc. held on March 26, 2025, Holiday Inn Winnipeg South, 1330 Pembina Hwy., Winnipeg, Manitoba

The following documents were handed out to each person in attendance:

- Annual Report containing the December 31, 2024 year-end audited financial statements, agenda for 49th Annual General Meeting, and minutes of the 48th Annual General Meeting.

The following registered Builders were in attendance:

- Hilton Homes Ltd.
- Moonlight Construction Ltd.
- S. Maric Construction Ltd.
- Arborg Home Hardware Building Centre
- A & S Construction Ltd.
- Central Homes
- 21st Century Builders
- Springwood Homes Inc.
- H. Albers Builders Ltd.
- CRS Homes
- Thuraisingham Satgunam
- CL van Veen Construction Ltd.
- NKM Homes
- Holz Constructors Inc.
- Creative Spaces Ltd.
- Zacks RTM's Ltd.
- McMunn & Yates Building Supplies Ltd.
- Hillside Construction Inc.
- Ekam Development and Construction Ltd.

A total of 29 duly constituted proxies pertaining to the business of the meeting were received and delivered by the auditor.

Chairman Spencer Curtis called the meeting to order at 4:30 p.m.

S. Curtis introduced the 2024/2025 Board of Directors:

- Spencer Curtis (CHAIRMAN) – Hilton Homes Ltd.
- Erwin Plett – (VICE-CHAIRMAN) - Springwood Homes Inc.
- Gary Bernard – (SECRETARY-TREASURER) – Canadian Banker's Association
- Frank Spezzano – A & S Construction Ltd.
- Randy Douglas – Stefan Home Builders Ltd.
- Braeden Westphal – 21st Century Builders 2020 Inc.
- Dorothy Anscorb – Consumers Association of Canada/Manitoba
- Anthony Reimer – Insurance Brokers of Manitoba
- Peter Halamandaris – Law Association of Manitoba
- Carol Paul – Manitoba Construction Sector Council

Results of the 2025 Nominations for the Northern, Southern, and Winnipeg Electoral Districts

S. Curtis advised that as there was no election this year, as the Program's Auditor received just three nominations. As a result, returning for a 3-year term is:

- Spencer Curtis, Hilton Homes (2007) Ltd. – Southern Electoral District
- Frank Spezzano, A & S Construction Ltd. – Winnipeg Electoral District
- Braeden Westphal, 21st Century Builders 2020 Inc. – Northern Electoral District

Minutes of the 48th Annual Meeting – March 20, 2024

S. Curtis asked for a motion regarding the minutes of the previous annual meeting.

Motion that the minutes of the 48th Annual Meeting held on March 20, 2024 be adopted and approved.

Moved Martin Maric (Maric Homes) **2nd** Leonard van Veen (CL van Veen Construction Ltd.) . . . *carried*

Annual Financial Report – Year Ending 2024

G. Bernard reported on the Financial Statements and asked if there were any questions. There were none. S. Curtis asked for a motion regarding the financial statements.

Motion that the financial statements for the fiscal period ended December 31, 2024 together with the auditor's report thereon be approved and adopted.

Moved Stan Loewen (Arborg Building Centre Ltd.) **2nd** Martin Maric (Maric Homes) . . . *carried*

Appointment of Auditors

S. Curtis asked for a motion regarding the appointment of auditors.

Motion that BDO Canada LLP be appointed as auditors of the Program and hold office until the next Annual General Meeting of the Members at the remuneration to be fixed by the Directors.

Moved Heinz Albers (H. Albers Builders) **2nd** Erwin Plett (Springwood Homes Inc..) . . . *carried*

Ratification of the Board of Directors Actions for the Year 2024

S. Curtis asked for a motion for the Ratification of the Board of Directors Actions for the Year 2023.

Motion for the ratification of the Board of Directors' Actions for the year 2024

Moved Bill Black (Creative Spaces Ltd.) **2nd** Martin Maric (Maric Homes) . . . *carried*

Chief Executive Officer's Report

S. Curtis called upon Lori Crandell to give her report. She gave her report. There were no questions.

Chairman's Report

S. Curtis gave his report. There were no questions.

Presentation of Membership Awards

S. Curtis advised that several builder members are receiving service awards. Those in attendance came up to receive their award.

The following members will be receiving an award acknowledging 10 Years in the Program.

- Arborg Home Hardware Building Centre
- Connection Homes
- J. Lamoureux Construction Ltd.
- Birnie Builders

The following members will be receiving an award acknowledging 15 Years in the Program.

- Springs of Life Construction Inc.
- Westman Premier Homes
- Waterer Carpentry Ltd.
- La Broquerie Lumber (2006)
- Countryside Homes Inc.
- Trademarks Properties Inc.
- Westar Homes Ltd.
- Do-it-All Builders
- John Penner Builders Inc.

The following member will be receiving an award acknowledging 20 Years in the Program.

- Steendam Builders Ltd.
- Glenberg Design Builders Ltd.
- LCD Homes

The following members will be receiving an award acknowledging 30 Years in the Program.

