



**CIOB**

The Chartered  
Institute of Building



New-build  
housing –  
how regulation  
can improve  
the consumer  
journey

December 2023

## About us

We are the Chartered Institute of Building (CIOB), and we stand for the science, ethics and practice of built environments across the world. Everything we do is to improve the quality of life for those using and creating the built environment.

We have a role in the management, leadership, education and development of our industry, guiding and educating our members as they embark on their careers.

Using both the cutting edge of technology and the foundation of hard-earned experience, we train the construction experts of the future. From tools and data for the day-to-day, to degree qualifications for investing in a career, we train and shape the workers and organisations who make our industry what it is.

## Acknowledgements

We wish to thank the following organisations for participating in interviews that contributed to this report:

- New Homes Quality Board
- New Homes Ombudsman
- New Home Quality Control

By David Parry, parliamentary and public affairs officer

Published by the Chartered Institute of Building (CIOB)

X: **@theCIOB**

Facebook: **[www.facebook.com/theCIOB](https://www.facebook.com/theCIOB)**

LinkedIn: search 'CIOB'

YouTube: CIOBTV

CIOB, 3 Arlington Square, Downshire Way,  
Bracknell, RG12 1WA, UK

Registered Charity No. (England and Wales) 280795  
and (Scotland) SC041725

**[www.ciob.org](https://www.ciob.org)**

Tel: +44 (0)1344 630 700

Email: [policy@ciob.org.uk](mailto:policy@ciob.org.uk)

Any data or analysis from this report must be reported accurately and not used in a misleading context. If using any information from the report, then its source and date of publication must be acknowledged.

Copyright CIOB 2023

# Contents

4	Executive summary
7	Chapter 1: Introduction
8	Chapter 2: The current state of housebuilding
16	Chapter 3: Snagging – helping to identify what has gone wrong
22	Chapter 4: New regulatory frameworks
34	Chapter 5: What more can be done?
36	Chapter 6: Conclusion

# Executive Summary

There can be no debate that housing, and the process of building homes, has become extremely politicised and increasingly polarised in recent years.

This can be, in part, attributed to the significant financial and emotional investment that consumers make when purchasing a new home. In the current market, where average new home sellers' asking prices are £368,231, consumers cannot be blamed for having high expectations of moving into their perfect home where everything is set up and ready to go.<sup>1</sup> However, this is not always the case, and consumers have been disappointed by the quality of the house they move into.

With second-hand homes, there is little to protect buyers (aside from transaction forms, which provide purchasers with some information about the condition of a property).<sup>2</sup> However, this is not the case when it comes to new-builds. In fact, in the past two years, consumer protections have increased significantly to ensure that those purchasing a new-build home have recourse to hold their housebuilder to account for any failings in communication, fair purchasing and overall build quality.

However, consumer knowledge of these protections remains low. The Chartered Institute of Building (CIOB) commissioned a poll of 2,000 UK adults to gauge trust in the quality of new-build housing, whether participants would consider purchasing a new-build home, and who they would go to if they discovered issues with the build. Overall 60% of respondents said that they would not buy a new home, with fears of poor workmanship cited as one of the primary reasons.

Furthermore, consumer knowledge of the new regulatory drivers to improve quality was low, with only 13% of respondents saying they would go to the New Homes Quality Board (NHQB) or New Homes Ombudsman (NHO) if they had an issue with their new-build home.<sup>3</sup>

While these figures are not unexpected, given that consumers are overwhelmed with information and documents when they purchase a home, more needs to be done to raise awareness of this new regulatory framework.

It must be noted that CIOB called for the formation of these regulatory frameworks back in July 2016 in the All Party Parliamentary Group for Excellence in the Built Environment's inquiries into the quality and workmanship of new housing in England<sup>4</sup> and the subsequent follow-up inquiry, in June 2018, into how an ombudsman could help drive up standards in housebuilding and improve consumer rights.<sup>5</sup> Therefore the onus is not only on government and those organisations that make up the new regulatory frameworks to raise awareness but also on those who supported their creation. To build such awareness, we have created this report to help in understanding the role and remit of the NHQB and how it has been set up to support consumers through the sales process into occupation and beyond. The report also seeks to make various recommendations to increase the overall quality of the new-build housing market.





# Chapter 1 – Introduction

Quality is about the greater public good we expect from our buildings to promote human health, safety and wellbeing.

Ensuring that buildings are of high quality forms one of the pillars of CIOB's [Corporate Plan 2023-28](#), deriving that good-quality construction promotes health, safety and wellbeing, while at the same time delivering social, cultural, environmental and economic benefits. Conversely, poor-quality construction has real costs. In 2023, the Building Research Establishment (BRE) concluded that poor-quality housing is costing the NHS near to £1.4 billion a year, while the societal costs could be much higher. The BRE theorises that poor-quality housing causes “a loss of economic potential (poorer educational achievement, loss of productivity, career prospects) for victims of hazards, family carers and employers”.<sup>6</sup>

So, what does good-quality construction look like? Is it a building that can last for over 30 years, keep its inhabitants safe, provide space for a healthy lifestyle, promote sustainability as a core principle or be built in such a manner that its users are not having to pay to remediate or fix issues early on in its life? Well, arguably it is all those and more.

The construction industry has made significant progress in recent years to guarantee that buildings are constructed to a high standard. New environmental regulations now govern the energy efficiency of new housing, while space and lighting standards ensure that converted buildings create acceptable dwellings. Alongside this, professional bodies such as CIOB is developing new training and guidance to improve competence of the workforce.

Despite this, there are still concerns about quality in certain sectors, particularly the new-build housing sector.

Poor quality, or the perception of poor quality, has been particularly well publicised when it comes to new private housing in the UK. However, before we can understand the exact nature and standard of new-build properties in the UK, it is important to define exactly what a new-build home is. According to Nationwide Building Society, a new-build property is defined as one that has been “built, converted or refurbished within the last two years, which has never been sold”.<sup>7</sup>

Ultimately the perception of poor-quality housing has resulted in a nervousness from some to trust housebuilders to deliver on their commitments. This view was reflected in our survey of 2,000 UK adults, examining their views on the new-build market, where 44% of people stated that they had low to no level of trust in housebuilders to deliver new-build homes to a high standard.<sup>8</sup>

This report will focus on the idea that new housing is of lower quality than older homes, to find out if that is the case. It will also look at what has been done in recent years to provide new homeowners with ways to hold housebuilders to account if quality does fail, as well as to look at what else can be done to ensure that quality is not sacrificed during the build process.

# Chapter 2 – The current state of housebuilding

## Housebuilding in statistics

The UK's private housing stock makes up a clear majority of the current market, with around 15.6 million owner-occupied households (around 64% of all households in 2021/22)<sup>9</sup>. In 2022, housebuilding also made up over a quarter (26.7%) of total construction output.<sup>10</sup>

The private housebuilding sector remains the largest deliverer of new homes, with 2022 seeing the highest number of new homes registered in nearly two decades (141,757)<sup>11</sup>. According to the Department for Levelling Up, Housing & Communities (DLUHC), 210,070 new-build homes were built in

2021/22.<sup>12</sup> In terms of approved projects, in 2022 the Home Builders Federation (HBF) reported that overall numbers of approved housing units totalled 323,416, a 12% decline from 2021.<sup>13</sup>

Housebuilding has become a very politicised subject, with planning reforms and increasing the quantity of new housing playing a key role in the political manifestos of each of the major political parties at the most recent general election, in 2019. The spotlight that is now on the industry has coincided with a number of key challenges affecting the build rate of new homes, including:



**A lack of available skilled workers in the construction sector, as a result of a large number leaving the UK after Brexit as well as many retiring or leaving the sector during the Covid-19 pandemic.**



**Increasing costs of land and other considerations early in a project's lifetime, causing budgets to be drawn down later in the process.**



**The increased cost of materials, due in part to the ongoing conflict in Ukraine and the fluctuating economic situation.**



**Constrained local authorities and their inability to provide assurances that projects will be decided on in a consistent and timely manner.**

These have combined to create a situation where housebuilders are spending more money up front in sourcing materials, labour and land, which has the potential to lead them to drive down costs elsewhere in the project, leaving quality as perhaps a second thought.



# CIOB consumer polling

To underpin the findings of this report, CIOB commissioned a poll of 2,000 UK adults, asking consumers directly about their sentiment and view of new-build housing in the UK. We asked a variety of questions relating to people’s opinions of new-build housing, to what extent they trust housebuilders to deliver quality new homes, and how likely they are to purchase a new-build home, among other issues.

