



STUDY REPORT

SR 287 (2013)

New House Owners' Satisfaction Survey 2012

MD Curtis



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from the Building Research Levy.

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Preface

This is the second in a series of reports on our New House Owners' Satisfaction Survey. The data was obtained through surveying new homeowners on the performance of their builder. The purpose of the survey is to aid work done on building industry performance measures.

Acknowledgments

This work was funded by the Building Research Levy.

Note

This report is intended for new home builders and customers looking to build their own home.

New House Owners' Satisfaction Survey 2012

BRANZ Study Report SR 287

MD Curtis

Abstract

A survey of new home owners was undertaken to determine how highly they rated their builder and how satisfied they were with the builder's performance. The survey's response rate was just over 29% and covered all detached housing consents in New Zealand where the owner did not build their own house. This was the second New House Owners' Satisfaction Survey we have taken out and in general, results improved from the previous survey. The call back rate fell from 72.3% in the 2011 survey to 67.9%. Some 12.4% of respondents stated that they would speak critically about their builder which is lower than last survey.

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1. INTRODUCTION

This report presents the findings of our New House Owners' Satisfaction Survey for 2012. All findings relate to the 1258 surveys we received from new house owners on the performance of their builder (a 29% response rate). This large survey sample size provides accurate results with a minimal margin of error.

2. SUMMARY

The main findings of the report are:

- Satisfaction levels were generally high. New homeowners were most satisfied with the performance of their builder during the buying process and the overall quality of their home.
- New homeowners rated the standard of finish of their new home highly. The fixing of defects after first occupancy was rated poorly.
- The majority of new homeowners had a big say in the design of their home with 50.2% of respondents stating they selected a design from the builder's standard plans with some changes by owner and 40.4% selecting a one-off design by an architect/architectural designer with major/total owner input.
- The two most common methods for choosing a builder were having them recommended by friends/family or by looking at their show home.
- The most important feature in choosing a builder was their quality/reputation, with 78.3% of respondents stating this was an important feature.
- Where the lowest price was an important feature in choosing a builder, the satisfaction scores/ratings were generally worse than when other factors were more important.
- Almost half of respondents had a fixed-price contract including all trades but asked for changes after signing the contract. This type of contract had the greatest percentage of respondents having disputes with their builder over final costs (14.9% of respondents).
- Overall 12.1% of respondents had a dispute with their builder over final costs.
- The call back rate was 67.9%. The most common reason for call backs was paint defects.
- Some 12.4% of respondents would speak critically about their builder.
- Overall 2012 saw an improvement from the 2011 survey in the majority of aspects that we measure.
- In general, franchise builders scored less favourably than one-off design builders.

3. METHOD

A total of 4313 surveys were sent out to new homeowners for consents taken out between April 2011 and March 2012. This period was used to largely represent houses that were completed in the 2012 calendar year. Some 1258 surveys from around New Zealand have been returned and represent the results presented in this report. Incentives were offered for the return of survey forms.

A total of 423 (9.8%) of the survey forms either could not be delivered or were returned to us without the survey form being filled in.

A copy of the survey form is in the Appendix.

4. RESULTS

The following results are presented mostly in charts. The data for these charts is provided in tables in the Appendix.

4.1 Overall Satisfaction

The following two charts illustrate satisfaction levels and ratings of new homeowners towards their builder, designer and new home.

Figure 1 shows the levels of satisfaction of the new homeowner on six different aspects. New homeowners were most satisfied with the overall quality of their home with 93.6% of respondents reporting satisfaction and only 2.9% reporting dissatisfaction. The lowest level of satisfaction was with the service provided by the builder after moving in, with 78% of respondents being satisfied and 13.9% being dissatisfied.