- Hillside Construction Inc.

The following members will be receiving an award acknowledging 40 Years in the Program.

- Thuraisingham Satgunam

Other Business

S. Curtis asked if there was any other business or further questions. There were none. He then advised that this was the end of the meeting and thanked everyone for attending.

Adjournment

S. Curtis asked for a motion to adjourn the meeting.

Motion to adjourn the meeting:

Moved: Bill Black (Creative Spaces Ltd.)

Meeting adjourned at 5:15 p.m.

Minutes prepared by Lori Crandell @ March 27, 2025

Minutes approved by: 

Spencer Curtis, Chairman

Date: 2 April 25

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.

Financial Statements
For the year ended December 31, 2025

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.

Financial Statements
For the year ended December 31, 2025

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Independent Auditor's Report

To the Members of New Home Warranty Program of Manitoba Inc.

Opinion

We have audited the financial statements of **New Home Warranty Program of Manitoba Inc.** ("the Program"), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets, statement of operations, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Program as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Program in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Program's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 4, 2026

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.
Statement of Financial Position

As at December 31	2025	2024
Assets		
Current Assets		
Cash and bank	\$ 107,918	\$ 12,123
Investments (Note 3)	4,623,175	4,436,846
Receivables	17,249	9,647
Prepays	8,236	11,538
	4,756,578	4,470,154
Restricted investments (Note 3)	400,000	400,000
Capital assets (Note 4)	22,297	2,065
	\$ 5,178,875	\$ 4,872,219

Liabilities and Net Assets

Current Liabilities		
Payables and accrued liabilities (Note 5)	\$ 60,826	\$ 29,443
Commitment (Note 6)		
Net Assets		
Unrestricted	4,718,049	4,442,776
Internally restricted for future warranty claims costs (Note 7)	400,000	400,000
	5,118,049	4,842,776
	\$ 5,178,875	\$ 4,872,219

Approved on behalf of the Board of Directors:


 _____ Director
Erwin Plett
 _____ Director

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.
Statement of Changes in Net Assets

For the year ended December 31

	<u>Unrestricted</u>	<u>Restricted for Future Warranty Claims Costs</u>	<u>2025 Total</u>	<u>2024 Total</u>
Net assets , beginning of year	\$ 4,442,776	\$ 400,000	\$ 4,842,776	\$ 4,684,107
Excess of revenue over expenses for the year	<u>275,273</u>	-	<u>275,273</u>	158,669
Net assets , end of year	<u>\$ 4,718,049</u>	<u>\$ 400,000</u>	<u>\$ 5,118,049</u>	<u>\$ 4,842,776</u>

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.
Statement of Operations

For the year ended December 31	2025	2024
Revenue		
Home enrolment fees	\$ 536,200	\$ 319,450
Interest and other	158,819	233,932
Builders' registration and renewal fees	54,175	38,300
Builder late fees	7,020	2,250
	756,214	593,932
Expenses		
Program administration (see Schedule)	466,166	434,921
Warranty claims	14,775	342
	480,941	435,263
Excess of revenue over expenses for the year	\$ 275,273	\$ 158,669

NEW HOME WARRANTY PROGRAM OF MANITOBA INC. Statement of Cash Flows

For the year ended December 31	2025	2024
Operating Activities		
Excess of revenue over expenses for the year	\$ 275,273	\$ 158,669
Adjustments for items not affecting cash		
Amortization of capital assets	2,707	516
	277,980	159,185
Changes in Non-cash Working Capital Balances		
Receivables	(7,602)	(7,442)
Prepays	3,302	(612)
Payables and accrued liabilities	31,383	(18,157)
	305,063	132,974
Investing and Financing Activities		
Acquisition of capital assets	(22,939)	-
Net increase in investments	(186,329)	(131,275)
	(209,268)	(131,275)
Net increase in cash and bank during the year	95,795	1,699
Cash and bank, beginning of year	12,123	10,424
Cash and bank, end of year	\$ 107,918	\$ 12,123

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.

Notes to Financial Statements

For the year ended December 31, 2025

1. Nature of the Organization

The Program provides protection to homebuyers who purchase a new home from a home builder who is registered with the Program. Home builders accepted for registration by the Program pay an initial registration fee and an annual renewal fee. The Program charges a home enrolment fee for each new home and provides new home warranty protection under a warranty certificate. The Program is not regulated under legislation in the Province of Manitoba.

The Program is incorporated under The Corporations Act of the Province of Manitoba as a non-profit organization without share capital. The Program is exempt from income tax.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared using Canadian Accounting Standards for Not-for-Profit Organizations except that revenue is recognized as described in note 2b), and warranty claims are recorded as expenses as described in note 2c).

b) Revenue Recognition

The Program follows the deferral method of accounting for contributions. Home enrolment fees are recognized as revenue upon notification of construction by receipt of an enrolment form and payment by the builder. Builders' registration and renewal fees are recognized annually when due. Builder late fees and other revenue are recognized as revenue when received or receivable providing collection is reasonably assured. Interest is recognized when earned.

c) Warranty Claims Expenses

Warranty claims are recorded as expenses as incurred.

d) Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.