Chart A

**How, if at all, do you perceive the quality of new-build homes compared to older properties? “New-builds” are defined as properties that have been built, converted, or refurbished within the last two years, which have never been sold.**

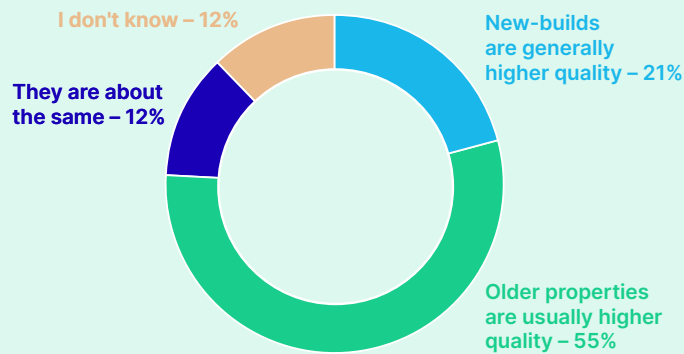
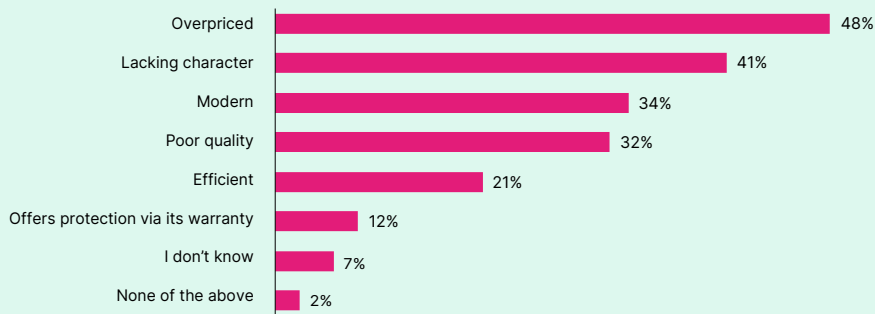


Chart A shows that respondents to the survey largely believe older properties to be of higher quality than new-build properties. This points to a resistant perception generated over time, despite many indicators suggesting new-build properties are built to a higher standard with more oversight and regulation. Research from Zoopla indicates that new-build buyers save an average of £2,600 per year on energy bills.<sup>14</sup>

Chart B

**Which, if any, of the following best describes your opinion of new-build housing?**



The data in Chart B points to some of the main descriptors that people would choose when asked to share their opinion on new-build housing. It is positive to see that “modern” is used by around 34% of respondents. It also makes sense that “overpriced” is high up on the list of terms, given the currently high price of housing in England and the ongoing cost-of-living crisis as well as the regular “added extras” that consumers are encouraged to purchase as non-standard. However, it is concerning that, when given a list of terms and asked to pick three, 32% chose to describe new-build housing as “poor quality”.

## Chart C

To what extent do you trust housing developers, if at all, to deliver new-build homes to a high standard?

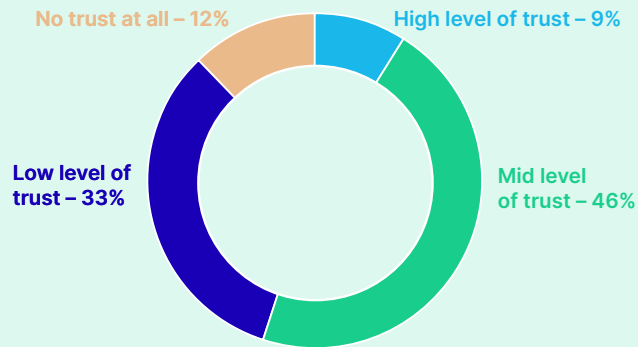
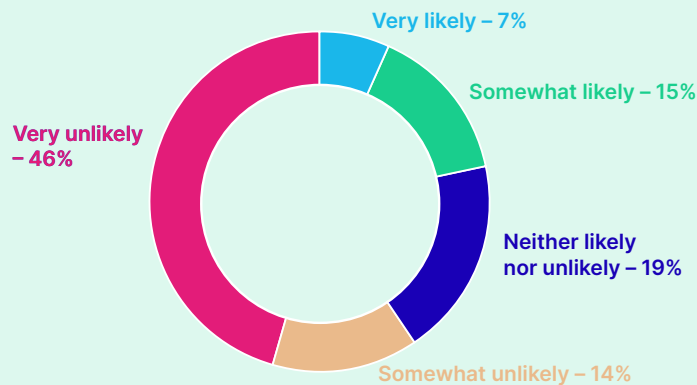


Chart C indicates that a serious lack of trust in developers to build new homes to a high standard has become embedded in society, with around 33% indicating they have a low level of trust. Notably, 11% of the 659 respondents who expressed a low level of trust had purchased a new-build home in the last 12 months.

## Chart D

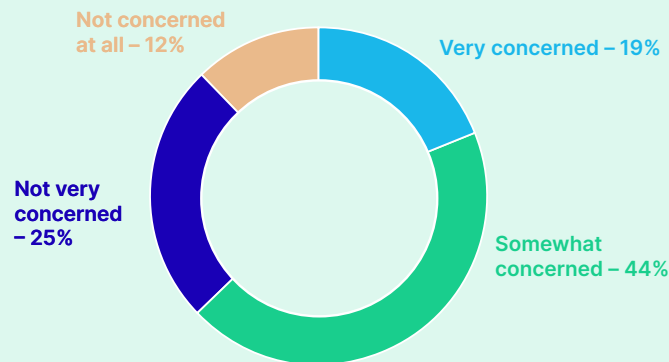
How likely or unlikely are you to purchase a new-build home in the next 5 years?



What we see in the data (Chart D) is that nearly half (46%) of respondents are very unlikely to consider purchasing a new-build home in the next five years. It should be noted that the survey was not targeted at those looking to purchase a new home, but this response does again point to a preconceived opinion of new-build housing as being of poor quality when compared against older housing. When looking at an age split, 10% of respondents aged 18-24 chose "very unlikely", as did 11% and 12% of those aged 25-34 and 35-44, respectively. However, this upward trend drops off dramatically as only 4% of those aged 45-54 chose "very unlikely" and only 1% of those aged 55+.

Chart E

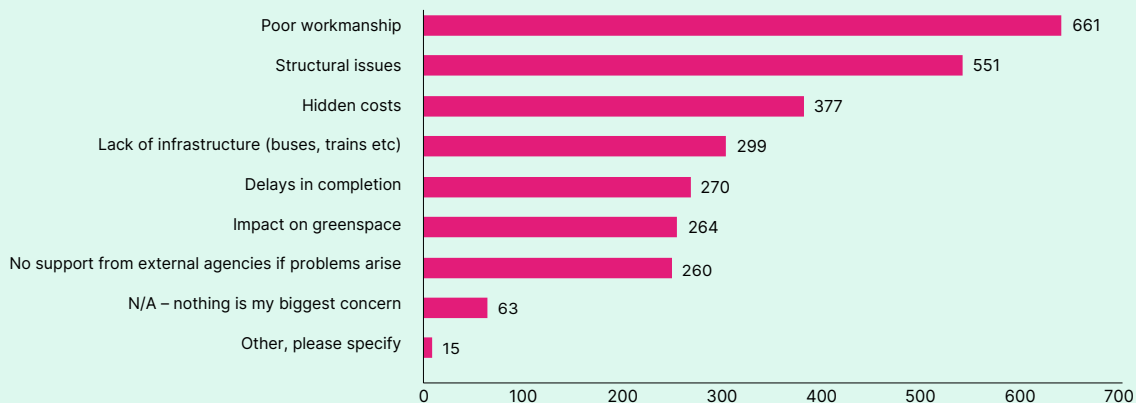
**How concerned, if at all, are you about potential issues with new-build housing?**



Turning to Chart E, the figures indicate that a significant percentage of respondents are either very or somewhat concerned (63%) about potential issues in new-build housing. This is somewhat unsurprising, given the significant negative media coverage garnered by the industry in recent years.

Chart F

**What, if anything, is your biggest concern with buying a new-build home?**



Some of the primary concerns that respondents expressed with new-build housing centre around the construction process rather than purchasing or post-occupation. Concerns around poor workmanship account for a significant proportion of responses and, while work has been done to ensure that quality is placed at the forefront of the construction process, well-publicised mistakes have led to a concern with the quality of work of construction professionals. This is why new regulatory mechanisms such as the NHQB and the NHO have been brought in, to address quality issues that are unreasonable for consumers to burden. The CIOB and other professional and trade bodies in the built environment strive to ensure that their members are provided with the skills and training necessary to ensure their work is of the highest standard. However, these bodies cover only a percentage of the construction sector. More needs to be done to encourage workers to take time to invest in the training necessary to ensure they are fully competent.

Chart G

**If you had a problem with your home after you moved into a new-build property, what resource, person, or organisation would you most turn to for help?**

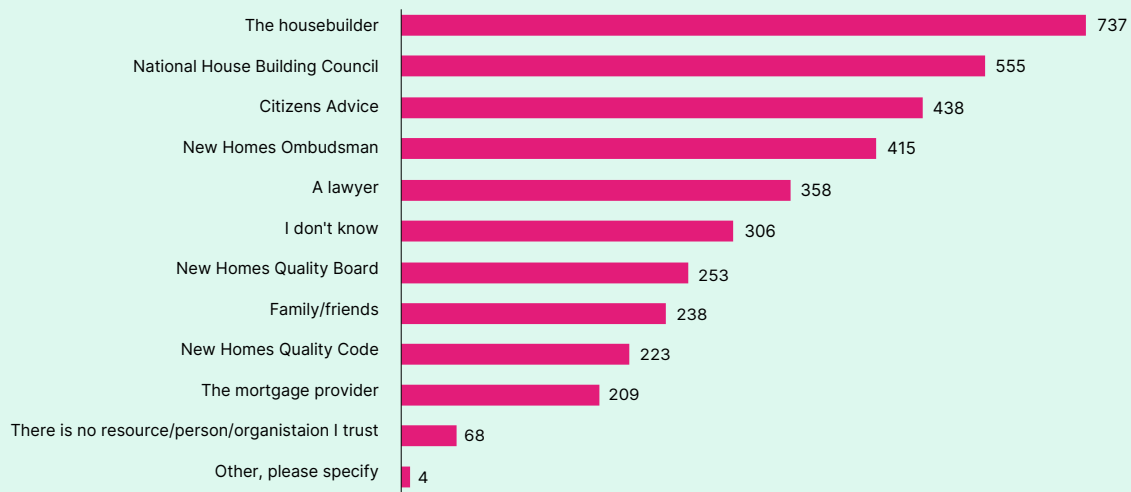


Chart G demonstrates that consumers would turn first to their housebuilder if they had an issue with their new-build home. While this is the correct first step in resolving an issue, it is notable that many consumers would then go to either their warranty provider – the National House Building Council (NHBC) – or to Citizens Advice before turning to the NHQB or NHO for help in resolving an issue with their new home. These organisations have been set up specifically to act as a mechanism for consumers to make use of should they not be able to resolve an issue directly through their housebuilder, so it is disappointing that they are so low down on this list.