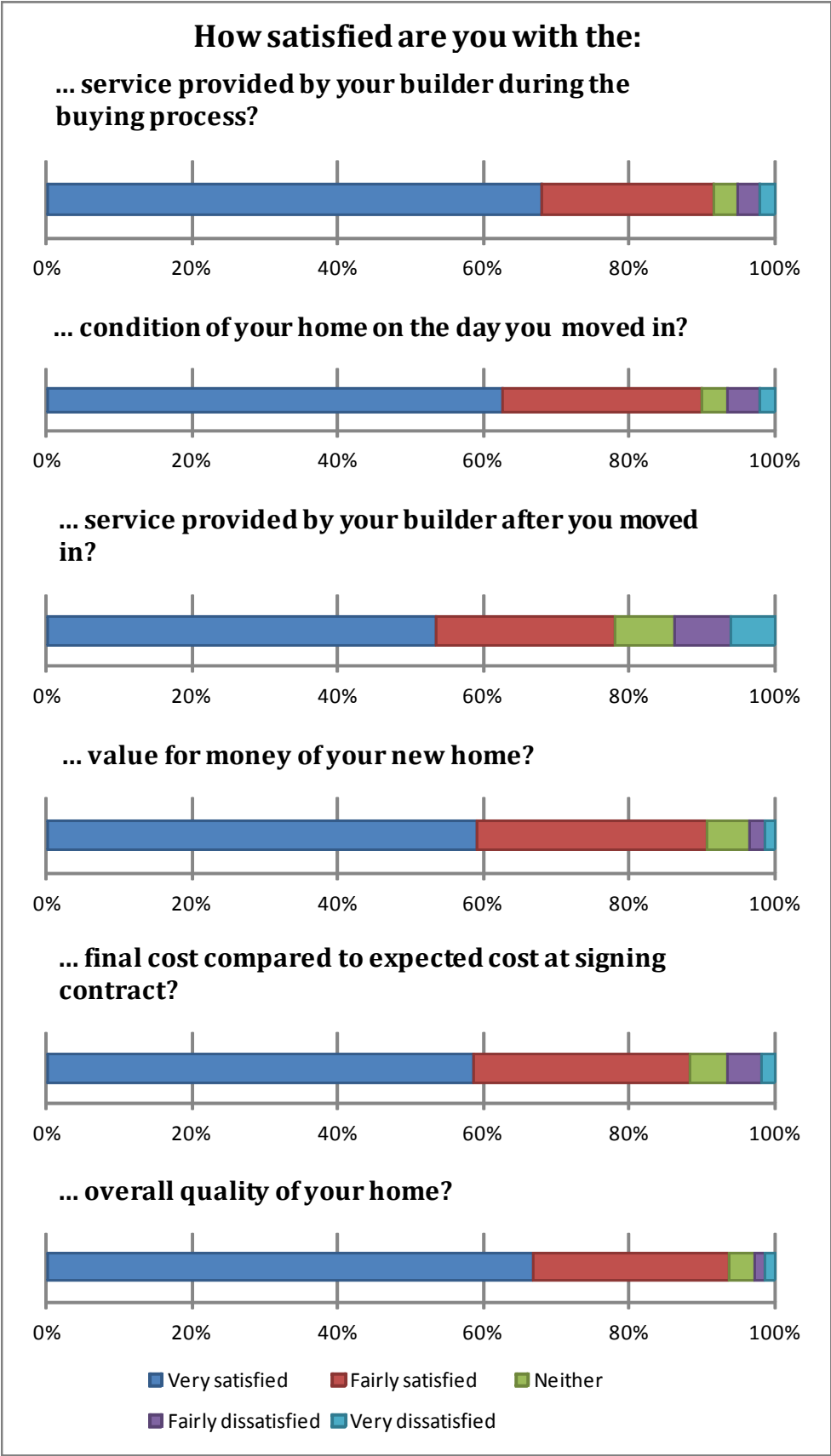


Figure 1 Satisfaction Levels

Figure 2 shows ratings of the new homeowner on four aspects. The fixing of defects after first occupancy (where defects have been present) rated lowest, with 20.9% of new homeowners in such situations rating their builder poorly in the fixing of those defects.

The standard of finish of their new home rated highest for new homeowners, with 90.6% of respondents rating the standard of finish good compared to just 5% that rated it poor.