Notes to Financial Statements

For the year ended December 31, 2025

2. Summary of Significant Accounting Policies (continued)

d) Financial Instruments (continued)

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

e) Capital Assets

Purchased capital assets are stated at cost less accumulated amortization based on estimated useful life of the asset, calculated as follows:

Computer equipment	30% diminishing balance basis
Office furniture and equipment	20% diminishing balance basis
Leasehold improvements	Straight-line basis over the term of the lease

f) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

NEW HOME WARRANTY PROGRAM OF MANITOBA INC. Notes to Financial Statements

For the year ended December 31, 2025

3. Investments and Restricted Investments

The Program's investments and restricted investments comprise of high interest savings.

4. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 18,486	\$ 18,486	\$ 18,486	\$ 18,486
Leasehold improvements	22,939	2,294	-	-
Office furniture and equipment	36,465	34,813	36,465	34,400
	\$ 77,890	\$ 55,593	\$ 54,951	\$ 52,886
Net book value		\$ 22,297		\$ 2,065

5. Government Remittances Payable

Included in payables and accrued liabilities are government remittances payable of \$5,063 December 31, 2025 (\$2,235 in 2024).

6. Commitment

The Program has an operating lease for its premises with base rent of \$21,870 annually and total commitment of \$91,125 to its expiry in February 2030.

7. Internally Restricted Net Assets for Future Warranty Claims Costs

The determination of the Program's warranty claims liabilities is dependent on the Program's claims handling practices, on the judgment of its management, and on historical precedents and industry trends. Periodic reviews are performed by management and triennial actuarial valuations are prepared by an independent actuary to determine the amount of resources required by the Program to fund possible future claims and related administration costs to administer claims until the expiry of all warranty obligations.

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.

Notes to Financial Statements

For the year ended December 31, 2025

8. Financial Instruments Risk Management

The Board of Directors has overall responsibility for the determination of the Program's risk management objectives and policies. The Board of Directors receives reports on a quarterly basis from the Program's Chief Executive Officer. The reports are reviewed by the Board of Directors to assess the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Program's goals and flexibility.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Program is exposed to credit risk arising from its receivables including warranty related issues and investments. There has been no change in the Program's exposure to credit risk from the prior year.

Investments are held in savings accounts of which a portion is insured.

In the normal course of managing the warranty program, the Program reduces exposure to claims by seeking recovery from builders for certain warranty related issues. The Program manages the credit risk related to warranty issues by monitoring its members through an annual application renewal process. The Program requires a letter of credit or other suitable form of security from each member builder for the purposes of settling liabilities. The ability to seek recovery does not discharge the Program's responsibility to manage warranty issues. Failure by a builder to uphold its obligation could result in legal action by the Program. Consequently, allowances are established for amounts deemed uncollectible. The risk is managed by obtaining security from the builders at the time of registration and adjusted accordingly at annual renewal. Security held by the Program, which is not presented as assets on the Program's statement of financial position, is as follows as at December 31:

	<u>2025</u>	<u>2024</u>
Letters of credit	\$ 4,596,000	\$ 4,731,890
Term deposits	1,140,582	1,240,521
	<u>\$ 5,736,582</u>	<u>\$ 5,972,411</u>

Term deposits are renewed at their maturity date and accrued interest is payable to the builder.

Liquidity Risk

Liquidity risk is the risk that the Program encounters difficulty in meeting its obligations associated with financial liabilities which consist primarily of payables. In order to mitigate credit risk, management monitors cash flows and maintains a portion of the investment portfolio in liquid investments. There has been no change in the Program's exposure to liquidity risk from the prior year.

NEW HOME WARRANTY PROGRAM OF MANITOBA INC.
Schedule of Program Administration Expenses

For the year ended December 31	2025	2024
Salaries and benefits	\$ 284,531	\$ 254,594
Rent	43,156	41,034
Professional fees	20,268	57,526
Vehicle	13,987	11,431
Other	13,169	6,351
Advertising and sponsorships	12,408	8,130
Office	11,676	10,746
Printing, stationery and office supplies	10,132	3,033
Insurance	9,573	9,125
Registration Committee consulting fees	9,311	9,374
Travel	7,917	4,824
Inspection fees	7,633	1,300
Telephone and Internet	5,945	6,410
Postage and delivery	3,794	2,307
Annual and general meetings	3,664	3,695
Committees and Board of Directors	3,630	2,542
Amortization	2,707	516
Builders' membership certificates	1,726	1,051
Membership dues and subscriptions	939	932
	\$ 466,166	\$ 434,921

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

50 Years ago, on December 29, 1975, the New Home Warranty Program of Manitoba was born. Since then, we have had over 1066 builders come and go through our membership and have registered over 65,000 homes.