Chart H

**If you were looking to purchase a new-build home, which of the following features, if any, would you most look for?**

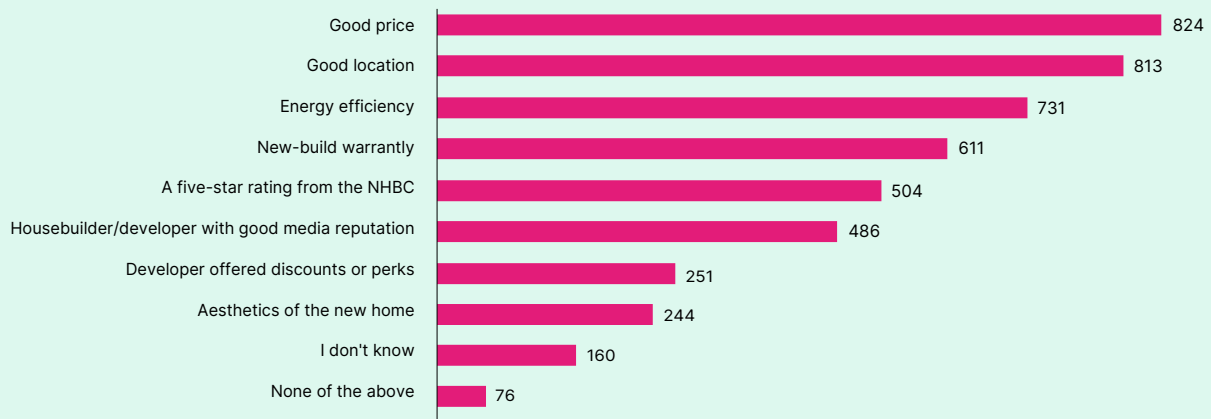


Chart H provides information on some of the indicators that consumers look for when purchasing a new home. This shows that while good location and energy efficiency are the two primary factors driving consumers, securing a warranty to protect the purchaser for two years remains an important factor. Meanwhile Chart I shows poor location is the biggest motivator preventing consumers from purchasing a new home, and Chart F (earlier) illustrates that 24% of respondents chose lack of infrastructure as their biggest concern when purchasing a new home. This all helps give a picture of the expectations consumers have when making such a significant purchase.

## Chart I

### Which, if any, of the following would most prevent you from purchasing a new-build home?

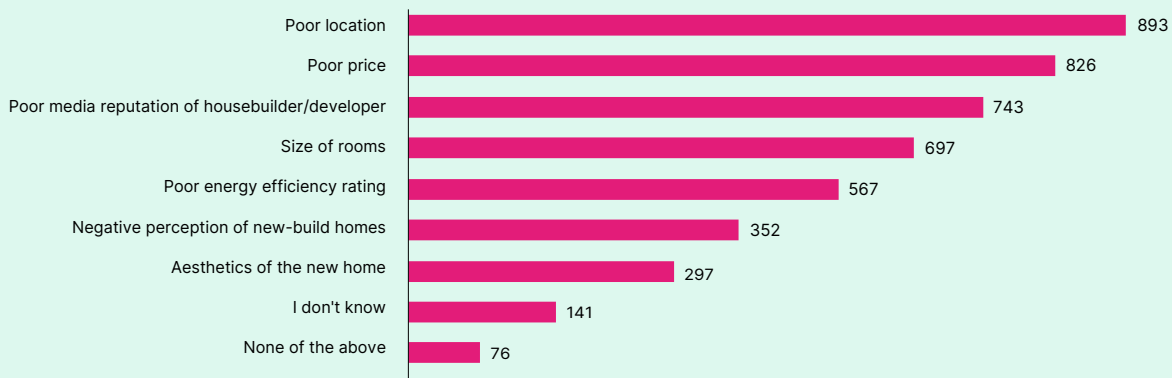


Chart I shows some of the key factors that would prevent consumers from purchasing a new home. Among the most common factors cited were poor location and poor price – both issues that consistently affect consumers, regardless of the state of the construction or housebuilding sector. However, the housebuilder having a poor reputation in the media also scored highly as a deterrent for potential purchasers.

## The quality challenge

While the overall quality of the built environment may have made great strides forward through the adoption of new regulations such as the Building Safety Act 2022, the perception remains that the quality of new-build housing does not match up to homes constructed by previous generations.

Research from property investment firm FJP Investment into sentiment towards new-build housing found that 60% of respondents worried new-build houses and flats might be completed to a low standard, with “poor workmanship and underlying issues”.<sup>15</sup>

In the first chapter we defined what good quality looks like in the built environment, but what does it look like for new-build housing? According to David Wilson Homes, a high-quality new-build home will:

- **Require less maintenance;**
- **Come with warranties to cover any building snags;**
- **Deliver energy-efficient living;**
- **Feature exceptional finishes so there is no need for any renovation.**<sup>16</sup>



While it may be commonplace for new-build properties from reputable housebuilders to include warranties that cover the purchasers for 10 years for any defects found after they move in, data suggest more issues are being identified by homeowners than in previous years.

Findings from the most recent national new home customer satisfaction survey (2023) by the NHBC and the HBF highlighted that 95% of respondents reported problems with their home to their builder since moving in, while 32% had reported 16 or more defects to their builder.<sup>17</sup> This 32% represents a seven percentage point increase from the number of people reporting 16 or more defects in 2021.<sup>18</sup>

However, it must be made clear that 90% of respondents to the same survey said they would buy a new-build home again and 88% were either very or fairly satisfied with the quality of their new home.<sup>19</sup> While this is a useful indicator to suggest that consumers are broadly happy with the final product, it must be noted that the survey is taken from a sample of 60,655 respondents who purchased a new home in the 12 months from October 2021. In this time frame around 140,800 new private homes were completed in England, so this presents only around half of the picture.<sup>20</sup> It also does not include shared ownership or housing association new home completions, where problems in expectation versus reality may also occur.

## Why are new builds being perceived as poor quality?

It is not necessarily surprising that new-build housing is under scrutiny. At a time when incomes and savings are being affected by the cost-of-living crisis, consumers are expecting as much return on their investment as possible. Unfortunately, there are numerous examples in the media of new-build properties being torn down shortly after construction. In Cambridgeshire, 80 new-build properties in September 2023 were being earmarked for demolition after issues were found with the foundations, while 148 new-build flats were torn down in east London in 2022 after structural issues were detected. While these may be the worst-case scenarios, they are certainly not isolated incidents of problems in new-build homes.

The NHBC and HBF customer satisfaction surveys indicate there is work to be done on ensuring consistent quality throughout the new-build market. While 80% of respondents in 2021 were either very or fairly satisfied with the standard of finish in their new home, this figure fell two percentage points in 2023, showing a slight decline in overall satisfaction.<sup>21,22</sup>

This has not been helped by the tendency for housebuilders to use CGI imagery to advertise their schemes on pre-sale agreements and throughout the associated planning applications, creating an expectation that is often unrealistic and far removed from the final product.

When unrealistic expectations are combined with consistently poor media coverage on the quality of new-build housing, it only assists in driving down consumer confidence. For instance, the new-build housing sector faced scrutiny from the Financial Times in a piece on mortgage premiums, which tracked the sale price of new-build houses as they aged from initial sale by the housebuilder through subsequent sales. The research found that new-build homes tend to sell at a higher price than older housing stock and above local trends on initial sale, but this price point declines rapidly in subsequent years. Specifically, new-build homes tended to fall around 10% below local trends by seven years after construction.<sup>23</sup>

In 2017, it was well publicised that a large volume housebuilder was required to pay upwards of £7 million to customers who claimed they had been pressured into purchasing and moving into incomplete houses. At the same time, a YouGov-commissioned poll by Shelter found that over half of homeowners who had recently purchased new-builds in England stated they had “experienced major problems including issues with construction, unfinished fittings and faults with utilities”.<sup>24</sup> Both the Shelter report and the establishment of a fund for fixing new-build defects came at a time when complaints about poor-standard new-build homes were rising.

