

# Satisfaction rates are rising

The number of new homeowners satisfied with their completed property is continuing to rise, a BRANZ survey shows. This is good news for an industry under pressure to improve building quality.

**BRANZ** has recently completed the sixth annual New House Owners' Satisfaction Survey. It is a source of important quality data for the new residential sector as it monitors the performance of builders against the expectations of their clients.

## **Industry continuing to improve**

Overall, the results show that the industry is continuing to improve. Average scores were up by 0.9% nationally from the 2015 survey and 3.8% over 2014 (see Figure 1).

Clients were most satisfied with:

- the overall quality of their home
- the standard of finish
- the value for money.

This shows that the industry is continuing to deliver houses of a high standard.

## **Main reasons for dissatisfaction**

Clients were least happy with:

- the fixing of defects after first occupancy
- the builder for not completing their home on time
- the service provided by their builder after they moved in.

These least happy criteria can be attributed to the current high workloads. The challenge for the industry is to improve their follow-up after handover as workloads increase.

## **Quality and reputation important**

The survey illustrated the need for the builder to understand their client and what they are looking for.

Respondents could choose more than one reason for selecting their builder. Most stated that they selected their builder due to the builder's quality and reputation.

However, 40% of respondents opted for a builder that offered a fixed price. Clients

who choose their builder due to fixed price certainty or because they offered the lowest price were most likely to have a dispute over the final cost of the build.

In addition, 35% of respondents chose their builder due to the quality of the show home. It is therefore important for the builder to explain to the client where their fittings or fixtures may differ from those in the show home and why.

## **Disputes not uncommon**

About 13% of respondents reported having a dispute with their builder about final cost. This was down slightly from previous surveys.

Disputes tended to focus on charges for variations, penalties for not meeting completion dates, items going beyond the prime cost sum, incorrect materials/products used and additional charges for items not originally quoted for.

## **Call-backs highest for painters and plumbers**

The call-back rate has fallen slightly to 82% in this survey. This continued the downward trend since 2014, where 87% of respondents

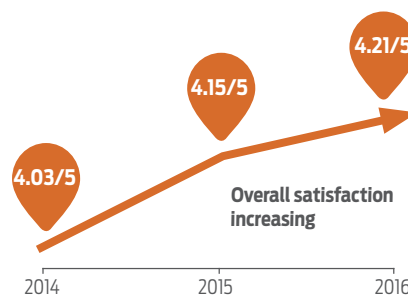


Figure 1: Average satisfaction score.

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reported requiring their builder to repair defects after first occupancy.

It is still well above its low of 69% in 2012, where activity levels were significantly lower than they are now.

Call-backs were slightly more frequent in the Auckland region than the rest of New Zealand. The proportion of respondents from the Auckland region that had to call back their builder was up by 3.2% from 2015.

The trades most frequently called back were the painter and plumber. Both trades were called back by nearly half of respondents. The electrician was also frequently


called back, with about 38% of respondents reporting having to do so.

#### ***Most have a written contract***

Two new questions were added to the survey in 2016. The first asked whether the respondent had a written contract with their builder. Overall, 96% of respondents said they had a written contract with their builder.

Those who used an independent builder were slightly more likely to forego a written contract, whereas 98% of clients that used a franchise builder had a written contract. Since 1 January 2015 it has been mandatory

to have a written contract for works over \$30,000 including GST.

The second new question asked for the value of the build. Disputes over the final cost were more common for lower-value builds. Just under 16% of respondents whose build value was less than \$250,000 had a dispute with their builder over final cost. However, less than 10% of respondents whose build value was over \$600,000 had a dispute with their builder. 

**For more** ▶ See the full report SR374 *New House Owners Satisfaction Survey 2016* at [www.branz.co.nz/study\\_reports](http://www.branz.co.nz/study_reports).