Prior to 1975 new home warranty did not exist at all in in Manitoba or anywhere in Canada. Warranty came into existence as a result of the federal government's interest in providing new home consumer protection. Discussions began with the government, CMHC, a special advisory committee of builders and spearheaded by HUDAC (Housing and Urban Development Association of Canada – now referred to as the Canadian Home Builders' Association). It was determined that a federally regulated warranty scheme would be fraught with problems due to regulatory differences between provinces. Research led to a volunteer warranty plan that had been in place in the UK since the 1930's, established by the National House-Building Council (NHBC). The concept was simple. A new home constructed by a builder who is a member of the warranty plan is sold to the buyer with a 'manufacture guarantee' which is administered by non-government regulated not-for-profit entity, referred to as a warranty provider, organized and run by a volunteer board of directors. This was warmly referred to as "Volunteers with a Vision". At the core is protection for the homeowner when the builder fails to repair defects in construction. Based on this model, each province in Canada (except the Northwest Territories) incorporated a volunteer not for profit warranty program. In 1977, the Canadian Home Warranty Council was established as a vehicle for the continued inter-provincial collaborative 'vision' for new home buyer protection.

We were initially incorporated as the Builders New Home Certification Program of Manitoba and changed to New Home Warranty Program of Manitoba in 1985. Our founding directors were William Anderson, Donald MacLeod, Herbert Bergman, Bryan Fenske, Henry Schultz, Harry Schmidt, Milton Mounk, and Bernard Lerner as Chairman. The Program registered about 33 builders in its first year. A shout out to everyone would take too long so I've just pulled out a few names you might recognize: Kensington Homes, Engineered Homes, B & R Ventures, Castlewood Homes, Belleville Homes, Qualico, Ladco Homes, Henry Schultz Construction, McPhillips Construction, Flair Homes, and Greentree Homes. I would, however, like to put the

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

spotlight on one builder who, since 1976, maintains their membership today, and that's McMunn & Yates Building Supplies Ltd. I would love to name many other longtime members and those that have been keenly influential in our industry, but the list is too long. What I can say is that just over 25% of our membership is comprised of builders who have been with us for 20 or more years. That's an incredible commitment.

This long-term commitment is not seen just within the membership, but on our Board of Directors as well. Both Hilton Homes (originally Frank Curtis and currently Spencer Curtis) and A & S Construction (originally Vince Bueti and now Frank Spezzano) have maintained a seat on our board of directors for 33 years, since 1993. A special shout out goes to Dorothy Anscomb, the longest serving external director representing the Consumers Association – who has been with us for 32 years and Anthony Reimer from Lakeveiw Insurance representing the Insurance Industry who has maintained his seat for 23 years. Of course, we are deeply appreciative of all our volunteer directors who continue in helping our Program grow: Erwin Plett – 15 years, Spencer Curtis and Frank Spezzano – 13 years, Gary Bernard – 12 years, Randy Douglas – 11 years, Peter Halamandaris – 6 years, Carol Paul and Braeden Westphal – 2 years.

I have been told that there have been many memorable events and achievements along the way, but the one that stands out has to do with the management of the Program. Historically, the Program's board was comprised of 7 directors, all of which were representatives of a builder member. So, the board was purely builder driven. In the early 90's a new vision began to take shape – one that sought a more comprehensive professional board of directors where the pool of expertise is widened to include non-builders. In January 1995, the board was increased from 7 to 10 directors, where 7 were chosen from the builder membership and 3 were non-builders, chosen from a class of membership called Associate Members. Some directors felt that, while this was a positive move, more could be done to remove any perceived bias and further improve trust with new home buyers while increasing the Program's level of professionalism. So, in October of 1996, the Program removed the category of membership called Associate Members from which non-builder directors were elected. Instead, non-builder directors were voluntarily appointed from

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

designated professional associations that are completely external from the Program. This removed any perceived member privilege. The board of directors was also balanced so that 5, rather than 7 builder directors would be elected from the membership and 5 external directors would be appointed from these designated industry supportive associations such as the insurance industry, bankers' association, engineers' association, consumers' association, and so on. We have Frank Curtis and Vince Bueti, Chairman and Vice-Chairman at the time, to thank for spearheading this bold move.

1997 was indeed a year for change when insurance companies started taking an interest in providing new home warranty and we saw our first competitor, National Home Warranty, begin operating in Manitoba and other provinces across Canada. There were major updates to the Possession Certificate and Agreement with Builder, an increased focus on advertising, and a change in management structure where the board of directors significantly reduced its involvement in the daily operations of the Program office and shifted its focus to policy.