This is not to say that it is only bad news coming from the new-build housing industry. Results from the HBF and NHBC surveys indicate a year-on-year increase in customer satisfaction, with 89% saying they were very or fairly satisfied with their new home in 2021, a three percentage point increase from the year before. In the same 2021 survey, 91% said they would recommend their builder to a friend, which represents a seven percentage point increase from five years previously.<sup>25</sup> While this still leaves a significant number of customers dissatisfied with their property, there is clearly work ongoing to increase consumer satisfaction.



New-build housing also provides an opportunity for new, creative solutions to longstanding problems, such as reducing overall energy bills by increasing the sustainability of the home. There are many other significant benefits, such as the purchase incentives that may come with a new home (with the builder deferring or covering stamp duty), generally lower bills as heating systems improve, and chain-free purchases, as well as warranties – which are not available with older housing purchases.<sup>26</sup> For example, many housebuilders suggest that new homes are significantly cheaper to run and use overall less energy in the long term when compared with older homes. In

2022, the HBF released a report that contained statistics on the comparative running costs of new-build versus older homes. The report found that, on average, the combined bills for older homes were close to double those for new homes (£1,029 per year compared with £555 per year). The biggest differential cost in this calculation was heating bills, which on average were 59% cheaper per year.<sup>27</sup>

Poor perceptions perhaps stem from a few bad examples of poor-quality housebuilding that have not been sufficiently addressed, as well as the overwhelmingly negative media coverage that the housebuilding sector has received in recent years. Regardless, the responsibility of organisations working in the built environment is to provide a high-quality product for their consumers. It represents a fundamental failure if poor practice or poor outcomes are the result of construction. Buying a new home is likely to be one of the most expensive purchases a consumer will make in their lifetime, so it is paramount that what is delivered represents value for money.

# Chapter 3 – Snagging – helping to identify what has gone wrong

Part and parcel of purchasing a new home in the current market is accepting that there will be some snagging issues. While these may not be significant structural issues, they can still be frustrating for consumers, who will have to begin a process of negotiation with their housebuilder to fix them.

However, the crucial problem may be in identifying them in the first place. Some issues (snags) may be obvious, such as dents or scratches in the floors, or fittings and fixtures such as plug sockets that do not work. However, some are much less obvious or can only be identified after a home has been occupied for a substantial period of time, such as incorrectly fitted guttering or issues with loft insulation which may not be identified in the summer months.

The risk of not taking the time to understand what snags there may be with a new home is clear in financial terms. Under the warranty period of a new-build home, a consumer has two years to identify snags and make the

housebuilder aware so that it can fix them. If a snag is not identified within this two-year period, the onus is on the consumer to pay for the work. The costs of remediating some of the most common snags can be extensive, with repair work to guttering costing around £30 a metre and re-insulating a loft costing from around £400 upwards.<sup>28</sup>

To assist in understanding the importance of snagging, we interviewed [New Home Quality Control](#) (whose director is John Cooper), a property inspection company based in Swansea but covering England, Scotland and Wales. The results of the interview are referred to throughout this chapter.





## How can I identify snags in my new-build?

Snags can refer to a wide number of potential issues in a new home, from cosmetic concerns such as a poor paint job or a cracked tile to more significant issues such as bowed walls or cracked foundations. The most common and most comprehensive method of identifying snags in a new-build home is to commission a snagging survey. These are entirely optional and can be commissioned by consumers to provide an extra assurance that what they are purchasing matches up with expectations. Once commissioned, the snagging company or building inspector will conduct a thorough survey of the new home and produce a list of issues for the consumer to then take to their housebuilder.

The cost of commissioning a snagging survey is low in comparison with the potential costs that could be incurred if issues are left to be resolved after the warranty period. New Home Quality Control sets the prices of its snagging surveys according to the number of bedrooms in a property. For example, a survey on a three-bed property would cost £399, a four-bed £499 and a five-bed £599.

Most consumers could be overwhelmed by the purchasing process and may not have the knowledge of construction necessary to correctly identify issues that are not merely aesthetic. It is also the case that while some snags may be obvious, there are others of which the average consumer would not be aware and which could intensify over time. Employing a competent construction professional to examine a property and identify such issues could be vital to ensure that consumers get what they have paid for.

## How long does it take to complete a snagging survey?

According to New Home Quality Control, it takes their surveyors between three and four hours on average. However, this is dependent on the site, size and type of home.



## When should I get a snagging survey?

While a two-year warranty period is a long time to remediate any defects, if a professional organisation is employed to identify issues early in the purchase process then these can be fixed well in advance of the warranty running out. Alongside this, if a snagging company is commissioned during the exchange then snags can be identified before moving in. So it is advisable to commission a survey as soon as possible.

This point was highlighted by New Home Quality Control, which outlined that there are predominantly two types of snagging surveys, a pre-completion survey and a post-completion survey. As the name suggests, a pre-completion survey is done prior to the new home being finished; however, it was suggested that these surveys, while useful, are limited in their scope. Typically, surveyors undertaking pre-completion surveys are only allowed to access an incomplete

property for a specified period of time and may not be able to undertake some of the more intrusive work such as removing bath panels or key fixtures. It must be noted that pre-completion surveys are undertaken in line with a checklist of issues to look at provided by the NHQB. This checklist will undoubtedly evolve over time, meaning that pre-completion surveys will become more extensive.

With post-completion surveys, it was noted that if a consumer waits to commission a survey then there is a danger of their housebuilder arguing that certain aesthetic snags such as dents or damages to walls could have been caused by the consumer when moving in, so New Home Quality Control recommends that a surveyor is commissioned to look at a property the day after keys are exchanged.

## What are the most common issues identified by snagging surveys?

For the purposes of this report, we have split this section into two lists. One contains some of the most common snagging issues identified through surveys, the other lists the less common issues that are perhaps harder for consumers to spot. Both lists have been informed by the interview with New Home Quality Control.

# Most common snags

(which can probably be identified by the average consumer):

- Doors not fitted correctly (rattling in their hinges while shut, having gaps that are uneven or not closing or opening properly)
- Squeaking staircases
- Fixings (radiators or shelves) that are not level
- Sockets that are not secured to the walls
- Leaking pipes (particularly in the kitchen or bathroom)
- Issues with decoration (paint or plastering)
- Sealant issues with windows
- Poor or inconsistent carpentry
- Blocked guttering
- Inconsistent brickwork
- Walls not being true (level)
- Cracks in the walls or ceilings

# Less well-known snags

(which the average consumer may not be able to identify):

- Tile vents in the roof being incorrectly installed
- Perps to brickwork not being consistent across the whole exterior
- Trickle vents in windows not opening or closing properly
- Low-level windows not being fitted with British Standards Institute (BSI) Kitemark safety glass
- Spindles in handrails being unevenly spaced apart
- Painted areas not being properly prepped
- Incorrect fire doors
- Warped doors, meaning draft excluders do not work properly
- Lagging or insulation on water pipes being incorrectly fitted<sup>29, 30, 31</sup>

It was noted during the interview with New Home Quality Control that, previously, one of the most common issues with new-build homes was incorrectly fitted fire barriers, but this has improved in recent years.



## How often do consumers use snagging companies?

During the interview we conducted with New Home Quality Control, it was highlighted that snagging companies like this are busier now than ever. Whether this indicates that the quality of housebuilding may not be to the standard we expect or whether snagging has just become a normalised part of the purchasing process is hard to identify. However, it was indicated that consumers cannot rely on the positive reputation of a housebuilder from previous schemes. Quality can be dictated by many factors, including the expertise and level of engagement of the site manager appointed to oversee the work and sign off the final product, and this varies from scheme to scheme. Therefore it is positive to hear that most consumers, regardless of location and housebuilder, are commissioning snagging surveys or budgeting for it as part of their purchase.

## Is the snagging sector professional?

There are many reputable snagging companies in the market with a good Trustpilot score and ample positive reviews. However, the construction sector has always faced challenges with inconsistency and inadequate training or accreditation for professionals. The same issues apply across all aspects of the industry, including in construction or building control organisations. Many snagging companies are learning on the job. New Home Quality Control noted in the interview that it regularly shares survey results, including specific issues and their resolutions, with all its surveying staff. This ensures consistency in how issues are reported across all the geographic regions it covers as well as in the recommendations being made to housebuilders on how to fix those issues.

As an industry we need to ensure not only that we have a competent construction workforce but also that those carrying out the checks within construction are

competent. The risk is that they incorrectly identify snags or miss them altogether, risking wasted expenditure by either the housebuilder or consumer.

It is unclear what percentage of those undertaking snagging surveys are covered by or registered with a professional body. At present it appears that they would be best suited to membership of the [Residential Property Surveyors Association](#) (RPSA). Registration under a professional or trade body typically acts as a mark of quality and competence, because members must undertake regular CPD to maintain their standards and ensure they keep up to date with developing techniques in the housebuilding sector. Membership of a unified professional body is also a useful way to gain access to networks of other professionals who may be able to provide examples of more efficient ways of working or innovations in methodology.

## How can snagging help improve quality?

One of the key takeaways from the interview with New Home Quality Control was that persistent issues with quality in new-build housing could be solved by housebuilders employing independent snagging companies to come into projects throughout the construction process in order to identify, as they occur, issues that would otherwise later be defined as snags. Not only would this help improve overall quality, as the checks would be in place for the entirety of the construction period, but it would also save potentially disruptive fixes from being carried out after the purchasers move into their new homes.



