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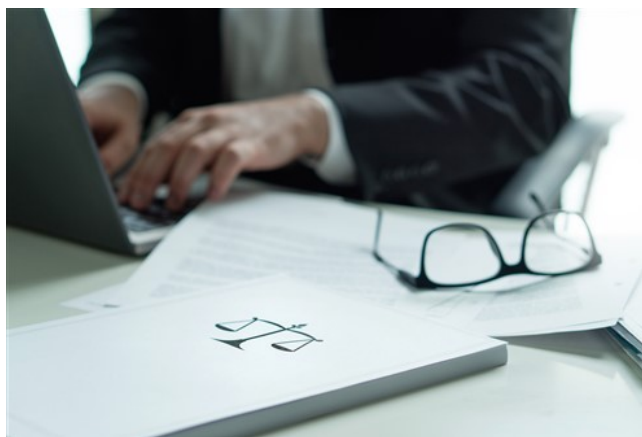
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## Government refuses to protect consumers: lawyer

by [Neil Sharma](#)  
02 May 2019

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After Ontario Superior Court rejected an application to nullify purchase agreements for a cancelled Toronto-area condo, a local lawyer is calling for the government to legislate enhanced consumer protection laws.

Liberty Developments cancelled the sold-out Cosmos condos at the Vaughan Metropolitan Centre (VMC) and 605 buyers wanted their purchase agreements declared invalid because of undue language contained therein. Their application rejected and deposits returned, real estate lawyer Bob Aaron doesn't believe the resolution addresses the crux of the issue.

In fact, Aaron wants the provincial government to intercede and curtail the vast legal leeway developers enjoy when they renege on signed agreements.

"Consumer confidence has been badly eroded and this is not

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a Tarion issue, it's a government issue," Aaron told MortgageBrokerNews.ca. "The government has to tighten up developers' abilities to cancel, and there are two ways to do that: The first is to put a time limit on a developer's ability to cancel—so one year, two years, 18 months—and if they don't cancel within that period of time they have to build. The second way is, after a certain amount of time, the developer will have to buy units back from the buyers at fair market value."

However, Aaron concedes that the Progressive Conservative government may be too chummy with the developer community to advocate on behalf of Ontarians, and citing recent events, he doesn't believe it would even care to.

"How many developers purchase tables at Conservative Party fundraisers? I was at one years ago when John Tory was the head and it seemed to me half the tables in the room had placards with developer names, so these people are big contributors," said Aaron.

"It's a contest between, in my view, the political pull of the developer community versus the public interest of real estate buyers, but based on the recent actions of the [Doug] Ford government, my feeling is it doesn't care much about public interest. I'm looking at health care, I'm looking at education, I'm looking at the environment, at City Council and at libraries. The question of protecting condo buyers doesn't have anything to do with government coffers. The previous cuts show the government will slash and burn if it saves them money, but this is not one of those instances."

Michael DiPasquale, COO of Dunpar Homes, says that if a developer cancels a project, a detailed, copacetic reason should be provided. Asked about Aaron's recommendations, DiPasquale says too many variables are beyond builders' control for legislation to work in an equitable way.

"This whole thing definitely leaves a bad taste in everybody's mouth. Cosmos was sold out, so they need to find better ways to protect consumers," he said. "But the recommendations are very difficult because, for builders, getting approvals from cities, municipalities, regions or the province is unpredictable—especially for big projects with multiple buildings near subways. If something gets delayed, where do you put the blame? Eighteen months have passed, but is it the builder's fault that the city took too long to process the application? Builders will want some reliability on the timing of a project's approval."

Liberty Developments claims it cancelled Cosmos because it had a disagreement with the vendor, which shares the same address as Liberty, indicating that they're under the same corporate control. According to Urbanation, when Cosmos opened for sale in 2016, condos in Vaughan sold at \$540 per square foot and have since risen to \$700. It is widely believed Liberty cancelled Cosmos so that it could return to market with a more expensive product. The company has already tendered the City of Vaughan an application for a new development next door.

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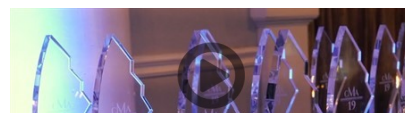
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Aaron—referring to Liberty Developments and Gupta Group, which also cancelled a VMC condo and then reapplied to develop a new one nearby—says there should be consequences for clear-cut builder avarice.

“The cancellations were not bona fide and the government needs to step in to prevent this.”

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