Just 3 short years later, in June 2000, I came to work for the Program. The office was going through staffing difficulties at the time, so initially I worked alone with minimal training, learning by trial and error, doing a ton of reading, trying my best to juggle the duties of multiple staff that preceded me. In January 2001, Dave Ferguson, who had previously been on the Board of Directors was hired as the Program's CEO. After 2 years I was exhausted in being the front-line person handling warranty claims, doing the bookkeeping, and managing the office, so I left to follow my dream of working in information technology. Fate brought me back to New Home Warranty Program about 9 months later. Dave and I agreed that change was needed, and we worked together in broadening the scope of the Program. We hired a 2nd administrative person and Dave renewed his employment contract – a huge step for him considering that employment with the Program was supposed to be short-term. We worked together in creating and strengthening Program policies and focused our energy on improved customer service with builders and homeowners. I worked on developing a database to increase productivity, organize and safeguard data, and automate repetitive tasks. It is around this time that our Program severed our relationship

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

with our underwriter, CGU, and we became a truly a 100% independent, self-underwritten entity.

In the middle of this journey of change and growth, around 2003/2004, the Manitoba government began its quest to establish a new mandatory warranty scheme where only insurance companies would be able to provide warranty within a fully government-regulated environment. It was definitely challenging to continue our focus on improving the Program knowing that the government's initiative could cause our dissolution at any time. We fought to keep our Program alive, through tireless meetings, countless research documents, and actuarial and risk assessment data. We fought, on behalf of the builders, to maintain a voluntary self-regulated warranty regime built on integrity, without costly red-tape, licensing, penalties, and stifling regulation.

In 2008, change came again when Dave Ferguson fell ill and our office receptionist retired. I found myself, once again, working at the office alone. By this time, I had dug myself deep into many facets of the Program. I had discovered great satisfaction in dispute resolution and remained committed in the growth of the Program. While the board of directors deliberated on a replacement for Dave, I expressed my deep desire to take over the leadership role. I was thrilled and a bit overwhelmed when Frank Curtis, Chairman of the Program at the time, handed me the reigns and wished me luck. Within a few months, I got the train moving again and hired an administrative assistant. Between 2009 and 2012 discussions with the government became quite serious and we started seeing the landscape of warranty change quickly. Additional insurance companies began offering new home warranty, consumers became more demanding, and we found ourselves in a new world where we needed to prove our worth, not only to the government but to builders and homeowners. To be more pro-active with warranty claims and reduce our reliance on conciliation I hired a consultant to perform site inspections and warranty claim evaluations. We again increased our advertising and began cold calling builders to build our membership. In 2012 we moved our office to a larger more professional space and replaced our part-time consultant inspector with a full-time on staff Warranty Manager. Some of you may remember Tod Boss. The change in having someone on staff dedicated purely to warranty

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

claims and site inspections with a background in construction was truly the beginning of a new professional level of service for our builder members and homeowner. From 2006 – 2016 we saw our membership grow by 66%.

With much relief, the Manitoba government ended its campaign for mandatory warranty in 2019. Without the worry of the Program closing its doors or having to drastically change to fit a prefabricated model, we suddenly saw the opportunity to start working on some larger projects, like the revision of our bylaws, the Agreement with Builder, and Possession Certificate. In 2020, we faced challenge once again with the COVID pandemic and the retirement of our beloved Warranty Manager, Tod Boss. This led to a soft hold on some of these projects. In June 2020, we hired Jay Kent who continues with us today. COVID led to new difficulties in managing warranty claims due to the reduced ability to do site evaluations, increased shortage of trades, construction product delays, cost hikes and increased consumer demand. This further caused many builders to leave the new home construction industry, either due to frustration or financial strain. This perfect storm led to a doubling of our claim load by 2024.

By the beginning of 2025, our claim load started returning to normal levels, but still a bit high considering a lower level of enrollments. It was clear that the increased demand for customer service was here to stay. We acknowledged this new norm and rather than struggling against it began looking at ways to meet the challenge.

It was clear that the first step was to expand our resources. So, in October of 2025 we welcomed an additional warranty representative and inspector to our team. Vladimir Stoychev (Vlad) brings over a decade of experience in the construction industry, a bachelor's degree in economics, and brief experience in the insurance industry where he obtained his General Broker Level 2 License. He has a passion for risk management and problem solving and a joy working in customer service. A big thank you goes out to Vlad for joining our team. I'd also like to put a shout out to Jay Kent who continues to weather the storm, strengthening his dispute resolution expertise while providing the support needed to foster the skillset of our new warranty rep.

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

As the best warranty provider in Manitoba, we want to do more than just fulfill warranty claims. We want to have the time and availability to take what we are learning from these claims and provide valuable feedback to the industry. We want to spend more time digging deeper into the reasons for repeated defects so we can help builders find ways to reduce or prevent them. We want to become more involved in reviewing repairs to reduce the ever-increasing call-backs for defects that have not been rectified satisfactorily. And most of all, we want to focus on rekindling consumer trust in the industry by increasing our attention and thoroughness from start to finish of every warranty claim so there is zero concern from the homeowner that the defects have been properly repaired and no question left unanswered. At the end of claim, we want the homeowner to feel valued, educated, supported, and satisfied with their new home purchase. Builders want more of our attention too and we hear time and again, particularly from new builder applicants, that the best asset of a warranty provider is 'boots to the ground'.