# Chapter 4 – New regulatory frameworks

Creating new regulatory frameworks to govern areas such as sustainability and quality is a common approach in the construction sector.

A well-documented example is the [Building Safety Act 2022](#). This has been implemented to ensure that all existing buildings in England above 11 metres or seven storeys high are remediated to avoid a repeat of the Grenfell tragedy. The legislation also focuses on ensuring that work on any building is performed by competent professionals and assessed at all stages to ensure fire safety risks are minimised.

This is a perfect example of a problem being identified, a new set of rules being created to avoid its recurrence, and an industry coming together to accept a new way of working.

This approach has been used in recent years to try to address issues relating to poor-quality new-build housing where they arise, primarily through the formation of the New Homes Quality Board (NHQB). This next section will explain what the NHQB has been set up to achieve, its responsibilities and how it can help consumers by providing protections on quality matters through the New Homes Quality Code (NHQC) and New Homes Ombudsman (NHO).

## What is the NHQB?

The NHQB is an independent body formed by the government to introduce and oversee a framework that governs the quality of new homes in the UK as well as the customer service provided by housebuilders.<sup>32</sup> The overarching purpose of the framework is to “ensure consistently high standards of new home quality and service, improve developer behaviour, and provide compensation for buyers if these standards are not met”.<sup>33</sup>



## What is the new framework?

To underpin the work of the NHQB, a New Homes Quality Code (NHQC) has been published which provides housebuilders with a series of requirements to abide by. These cover every aspect of a new home purchase, from initial sale through to two years after the home has been occupied.

The NHQC is currently in its fourth version and can be accessed in both English and Welsh in large or normal print [here](#).

The NHQC is reliant on housebuilders registering with the system and agreeing to follow the principles of both the NHQB and the NHO. Once registered, housebuilders will be required to accept the decisions of the NHO in any future contact with customers. If a registered housebuilder fails to meet the standards set

out by the NHQC, it will be referred to a discipline and sanctions committee, which will decide what actions can be taken against the housebuilder. These range from one-off fines to mandatory retraining for employees or removal from the list of registered housebuilders. A housebuilder being registered with the NHQB will be a mark of quality and a guarantee of protection for purchasers.

It must be noted that registering with the NHQB is not a substitute for meeting other, pre-existing standards and regulations, such as the Building Regulations 2010, the Building Safety Act 2022 or the upcoming Future Homes Standard.

The NHQC is set out in two stages, the Statement of Principles and the Practical Steps.

### NHQC Statement of Principles <sup>34</sup>

This section of the NHQC sets out the main principles that registered housebuilders must stick by in order to maintain their registration. They include:

1. **Fairness** - Treat customers fairly throughout the buying and after-sales process.
2. **Safety** - Carry out and complete work in line with all regulations and requirements that apply to the new home.
3. **Quality** - Complete all work to a high standard in line with all standards and regulations that apply, and make sure that completion is not certified until the new home is actually complete.
4. **Service** - Have in place systems, processes and staff training to meet the customer service requirements set out in the code, and not use high-pressure selling techniques to influence customer decisions.
5. **Responsiveness** - Have in place a reliable after-sales service and effective complaints procedure to make sure responses to customer queries are clear, thorough and provided in good time.
6. **Transparency** - Provide clear and accurate information about buying the new home, including tenure and any costs the customer may have to pay in the future, such as ground rents and service charges.
7. **Independence** - Make sure that customers know they should appoint independent legal advisers when buying a new home and that they have the right to ask for an independent pre-completion inspection before completion takes place.
8. **Inclusivity** - Take steps to identify and provide appropriate support to vulnerable customers and make sure the code is available to all customers, including in appropriate formats and languages.
9. **Security** - Make sure there are reasonable financial arrangements in place, through insurance or otherwise, to meet all their obligations under the code, including repaying deposits when due and any financial awards made by the New Homes Ombudsman Service.
10. **Compliance** - Meet the requirements of the code and the NHO Service.

# NHQC Practical Steps<sup>35</sup>

**This section of the NHQC is more complex and relates to the various stages of purchasing and occupying a new home, as well as what is expected of registered housebuilders at each of these stages. They include:**

## 1. Selling a new home

When selling a home, housebuilders must hold themselves to a high standard in the information they provide. This includes ensuring they provide customers with fair and complete information about the property, and no misleading information or high-pressure sales tactics can be used. Customers must be able to choose their own legal or other advisers, and housebuilders must be clear about fees or benefits they receive as a result of recommending a service or professional adviser to a customer.

In terms of sales information and marketing, housebuilders must also ensure that any collateral is written in plain language and is relevant to the information customers need at this stage. Housebuilders must also declare at this stage that they are registered with the NHQB in writing as well as by housing the NHQC logo on their brochures, in their offices and on their website.

The NHQC provides a list of items on which housebuilders must properly inform and not mislead customers. These include service charges, completion dates and property specifications, among other items.

## 2. Legal documents, information, inspection and completion

The NHQC sets out the various stages of purchasing a new home and specifies requirements and expectations relating to each stage. Some of the main requirements from each stage include:

- Early bird arrangements – These can be offered as an option for purchasing a home prior to plots going up for general sale, and the housebuilder can charge for such arrangements as long as fees do not exceed £150 for reservation.
- Reservation agreements – Requirements are set out for the terms that the housebuilder and the customer must enter into when forming a reservation agreement, including that copies must be signed digitally or in person and that terms must be clear and fair.
- Cooling-off period – This is a 14-day period for a full refund if the customer pulls out of the reservation. It also establishes that the housebuilder does not have the right to cancel or enter into a new reservation agreement while the reservation agreement remains valid.
- Pre-contract of sale – The housebuilder must provide suitable and relevant information to the customer's legal adviser to ensure the customer is making an informed decision. Information should include a summary of cover provided by the home warranty, the tenure of the home, a list of contents in the new home and details of any services, facilities and responsibilities which may not be transferred immediately on completion, among other items.
- Contract of sale – The terms of the contract of sale must be clear, fair and written in plain language. The code also sets out broadly what the contract of sale must do, which includes defining the completion notice period and setting out the circumstances in which the customer may cancel the contract of sale, among other requirements.
- Pre-completion inspection checks – Registered housebuilders must provide an opportunity for a customer to visit the new home, as well as appoint a qualified inspector to carry out pre-completion checks before the completion date.
- Changes – The housebuilder must inform the customer in writing if there are any major changes to the details set out in the reservation agreement. Major changes in this instance refer to anything that alters the size, appearance or value of the new home (including the layout inside the home).
- Completion – Various milestones are set out that must be met as part of the completion process, including finishing the construction of the new home, the final quality assurance inspection, the local authority inspection, and other milestones.
- Incomplete and additional work – The housebuilder must provide a full and accurate list of all incomplete work related to the planning permission granted, including any incomplete roads, recreational spaces and so on, as well as estimated completion times for these assets.
- Repaying deposits and fees – The housebuilder must have arrangements in place to protect any advance fees paid, including deposits and reservation fees.





### 3. After-sales service, complaints and the New Homes Ombudsman

Under the NHQC, registered housebuilders must ensure that an adequate after-sales service and complaints procedure are in place for customers to access.

Housebuilders registered with the NHQB must provide after-sales services for at least two years after purchase. While the code does not set out explicitly what these services must include, it does establish that they must be accessible to all customers, and that housebuilders must provide a clear written statement of all their after-sales service procedures. As part of this process, housebuilders must also provide an explanation of their responsibility to put right any problems (including snags and defects) that are identified within two years of the purchase.

The after-sales process must also include an explanation of how a customer can make a formal complaint about any issues if they are not happy with how the housebuilder proposes to address them.

The NHQC is clear that housebuilders must have a system for receiving and dealing with any complaints or issues raised by customers. Customers must be provided with a written copy of the complaints process through a letter, brochure or leaflet or by email, or housebuilders can provide it on their website. This must include information on how to refer any complaint or dispute to the NHO if they cannot reach an agreement with the housebuilder or are not happy with the outcome of a complaint.

More information on what a housebuilder's in-house system of complaints must include can be found on pages 25-26 of the NHQC [here](#).

### 4. Solvency, legal rights and jurisdiction

This section of the code establishes the need for the housebuilder of a new home (and seller if they are different from the housebuilder) to have sufficient finances or insurance to ensure protection from insolvency as a result of any financial awards made by the NHO through its powers under the NHQC.<sup>36</sup>

## How can I find out if my housebuilder is covered by the NHQC?

A current list of all registered housebuilders under the NHQC can be found on its website [here](#).

## What else is the NHQB responsible for?<sup>37</sup>

The NHQB website provides an overview of its primary responsibilities outside of the NHQC.

These include:

- Overseeing the independent NHO Service
- Providing support and information to consumers and the industry
- Holding the register of developers of new-build homes
- Collecting an annual registration fee from housebuilders to fund the new arrangements
- Disciplining and sanctioning poorly performing housebuilders
- Reporting and publishing details on industry performance

These responsibilities are backed up by the NHQB's core aim, which is to deliver a step change in how the housebuilding industry fundamentally works and to provide customers with a means to hold housebuilders to account for failures in quality and customer service.

## What is the New Homes Ombudsman and what powers does it have?

The NHO is the independent service set up as part of the NHQB to establish whether a registered housebuilder has met the requirements of the NHQC in relation to a complaint raised by a customer.