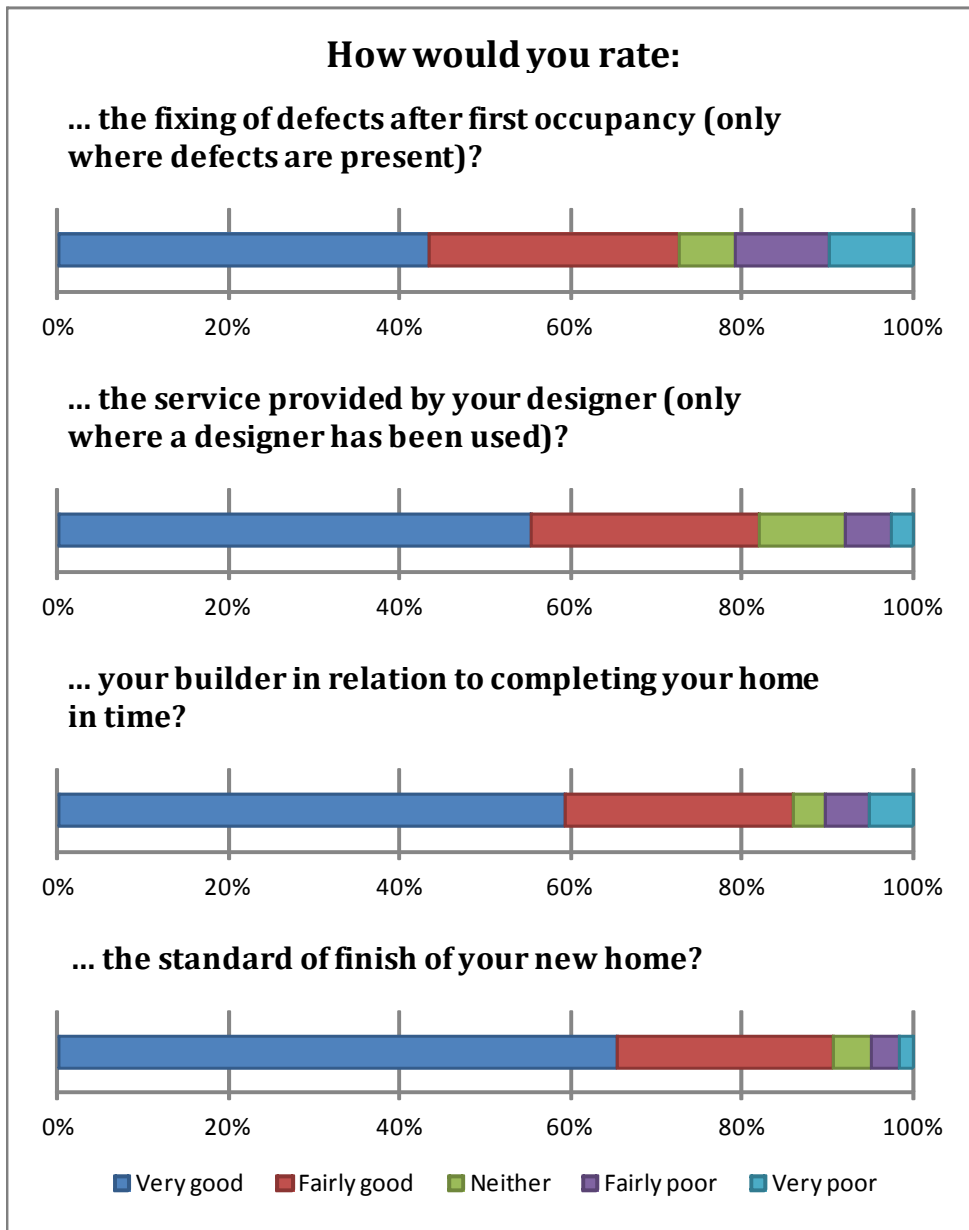


Figure 2 Ratings

4.2 Input into House Design

The majority of new homeowners had some input into the design of their house before it was built. Most common was to select a design from the builder's standard plans with some changes by the owner, with over half of respondents choosing this method. Just over 40% of respondents had a one-off design by an architect/architectural designer

with major or total owner input (this included owners that designed the house themselves). Only 1.4% of respondents did not make any changes to the builder's standard plan.