We look forward to providing increased customer service, tightening our risk-management strategies, and having time to focus on industry related concerns. For example, we are currently researching basement slab-heave. While this is currently not covered under warranty, it is a fairly frequently claimed issue, causing the Program and builders much time and grief in discussing with homeowners who are often left with an unresolved problem and costly damage to their home. We can now add extracurricular construction inspections, rather than just for new members. There is a real demand by existing builders who actually request an inspection during construction or a general office visit, particularly if there has been a change in their trades, site supervisor, or warranty personnel. We also now have the resources for return visits during a warranty claim to review repairs.

If it means spending 40 minutes on the phone explaining screw pops or condensation to a homeowner or 2 hours on site providing tips on the installation of building paper, or an hour providing emotional support to either party due to the frustrations that come with a warranty claim – we are here ready to excel. There has been a significant uptick in builders applying for membership and what they are seeking is 'boots to the ground'. I'm very happy to say, "We've got that...and more!"

Chief Executive Officer's Report

Lori Crandell
Chief Executive Officer

Now, for those of you who always tune in for the statistics portion of my report, I will give you some 2025 data. With doom and gloom overlaying the Canadian economy over the last few years and constant news of housing shortages, tariffs, etc., we did not expect to have a banner year with regards to enrollments or membership. Manitoba is rather unique in its ability to weather economic storms and excel in the area of new home construction when other provinces struggle. That's exactly what happened in 2025. Our enrollments were well over budget at a whopping 49% increase from 2024. This number was more in line with the boom we experienced in 2021. Perhaps this increase is partially related to Bill C-4, the new home GST rebate, which just reached Royal Assent a couple weeks ago, making it officially in effect. Also, for the first time in a while we saw growth in our membership with 13 new members and only 11 cancelations. In the first quarter of 2026, we have already approved 2 new members with 3 waiting to be finalized and 2 applications awaiting review. So, our prospects for more membership growth this year are good.

At the beginning of 2025 we were still carrying a slightly higher than normal level of warranty claims, many of which were left-over from the height of the pandemic. We also, for the first time in a while, have been doing warranty repairs on several homes for a builder who became insolvent during the pandemic. While we received the same number of new claims in 2025 as 2024, by the end of 2025 our claim load had dropped considerably. In the first quarter of 2026 we have 20% less active claims than in 2024. As a result, we have enjoyed a bit of breathing room as we expect our claim load to slowly increase once again due to the 49% increase in enrollments in 2025 and the expectation that 2026 will also be fairly strong for new housing starts.

As mentioned last year, we are still seeing a slightly higher than normal length of time to resolve claims. Builders are slower to respond to both the Program and homeowners with repairs taking longer to complete. There is also an increase in failed repairs and a stronger stance against repairing disputed issues. The 'courtesy repair' is happening less often on items that may be questionable concerning warrantability or are in the category of cosmetic and not covered. And homeowners are less receptive to our evaluations

Chief Executive Officer's Report

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causing disputes to be long-winded, with an increase in claim items that are frivolous. We hope that the addition of a second warranty representative will help us tackle these challenges.

For those of you who like to take that deeper dive into our warranty claims data, we have provided, once again, a list of our most frequently claimed items. Now that we have had the opportunity to collect data over a 5-year span with our new claim recording system, we see many similar top 10 defects recorded, just at a slightly different frequency from year to year. Also, since the list is very item specific, we have found that viewing the top 15 items rather than 10 is more comprehensive considering many items compete for these top 10 spots. Keep in mind this list is pulled from over 500 types of defects.

Top 15 Reported Defects 2023 to 2025

1. Door or window not sealing properly - light visible, gaps, air or draft felt; weather stripping damaged, loose, missing or not installed properly / sticks, binds or will not open or close properly
2. Interior paint finish is unacceptable or defective (wall, trim, door, moulding - any interior surface)
3. Drywall cracks, surface blemishes: dented, blistered tape, trowel marks, uneven corners
4. Stucco or parging is cracked, separating or falling off
5. Driveway or walkway is cracked, spalling, not poured correctly, heaving, settling, defective, incomplete
6. Interior caulking or grout is missing, poor, deteriorating, cracked, not acceptable (any surface)
7. Floor squeaks, pops or is noisy
8. Garage concrete floor is cracked, spalling, not poured correctly, heaving, settling
9. Eavestroughs or downspouts leaking, not performing/installed properly, not draining completely
10. Interior door sticks or rubs on doorjamb or does not latch or close properly
11. Paint, adhesive or construction material (stucco, cement) is splattered on exterior surfaces
12. Water leakage at doors, windows, foundation, penetrations, etc.
13. Interior concrete floor is cracked, flaking, scaling or spalling
14. Insulation is inadequate, improper, has shifted
15. Trim (moulding, casing, baseboards) are poorly fitted, has gaps

Many items re-occur on this top 15 list, such as interior and exterior door problems, interior painting issues and drywall deficiencies, water penetration, and driveway and garage floor issues. However, not included in this average 3-year list due to their higher-than-normal

Chief Executive Officer's Report

Lori Crandell
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frequency specific to 2025 is electrical system issues and issues relating to the soffit and fascia. We hope you continue to find this annual report on our top deficiencies interesting or useful, as many of you continue to request that we provide it. In moving forward, this kind of data will be particularly useful when we revise our Construction Performance Standards.