While the NHO is ultimately a punitive mechanism, a key aspect of its role is to act as a mediator between housebuilder and customer to agree a solution without needing a formal decision. If this is not possible, the NHO will examine available evidence and provide a judgment as well as what remedies it proposes, if any.

Remedies could include:

- An apology and explanation
- Putting the matter right
- Payment of compensation for loss up to £75,000
- Taking any other action in the interests of the complainant as the NHO may specify<sup>38</sup>

While the decision of the NHO is binding for registered housebuilders, it does not have to be accepted by customers, who can seek alternative action through alternative legal mechanisms such as taking action through a county or small claims court. However, we would advise customers to make use of the free framework that the NHQB has established, if possible.

# The NHO in practice

At the end of July 2023, the NHQB published the decision and learnings from the first adjudication of the NHO. The case in question was brought forward by a customer who had reserved a new-build property with an estimated completion date of seven months after exchange. The customer was concerned that the purchase would not be completed within their mortgage offer period.

After negotiations, the customer still held concerns that a “long stop” included in the contract would potentially delay the exchange beyond their agreed mortgage offer so pulled out of the reservation. After a period of time the customer changed their mind and decided to proceed with the original terms of the contract; however, the housebuilder had already proceeded with another offer. The case was then referred to the NHO which, after examining evidence from the customer and the housebuilder, judged that the housebuilder had followed the requirements of the NHQC and had been transparent with the information provided and fair in its treatment of the customer.<sup>39</sup>

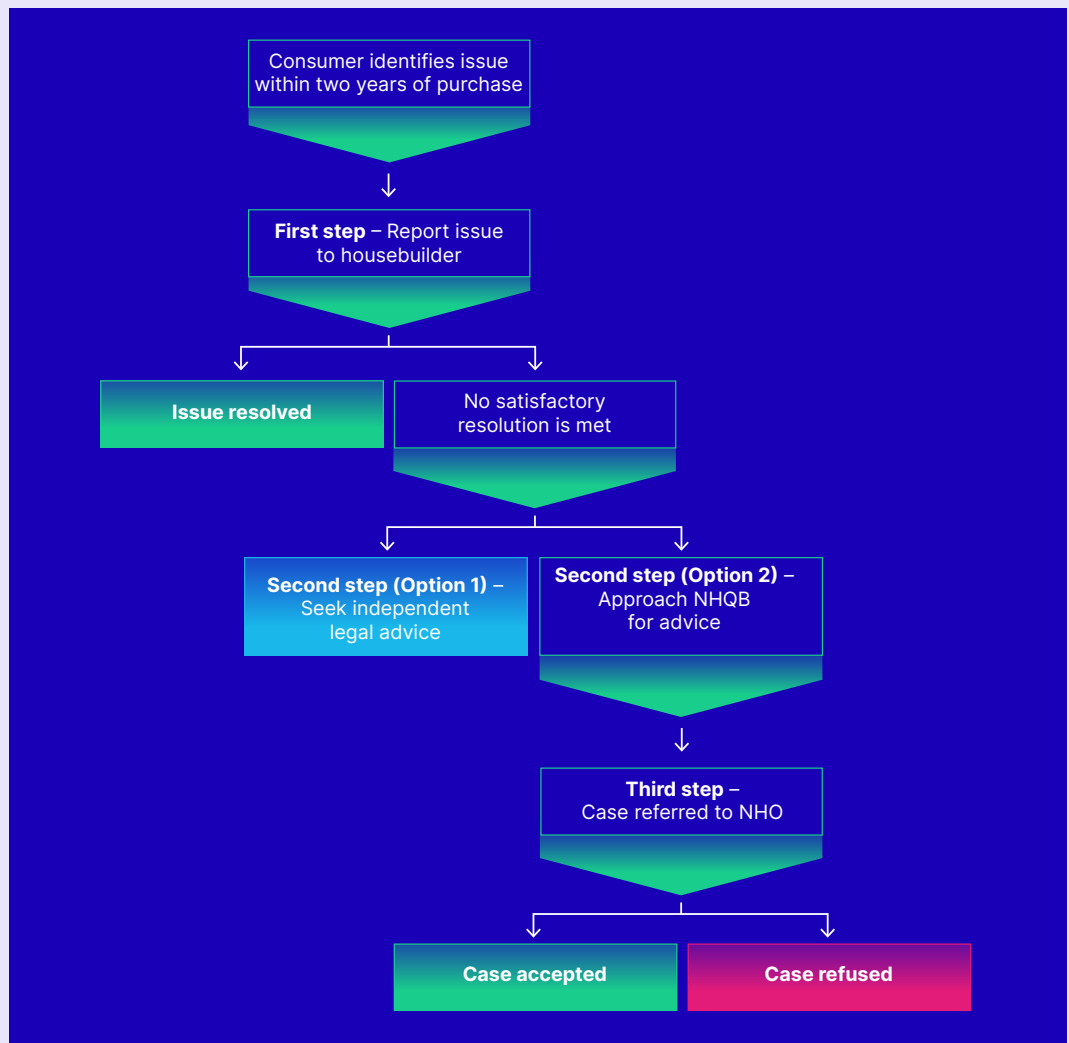
In September 2023, the NHO published a case study on its second decision. The complaint centred on the information provided by a housebuilder in relation to covenants on a purchased property, as well as a lack of support provided to the customer. Furthermore, a secondary complaint emerged relating to the time taken for the housebuilder to communicate with the customer in relation to the issue.

The NHO conducted further inquiries and gathered its own evidence on the case, ultimately deciding that aspects of the complaint submitted were justified in respect of the way the housebuilder had handled the customer’s complaint. The NHO judged the housebuilder’s processes fell below the standards of transparency in the NHQC and that it had taken too long to respond to the customer’s queries. The conclusion of the case awarded £200 “in recognition of delays and inconvenience caused by the way in which the customer’s concerns had been handled”.<sup>40</sup>

## At what stage should I contact the NHO?

It is important to distinguish between the NHQB and the NHO in this instance. The NHQB is the body set up to regulate housing development quality, while the NHO is there to enforce decisions and deal with complaints where the customer is not satisfied with the resolution set out by the housebuilder on a matter of quality, information or customer service.

Therefore, in the case that a customer has a complaint against a registered housebuilder, they must contact the NHO. However, it is important that the customer first attempts to solve the complaint through the housebuilder's established complaints procedure prior to contacting the NHO.



## What is next for the NHO and NHQB?

There are provisions under Section 136 of the Building Safety Act 2022 for the government to amend the regulations so that housebuilders are mandated to sign up to the NHQB and NHO. Although this has not yet been enacted, it would appear to be a logical next step to ensure the new regulatory regime is robust and that housebuilders can legally be held to account for providing a poor service.

# Interview with NHQB and NHO\*

Over the course of September and October 2023, the CIOB conducted interviews with Leon Livermore, the then chief executive of the NHQB, and Alison MacDougall, ombudsman of the NHO. These interviews provided further clarity on the purpose and operations of both organisations as well as their aspirations for growth in the future. Some of the observations are included below.

## **Why are these organisations needed?**

We asked both the NHQB and NHO why they felt the advent of the new frameworks governing quality and accountability were necessary steps to protect consumers.

Both interviewees outlined that the previous consumer protection landscape in the new-build housing sector failed to cover all aspects of the purchasing process including sale, occupation and post-sale services.

At the same time, the NHO and NHQB pointed towards the significant investment that consumers make when purchasing a new home, and how, given the scale of the financial commitment, it is only right to ensure that adequate protections are in place to cover them if something goes wrong.

Looking specifically at what was in place prior to the formation of the NHQB, Mr Livermore said that the consumer protection landscape had evolved to the extent that people were protected by an ombudsman when purchasing new technology. However, no such system existed for people purchasing a new home – arguably the biggest purchase of their lives – which was particularly remiss when consumers were so reliant on a single source of information, in the form of their housebuilder.

On this point, Ms MacDougall stated that the emotive nature of housebuilding meant that, at the time in which the NHO was formed, the sector was under significant scrutiny over the quality of the products that it delivered. However, there were

faults with the consumer protection in this sector – mainly that existing codes did not cover all aspects of the purchase and were too closely linked with warranty providers, creating a perceived lack of independence from each other. Therefore the formation of both organisations was necessary to create a code that covered more of the customer's experience and had a sense of autonomy.

## **The impact of quality**

During the interviews, we discussed what the NHQB and NHO feel has contributed to a dip, or perceived dip, in the quality of new-build housing as well as how quality impacts on consumers.

While both interviewees were asked the same question, their answers differed in that Mr Livermore highlighted some of key failings of the industry in general, while Ms MacDougall pointed to the opportunity the NHO provides for improving the quality of consumers' experiences.

Specifically, it was stated that key to understanding the prevailing opinions towards new-build housing is an awareness of the current trend in media reporting on the industry. Mr Livermore said that "issues [snags, workmanship] that perhaps wouldn't have received attention in the past are now being highlighted because of the nature of modern media, modern technology and modern society". He added: "Dips in quality, according to the evidence that we have, are shown to be rare; however, housebuilding is an extremely emotive subject – what may

merely be a small fault to the housebuilder can mean everything for the purchaser.” This was caveated with the point that there are also certain sections of the housebuilding industry that need to be more accountable for how they operate. For instance, housebuilding is often seen through a technical lens, instead of being viewed through the eyes of the consumer, so while a house may be technically sound, it is not reflective of what consumers expect for the money they have invested.

