OTTAWA DEMOLITION CONTRACTORS

Contracts & Payments

Demolition contracts, estimates, deposits and cancellation rights in Ontario.

4 Expert Answers from Demolition IQ

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Q1

Does Ontario's 10 per cent holdback apply to a demolition job?

The Construction Act, s.22(1) says each payer "shall retain a holdback equal to 10 per cent of the price of the services or materials as they are actually supplied." How it applies to a demolition contract is a question for a lawyer.

A few things to sort out in writing before the contract is signed:

- Whether the contractor's price is a lump sum or broken into stages.
- What the payment schedule looks like, and whether the contractor expects a deposit before work begins.
- Whether subcontractors are involved, and who they are.

The Consumer Protection Act, 2002 adds a separate layer if the contract was negotiated at your home: it must be in writing and delivered to you, and you have a cancellation right from the day the agreement is made until 10 days after you receive the written copy. If the contract includes an estimate, s.10(1) says the final charge cannot exceed that estimate by more than 10 per cent.
Ask a lawyer how the holdback applies to your contract before you make the first payment.

Q2

What must a written demolition contract include in Ontario?

Ontario's Consumer Protection Act, 2002 requires that a direct agreement over $50 be in writing and delivered to the consumer. A demolition contract negotiated at your home meets that definition, so the written requirement applies. The consumer can cancel without giving any reason from the day the agreement is made until 10 days after receiving the written copy.

The Act also sets a limit on what a supplier can charge when the contract includes an estimate: the final amount cannot exceed the estimate by more than 10 per cent. That rule sits in section 10(1) and applies to any consumer agreement that includes an estimate.

Beyond what the Act requires, a demolition contract for a house or outbuilding should spell out:

- exactly what comes down and where the work stops (the scope should be clear about what is above grade and what is not, since anything below grade is excavation work, priced separately)
- who applies for the demolition permit and who arranges each utility sign-off

- the designated substances list and how the contractor handles it before work begins
- where the debris goes and whether hauling is included in the quoted price
- the written payment schedule, including any deposit amount and what triggers each payment
- the start date and what happens if utility disconnections cause a delay

The Construction Act, section 22(1), requires each payer to retain a holdback equal to 10 per cent of the price of services or materials as they are actually supplied. Ask a lawyer how that applies to your contract.
One thing worth confirming before you sign: ask the contractor to state in writing whether the price is a fixed price or an estimate.

Q3

Teardown contract signed at home in Kanata: when does the 10-day window end?

Under the Consumer Protection Act, 2002, a contract negotiated or concluded in person at your home is a direct agreement, and any direct agreement over $50 must be in writing and delivered to you. The 10-day cancellation window opens the day you sign and closes 10 days after you receive the written copy of the agreement.

That sequence matters in practice. If the contractor hands you the written contract at the table the same day you sign, the window ends 10 days from that date. If the written copy arrives later, by mail or email, the window stays open until 10 days after you receive it. The Act gives you the right to cancel without any reason during that window.

One other figure from the same Act applies to your quote. Section 10(1) says that where a consumer agreement includes an estimate, the supplier shall not charge an amount that exceeds the estimate by more than 10 per cent. That applies to any estimate in the agreement, without a separate written consent or condition.

A few things worth having in writing before the window closes, or before you let it close:

- the full scope of what comes down and exactly where the work stops (this site's scope ends at grade; anything below grade is excavation work)
- who applies for the demolition permit and who arranges each utility sign-off
- where the debris goes and whether hauling is included in the price

The Construction Act, s.22(1), also requires each payer to hold back 10 per cent of the price of services or materials as they are supplied; ask a lawyer how that applies to the payment schedule in your contract.
Before the window closes, read the scope line again and make sure it says where the work stops.

Q4

My Ottawa demolition estimate went up at the end. Is there a limit?

Ontario's Consumer Protection Act, 2002 sets a hard limit: where a consumer agreement includes an estimate, the supplier shall not charge an amount that exceeds the estimate by more than 10 per cent.

That rule applies to any consumer agreement that includes an estimate. It does not require a separate written consent, a signed acknowledgment, or any other condition before it kicks in. If the contractor gave you a number and called it an estimate, that rule already applies. The Act also requires a direct agreement, one negotiated at your home rather than at the contractor's place of business, to be in writing and delivered to you, and you may cancel it without reason from the day you enter into it until 10 days after you receive the written copy.

A few things are worth checking in what you were given. The Construction Act also requires each payer to hold back 10 per cent of the price of services and materials as they are supplied; ask a lawyer how that holdback interacts with your payment schedule.

What to check before you respond to the contractor:

- Does the agreement use the word "estimate", "quote" or "fixed price", and is the total figure clearly stated?
- Is the reason for the increase identified in writing, and does the increase exceed 10 per cent of the original figure?
- Is the payment schedule written into the agreement, and does it match what you were told?

The single most useful question to put to the contractor before you accept the revised number: can you show me in writing exactly which item changed and by how much, so I can confirm the total increase stays within what the Consumer Protection Act, 2002 allows?

Disclaimer: This guide is provided for informational purposes only by Ottawa Demolition Contractors. It does not constitute professional advice. Always consult qualified contractors and your local building authority (the City of Ottawa) before any demolition. The City requires a permit to demolish a building or structure, and every utility connected to the property signs off before the permit is issued. Information is current as of November 22, 2026 and may change. Visit **ottawademolitioncontractors.ca** for the latest answers.