Looking forward, we will be focusing on an increase in onsite warranty claim evaluations, increase in inspections for new builder members, adding random inspections for existing members, research and education initiatives, and a deeper review of our claims handling process. We will continue some projects already underway, such as warranty certificate revisions and a review of the Program's bylaws. There is also a significant number of business-related initiatives relating to expense reduction and productivity.

That concludes my review of 2025 and special report on our 50 years as a warranty provider. As you can see, the Program has gone through much change, some upheaval, and a healthy dose of curve balls. Fortunately, I see struggle and challenge as a learning opportunity, a time for creativity and vision. And we envision 2026 and onwards to be our most productive years to come. I have served the Program for 25 years now and continue to relish in my role as your Chief Executive Officer. My sincere hope is that I can remain at the helm until old age forces my leave, as I have my sights on many fulfilling projects and watching the Program unfold, once again, into a new chapter of achievements.

Thank you, builder members, for joining us today. We very much appreciate your dedication to the continuation of our Program. Thank you to our hard-working staff and volunteer board of directors who continue to give 100% to our Program. I wish everyone happiness, health, and prosperity for the year ahead.

Thank you,

Lori Crandell
Chief Executive Officer

Chairman's Report

Spencer Curtis
Chairman

I would like to begin - as I do each year that I have had the privilege to stand before this group of fine builders - by extending my gratitude to a number of people. First, I would like to thank the members of the Board of Directors of the New Home Warranty Program for all of the time they have volunteered, and the effort they have given, not just during this past year but over the many many years some of these people have been involved with the Program. I would like to thank the NHWP staff – Tabatha, Jay and Lori and I would like to welcome our newest staff member Vladimir. We are fortunate to have such an exceptionally functioning warranty program, the best program in the Province and it is in no small measure because of the work of our tremendous staff and volunteer board.

Hopefully everyone has had a chance to meet and welcome Vladimir. Vlad's addition to the NHWP team is tremendously exciting because it is a manifestation of the Program's commitment to work with the amazing builder group, promoting quality construction, additional quality inspections and timely responses and resolutions to issues between homeowners and builders. On the inspections side it is very exciting to have Vlad working alongside Jay building the expertise and capacity of the Program for members and homeowners. Our goal at the New Home Warranty Program, continues to be to provide the best warranty coverage and the best service of any warranty provider in the Province. Thanks to the leadership of our board of directors and the work of Lori, Jay, Tabatha and Vlad, we continue to build and grow our Program and we continue to strive for the best ways to meet the warranty needs of our fantastic builder group.

On the technical side Lori and I continue to work away at the less exciting side of our Program: technical rules, builder agreements, content of the warranty certificate, with review after review to make sure the program meets the needs of builders and homeowners now and into the future. As you are all aware from running your businesses the industry continues to evolve and grow and challenge you in new ways. As a program we are trying to make sure the policies and framework we have in place are able to respond to all the new and challenging situations we see and hear about.

Chairman's Report

Spencer Curtis
Chairman

Maintaining a strong relationship with the Canadian Home Warranty Council is another way the program learns and shares information about the warranty landscape. It's an amazing affiliation that provides valuable tools and information. I'd like to take a moment to acknowledge the terrific work Lori has done, not only for our program but for the strength, structure and organization of the Canadian Warranty Council. I'm very proud of her work, most of which is behind the scenes, but brings tremendous value to the Canadian warranty landscape and to our own Program. Her work is a testament to her knowledge and commitment to the warranty industry

Thank-you to everyone here today in this room, thank-you for attending and participating in your Program's Annual General Meeting, and thank-you to all our members who could not attend as well. If our Program has three assets - our staff, volunteer board of directors and our builder members are those assets. This year more than ever that value has been on display. I am proud that our Program not only continues to meet the needs of its builders but that it is actively engaged in ensuring those priorities remain front and centre and that the Program is led by dedicated volunteers and exceptional and talented staff who show an unparalleled dedication to the warranty business and customer service.

Thank-you all for coming, thank-you all for staying, and thank-you all for your commitment to our Program. It has been a very good year and I look forward to working on behalf of all our members at ensuring our Program remains the best warranty program with the best service in the Province.