On this question, Ms MacDougall pointed out that it is fair to say the quality of new-build housing has improved in recent years, and the formation of the NHO has been a key step in both holding housebuilders to account and ensuring that the consumer journey is as smooth as possible. However, there are still issues in quality that must be addressed. At present, there is a variance in the types of codes covering the purchase of a new home, as well as a large number of warranty providers and dispute resolution organisations. The impact over time of the often confusing number of organisations operating in this field is that consumers are unsure about what they are covered for, when they are covered and by whom. Ms MacDougall felt that, overall, the quality of experience would be improved if there were a single unified code and provider of free independent redress covering consumers for the purchase of their new home.

### Frequency of use

To understand the extent to which people are approaching the NHQB and the NHO for assistance, we asked both interviewees about the number of approaches they receive, how many of these are considered to be within the scope of the organisations, and how many active cases they have currently.

A key theme that arose was that uptake in the services of both the NHQB and the NHO is increasing, largely because more housebuilders and therefore houses are coming into the scope of the powers of both organisations over time. It was also noted

in both interviews that, while contact has increased, there are still a large number of cases being brought to both the NHQB and the NHO that are out of their scope, as either the housebuilder was not registered with the NHQB, or it had not yet passed through all stages of registration, or the customer had not gone through the complaints process with the housebuilder prior to contacting the NHO. Both Mr Livermore and Ms MacDougall agreed that many of the cases which have come to the NHO so far are focused on the pre-sale process, as it is unable to judge cases that pre-date its existence. This is expected to change over time, and more cases will be dealt with relating to build quality or after-sales care.

Ms MacDougall highlighted that many of the enquiries that have come through to the NHO, so far, have been to ask whether the NHO would assist in the event that an issue does occur, rather than asking for help with an issue that has already occurred. It is also worth noting that in instances where the enquiry pre-dates either the formation of the NHO or the registration of the developer in question, the NHO team has always sought to provide advice on alternative possible means of redress.

#### Some of the key statistics provided include:

- Since its inception in 2022, the NHO has received around 2,000 enquiries from consumers, and more of these are coming under the scope of the NHO as the months progress.
- Between the start and end of August 2023, the NHO has been contacted by 271 consumers relating to complaints about the purchase, occupation or pre-sale service of their home.
- The NHO currently has 12 active cases which are either going through a mediation process to try to reach a settlement between the housebuilder and the customer or are going down a punitive route.
- The contract signed between the NHQB and the NHO accounts for processing around 2,000 applicable cases a year.

- It is expected that, once the registered housebuilders list is complete and the NHO is fully operational, it will deal with around 500 cases a year – based on 180,000 new homes a year being sold in the UK.
- The aspiration from the NHQB is that all housebuilders currently going through the process of registration will be fully signed up by the end of 2024, increasing the number of applicable cases.
- The average time for a housebuilder to complete its registration is currently around 206 days.

### Publication and awareness

We asked what level of awareness of both the NHQB and the NHO exists among the general public and what more could be done to publicise their services, if necessary.

Despite much agreement throughout the two interviews, Mr Livermore and Ms MacDougall seemed to disagree when it came to answering this question. Initially Mr Livermore said that awareness “amongst the general public [is] almost zero; amongst those buying a new home, probably a bit more, but not much”. However, it was caveated that a high level of public awareness would probably denote that housebuilders were not doing what they should to uphold quality throughout the process, so it is arguably a sign that the NHQB is working that people do not need to know about it.

In contrast, Ms MacDougall contended there is little to suggest that those going through the process of purchasing a new home are not aware of the NHO and its functions. However, it is harder to quantify the number of people not purchasing a new home who are or are not aware of the NHO.

### Receptiveness and engagement

It is key to the success of these new frameworks that the industry actively engages with them, so we asked how interviewees felt this relationship was working out.

The common theme that emerged was one of positivity about the receptiveness of the industry to a system that seeks oversight of the way they interact with customers. While, of course, not everyone has yet signed up to the new systems, there was broad agreement that those who have engaged have been very receptive. It was also highlighted that those who have registered have been open to sharing examples of best practice, so that they can become a core part of the provision of advice by the NHQB to registered housebuilders on how to improve customer satisfaction. This is particularly helpful for SME housebuilders, who do not have the resources to consistently invest in new methods. It was highlighted that when all the housebuilders now going through the registration process become approved (and are included on the list of registered housebuilders), the NHQB will have around two thirds of all new homes built in the UK protected by the NHQC.

Ms MacDougall said that, during the first few years of the NHO, she had spent a lot of time speaking with the industry to encourage them to “step away from a mindset of viewing the quality of a new home as ‘technically correct’, to put themselves in their customers’ shoes and ask themselves if they would find what they built acceptable”. It was said by both organisations that the industry has done a lot of work to move away from this technical mindset.

When discussing housebuilders which have not yet signed up to the NHQC, it was mentioned that the relationship between the NHQB and the industry is split into those that became engaged early in the process and understood why this was necessary, those who waited to understand more about how the NHO would operate, and those that feel they have adequate services in place already, or which are too small to consider it necessary or financially viable.

## Future role

To understand how the NHQB and the NHO can continue to play a role in the housebuilding sector or evolve to play more of a role, we asked both interviewees how they felt their organisations could evolve over time.

Key to ensuring that the NHQB and the NHO are able to operate as the primary bodies to hold housebuilders to account for any mistakes during the construction process is utilising their full capabilities. The primary legislation exists within the Building Safety Act 2022 to require all housebuilders to be registered with a New Homes Ombudsman scheme. The Secretary of State has yet to decide if and when to enact these powers.

Both Mr Livermore and Ms MacDougall stated the importance of progressing the functions of the NHQB and the NHO to make compliance with the NHQC a mandatory process for all housebuilders. To this end, Mr Livermore stated: "I think that we are at the point where this needs to become statutory, with the NHQC at the heart of it." He added that the board governing the activity of the NHQB is already in place and planning for operation within a statutory framework is underway. Once statutory, there will be a better understanding of future budgets which can then be allocated to increase the work that the NHQB is doing on consumer advice. This certainty in the future income stream will give the NHQB freedom to expand its role to raise awareness of its services and to dedicate more time to providing housebuilders with advice on how to ensure their sales processes do not fail consumers.

Ms MacDougall also alluded to the point on capacity, saying it has been an important step in the progress of the NHO that resources are allocated in advance of predicted growth to ensure that at no point is the NHO overwhelmed and unable to deal with new cases. Ms MacDougall highlighted that she is keen to see the NHO take an active role in raising the standards of the industry, by providing examples and case studies of where complaints have been dealt with in an exemplary manner as well as what has been done by other organisations to ensure that quality is at the forefront of the customer experience.

\*The interview section above has been amended after recent discussions with the new Chief Executive of the New Homes Quality Board, Emma Toms. The interview now contains a more up-to-date and accurate figure on the relationship between the NHQB and housebuilders, noting that, when all existing registrations are complete then the NHQC will cover more than two thirds of all new homes built in England, Scotland and Wales, instead of '80% of all housebuilders'. For further information on the registration process, and the developers that have registered, please go to: [www.nhqb.org.uk/register-of-developers.html](http://www.nhqb.org.uk/register-of-developers.html)





# Chapter 5 – What more can be done?

Outside of the new regulatory frameworks, the government has an increased role in dictating new-build housing quality. However, the CIOB believes there have been many missed opportunities that could be capitalised on.

Powers provided by the current planning framework alongside new changes to the Building Regulations, including the [Future Homes Standard](#), allow government, both locally and nationally, to oversee the level of quality of developments at the planning stage. However, this does not always translate to what is then built on site. Additional steps could be taken to improve quality across the board, and some of these are set out below.

## **For housebuilders**

Key to breaking through the barriers created by a poor perception of the current new-build housing market is ensuring that housebuilders provide a consistently high-quality product across the UK. At a time when there is an ongoing skills crisis and materials shortages, corners must not be cut in the name of saving costs.

Alongside ensuring that what is delivered is of high quality, regardless of location, type or tenure, the housebuilding sector must step up to demonstrate that what it provides is in accordance with the new rules and regulations governing quality. This will not only help provide assurances to those purchasing a new home but also go a long way in reassuring those who harbour negative perceptions of new-build homes generated by poor press and outlying examples of bad-quality housebuilding.

To this end, we recommend that all housebuilders operating in England sign up to become regulated by the NHQB and accountable to the NHO. The cost of signing up to these systems is minimal when compared with the potential benefits and the mark of quality that it provides to consumers. Currently, the new frameworks are estimated to have an 80% market share of

housebuilders in England, which leaves 20% unaccountable for the quality of the homes they provide. This needs to be addressed to promote the new-build housing sector as a provider of much-needed good-quality housing.

## **For government**

As stated in this report, the initial intention on the formation of the NHQB and the NHO was that they should act as a mandatory system for all housebuilders in England. However, this was altered to make the system voluntary at its outset, with powers established in the Building Safety Act 2022 to change this later if necessary.

We support the calls from the NHQB and the NHO to undertake a review of the frameworks to consider making registration mandatory for all housebuilders. The review could assess how the systems are working, identify any ways in which they could be improved, and establish whether it is financially viable to make registration mandatory for housebuilders.