Thank-you,

Spencer Curtis
Chairman

Membership Awards

Congratulations to the following Builder Members:

10 year

Paragon Living	2016 – 2026
CL van Veen Construction Ltd.	2016 – 2026
Hendren Homes Inc.	2016 – 2026
Ekam Development and Construction Ltd.	2016 – 2026
KayCee Builders	2016 – 2026
Concor Homes Ltd.	2016 – 2026
C & V Custom Homes Inc.	2016 – 2026

15 Year

21st Century Builders 2020 Inc.	2011 – 2026
Sun Valley Co-op Ltd.	2011 – 2026
Zacks RTMs Ltd.	2011 – 2026

20 Year

Timber Ridge Homes Inc.	2006 – 2026
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30 Year

Moonlight Construction Ltd.	1996 – 2026
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40 Year

Hilton Homes	1986 – 2026
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50 Year

McMunn & Yates Building Supplies Ltd.	1976 - 2026
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Builder Members (at December 31, 2025)

10125455 Manitoba Ltd.
21st Century Builders 2020 Inc.
5605491 Manitoba Ltd.
A & B Builders Ltd.
A & S Construction Ltd.
Abrams Construction Inc.
ADR Property Holdings Corporation
Alair Homes Brandon
Alia Custom Homes Inc.
Allard Development Inc.
Arborg Home Hardware Building Centre
Artifex Custom Contracting Ltd.
Artista Homes Ltd.
ASR Homes of Manitoba Inc.
Athens Construction Inc.
AWA Real Estate Ltd.
B & R Custom Homes Ltd.
Best Level Construction Inc.
Birnie Builders
Broderco Development Inc.
Brownstone Estates
C & V Custom Homes Inc.
C.B.B.S. General Contracting Ltd.
C.H.B. Developments Inc.
Cambrian Homes Ltd.
Canopy Projects Inc.
Central Homes
Character Homes Ltd.
CL van Veen Construction Ltd.
ConCor Homes Ltd.
Connection Homes
Content Builders Ltd.
Countryside Homes
Creative Spaces Ltd.
CRS Homes
Deneschuk Homes Ltd.
Do-it-All Builders
Douglas Property Management Ltd.
Dwell Design Homes Ltd.
Ekam Development and Construction Ltd.
Emjay Homes Ltd.
Evolution Home Builders Ltd.
Francis Family Homes
Garth Knox Building Services Ltd.
Gino's Construction Ltd.
Glenberg Design Builders Ltd.
Goodman Homes
Gronli Homes Ltd.
H. Albers Builders Ltd.
Harv Ginter Construction
Harval Homes
Hearth Homes
Hendren Homes Inc.
Hera Custom Homes
Hidden Gem Homes Inc.
Hillside Custom
Hilton Homes
Holz Constructors Inc.
Ican Construction & Renovations Inc.
Iconic Homes and Development Inc.
Irwin Homes Ltd.
J & N Holdings Ltd.
J. Lamoureux Construction Ltd.
J.N. Developments Ltd.
Jess-Mar Homes Ltd.
John Penner Builders Inc.
K. Streu Homes Ltd.
KayCee Builders
KDR Homes
KM Construction Ltd.
Kurtis Black Contracting
La Broquerie Lumber (2006)
Leo's Home Decorating Ltd.
Livingston Construction Ltd.
Lopes Construction Ltd.
Lux Custom Homes Ltd.
Maric Homes
Mark's RTM's Inc.
MBP Homes Ltd.
McMunn & Yates Building Supplies Ltd.
Meadowland Homes Ltd.
Mellco Developments Ltd.
Metamorphic Exteriors Inc.
Moonlight Construction Ltd.
Muys Construction
Neepawa Home Hardware Building Centre
New Ventures Investments Inc.
NKM Homes
OB Construction (2010) Ltd.
O'Brien Built Ltd.
Pageantry Homes
Paragon Living
Pic-A-Dilly Construction Ltd.
Pine Creek Homes Inc.
Pine Spring Homes Inc.
Pinnaco Inc.
Prairie Sky Properties
Quatro Homes Ltd.
R & M Homes Ltd.
R. Banman Construction Ltd.
Rolly Grenier Construction
S.E.L. Housing Inc.
Schulz Construction Inc.
Shymko Homes Ltd.

Builder Members (at December 31, 2025)

Sigman Construction Ltd.
souLdesign homes inc.
Splendid Homes Corp.
Springs of Life Construction Inc.
Springwood Homes Inc.
Steendam Builders Ltd.
Stefan Home Builders Ltd.
Summerview Homes Ltd.
Sun Valley Co-op Ltd.
Sunrex Homes Inc.
Tailorwood Homes Inc.
Taylor Ridge Homes Ltd.
Three Way Builders Ltd.
Thuraisingham Satgunam
Timber Ridge Homes Inc.
Titan Custom Homes
Tri West Construction Inc.
Tricor Alliance Inc.
Vanderveen Construction Ltd.
Vanguard Properties
Venicia Construction Inc.
Vertex Construction Ltd.
Vogt Building Construction 2012 Inc.
Von Ast Construction (2014) Inc.
W. Giesbrecht Homes Ltd.
Warkentin Homes Ltd.
Waterer Carpentry Ltd.
Westar Homes Ltd.
Westman Premier Homes
Wincor Construction Inc.
Zacks RTM's Ltd.

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