Quality in housebuilding should not be an option, and consumers should always have access to recourse if their purchase is faulty or does not operate as intended. Therefore, to grow the reach of the NHQB and the NHO

and to ensure the housebuilding sector is compliant with guidelines governing fair practice in the sales, occupation and post-sale stages, we recommend that the government explores triggering the power to make signing up to the new frameworks mandatory as part of the evolution of the Building Safety Act 2022.

The NHQB has generated a fully costed and modelled business case for making registration mandatory. This can be developed further in collaboration with industry experts, professional bodies and the government to understand its feasibility.

### **For industry**

It is fair to say that the industry has garnered a negative reputation on the back of examples of poor work and poor practices which have led to unfair costs to consumers or even loss of life. It is therefore of paramount importance that all sectors of the industry seek to professionalise and raise standards to meet the expectations of consumers.

Not only should this apply to construction, surveying, architecture, planning and the like, but it also needs to apply to less regulated sectors such as snagging. It is important for there to be a unified set of standards, underpinned by recognised trade and professional bodies that seek to improve knowledge and training in the sector and can make recommendations to both government and industry on how to eliminate the poor practices that have crept into the everyday operation of the built environment.

Looking at snagging specifically, the fundamental operation is to check the work of other built environment professionals. Therefore it is paramount that those carrying out the work are both professional and have the skills, knowledge and experience to spot all of the potential issues. It is also important that organisations in this sector grow and learn in tandem with the housebuilders to understand new technologies and ways of working.

### **For the NHQB and NHO**

While some of the responsibility for promoting new frameworks that govern quality in new-build housing rests on the shoulders of government and the organisations that supported their creation, there is an important role for both the NHQB and the NHO in advertising their services. While it is paramount that those in the process of purchasing a new home know about the existence of organisations that can help them hold their housebuilders to account, it could be argued that low awareness among the public in general could deter consumers from considering a new-build home in the first place.

If consumers do not know that in buying a new-build home they would be covered by an independent organisation backed by the government and the built environment sector, then they may be more inclined to opt for an older home which they see as having been built to a higher standard. Conversely, the knowledge of coverage and protection could go a long way in driving more customers to consider purchasing a new-build home – which is, as evidenced above, more economically viable and more sustainable than the older housing stock in England.

To date, the quality board and ombudsman have been working on building their profile among housebuilders to secure a large market share voluntarily signed up to the new regulatory frameworks. Now that this has been broadly achieved, we recommend they embark on an awareness-raising campaign to extend the knowledge of the system to the general public, not just those who are already looking to purchase a new-build home. Strengthening public awareness may also be the step necessary to encourage the remaining housebuilders which have not yet signed up to become registered with the NHQB. In this sense the NHQB could act in a similar way to an organisation like Checkatrade, which has become a trusted source of information on and reviews of tradespeople.

# Chapter 6 – Conclusion

Construction, as an industry, has done extensive work in recent years to improve upon poor working practices and conditions. Progress has also been made to fix longstanding issues such as the lack of diversity within the sector as well as the overall safety of the buildings in which we work and live.

The same can be said when looking at the overall quality of buildings. Housing quality has improved year on year, and consumers are generally happier with their final product. However, this has not translated into either positive press coverage or positive perception among those who are not already engaged in purchasing a new-build home.

Of course, it should be reiterated that not everyone's experience with purchasing a new-build home has been positive and, despite the overall improved experience, there are all too often cases in which consumers have been let down. The construction sector has a duty to improve the general consistency with which products are delivered across the board, but this is especially the case when it comes to the building of new homes.

Consistency can partly be achieved through better regulation, which is where the NHQB and NHO come in. Case studies produced by both the ombudsman and the quality board point to the positive impact they have had for both housebuilders and customers. They have provided strategic advice and acted as mediators to achieve a reasonable resolution to issues of quality in purchase, initial occupation and post-sale. The implementation of both systems represents a fundamental step forwards in both consumer protection and quality.

However, they are severely limited by the voluntary nature of both systems. Therefore, as mentioned above, enshrining them as statutory will be necessary to push the rest of the housebuilding industry to sign up as registered developers and comply with the steps set out in the NHQC. This could be the next catalyst for change needed to improve people's overall experience with the new-build housing sector and could help address the longstanding perception issues that have obstructed general willingness to purchase a new-build home.

Alongside this, fundamental to this report has been the issue of awareness. It has been clear from our own consumer polling as well as through interviews with the NHQB and NHO, that awareness of their purpose and even existence is low among the general public. A concerted, collaborative approach needs to be taken to promote the NHQB and NHO to ensure that steps are taken to increase awareness among those considering purchasing a new home.

Taking these two tasks in tandem, making quality control compulsory in housebuilding and building the public profile of the NHQB and NHO represent an opportunity that can be grasped by the government to evolve the good work started in the Building Safety Act 2022. It must be remembered that delivering on housing commitments is not just about meeting numbers; it is also about making sure that what is delivered represents good-quality construction.

# References

- 1 Rightmove, [House Price Index](#), October 2023
- 2 Waldrons, [Transaction Forms Explained](#)
- 3 Survey of 2,000 UK adults in September 2023 conducted by Markettiers
- 4 All Party Parliamentary Group for Excellence in the Built Environment, [More Homes, Fewer Complaints](#), July 2016
- 5 All Party Parliamentary Group for Excellence in the Built Environment, [Better Redress for Homebuyers](#), June 2018
- 6 Building Research Establishment (BRE), [The Cost of Poor Housing in England by Tenure](#), 2023
- 7 Nationwide, [New Build](#)
- 8 Survey of 2,000 UK adults in September 2023 conducted by Markettiers
- 9 Department for Levelling Up, Housing & Communities (DLHUC), [English Housing Survey 2021 to 2022: Headline Report](#), 15 December 2022
- 10 Chartered Institute of Building (CIOB), [The Real Face of Construction 2023](#), 25 April 2023
- 11 National House Building Council (NHBC), [House Building Up in 2022 Despite Challenges in Final Quarter](#), 28 February 2023
- 12 DLHUC, [Housing Supply: Net Additional Dwellings, England: 2021 to 2022](#), 24 November 2022
- 13 Home Builders Federation (HBF), [New Housing Pipeline](#)
- 14 Zoopla, [The True Cost of Upgrading an Older Home to New Build Energy Standards](#), 27 February 2023
- 15 FJP Investments, [UK Property Investors Sentiment Towards the Buy-to-Let Market](#), October 2019
- 16 David Wilson Homes, [Are New Build Homes Better Quality?](#), 27 April 2022
- 17 National House Building Council (NHBC) and Home Builders Federation (HBF), [National New Home Customer Satisfaction Survey](#), March 2023
- 18 NHBC and HBF, [National New Home Customer Satisfaction Survey](#), March 2021
- 19 NHBC and HBF, [National New Home Customer Satisfaction Survey](#), March 2023
- 20 DLUHC, [Live tables on housing supply: indicators of new supply](#)
- 21 NHBC & HBF, [National New Home Consumer Satisfaction Survey](#), March 2022
- 22 NHBC & HBF, [National New Home Customer Satisfaction Survey](#), March 2023
- 23 Financial Times, [The Problem with New-build Property](#), 19 October 2021
- 24 The Guardian, [More Than Half of New-build Homes in England 'Have Major Faults'](#), 2 March 2017
- 25 NHBC and HBF, [National New Home Consumer Satisfaction Survey](#), March 2022
- 26 Home Owners Alliance, [Pros and Cons of New Build](#)
- 27 HBF, [Greener, Cleaner, Cheaper](#), 17 March 2022
- 28 The Mirror, [10 Most Common New-build Snagging Issues – and How Much They Could Cost You](#), 18 August 2021
- 29 Petty Son & Prestwich, [Snagging List: The Ultimate Checklist For New Build Homes](#)
- 30 Show House, [The Eight Most Common Snags Found in New Homes](#), 18 November 2020
- 31 New Home Quality Control (NHQC), [Common Snags in 90% of New Build Homes](#)
- 32 New Homes Quality Board (NHQB), [About Us](#)
- 33 NHQB, [About Us](#)
- 34 NHQB, [Code of Practice](#), January 2022
- 35 NHQB, [Code of Practice](#), January 2022
- 36 NHQB, [New Homes Quality Code Version 4](#), 24 February 2023
- 37 NHQB, [About Us](#)
- 38 New Homes Ombudsman Service (NHO), [An Introduction to the New Homes Ombudsman](#), 15 May 2023
- 39 NHQB, [LinkedIn Post – New Homes Ombudsman Adjudicates Their First Complaint](#), 28 July 2023
- 40 NHO, [New Homes Quality Code Parts 1 and 3: Mis-selling Restrictive Covenants, Complaint Handling](#), September 2023





**The Chartered  
Institute of Building,**

3 Arlington Square,  
Downshire Way,  
Bracknell,  
RG12 1WA, UK

Tel: +44 (0)1344 630 700

[ciob.org](https://www.ciob.org)

Registered Charity No.  
(England and Wales)  
280795 and  
(Scotland) SCO41725

**INVESTORS IN PEOPLE®**  
We invest in people Silver

© Copyright 2023



**CIOB**

The Chartered  
Institute of Building