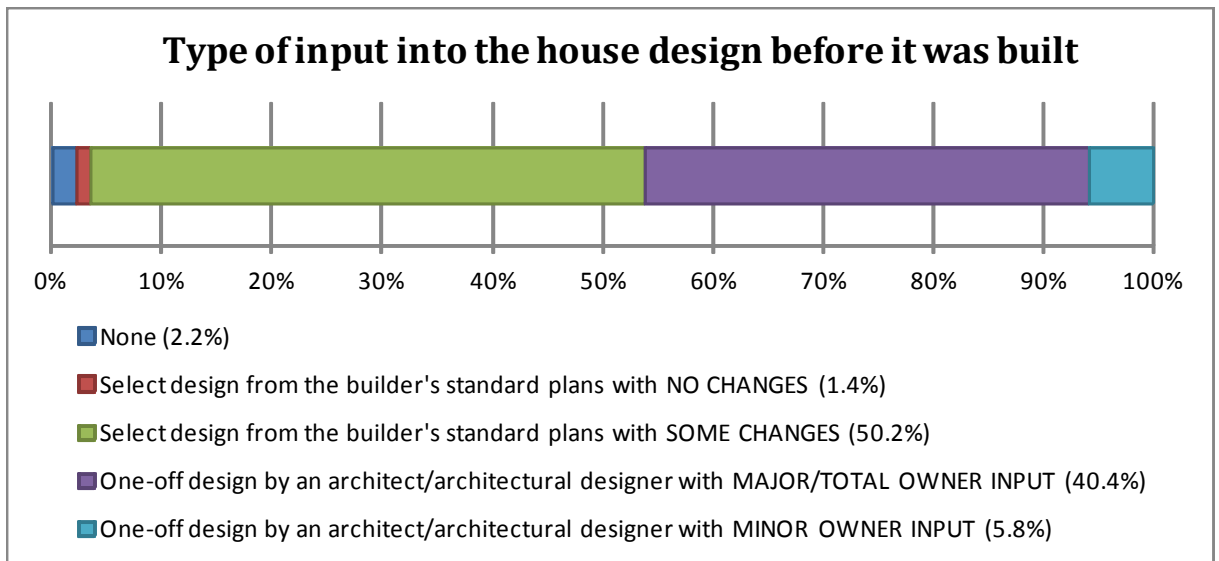


Figure 3 Type of Input into House Design

The following table shows how the type of input into house design affected the overall levels of satisfaction and ratings as shown in Section 4.1. With the lowest average rating being 3.92 for the fixing of defects after first occupancy, there is not a great spread of average scores based on the type of input.

Looking first at the average scores for homeowners that selected a design from the builder's standard plans with no changes, it had four of the lowest average scores and four of the highest. These homeowners were more satisfied than others with the service provided by their builder after they moved in, the value for money of their new home and the final cost compared to expected cost at signing contract. They also rated the service provided by their designer highest.

The homeowners that selected a design from the builder's standard plans with no changes were least satisfied with both the service provided by their builder during the buying process and the overall quality of their home, and rated their builder the lowest in relation to both finishing their home in time and the standard of finish of their new home.

Looking next at those homeowners that chose a one-off design by an architect/architectural designer with major/total owner input, they had four of the highest average scores and one of the lowest. These homeowners were most satisfied with the service provided by their builder during the buying process, the condition of their home on the day they moved in and the overall quality of their home, and rated their builder highest for the standard of finish of their new home. However, these homeowners were least satisfied with the final cost compared to expected cost at signing contract.

Table 1 Average Satisfaction Rating by Input into House Design

Average satisfaction score by input into house design New House Owners' Satisfaction Survey 2012						
How satisfied are you with the:	... service provided by your builder during the buying process?	... condition of your home on the day you moved in?	... service provided by your builder after you moved in?	... value for money of your new home?	... final cost compared to expected cost at signing contract?	... overall quality of your home?
Select design from the builder's standard plans with NO CHANGES	4.33	4.44	4.22	4.53	4.63	4.50
Select design from the builder's standard plans with SOME CHANGES BY OWNER	4.51	4.41	4.03	4.47	4.39	4.53
One-off design by an architect/architectural designer with MAJOR/TOTAL OWNER INPUT	4.54	4.47	4.20	4.42	4.36	4.60
One-off design by an architect/architectural designer with MINOR OWNER INPUT	4.44	4.46	4.15	4.39	4.41	4.54

1= very dissatisfied, 2= fairly dissatisfied, 3= neither, 4= fairly satisfied, 5= very satisfied

Average rating score by input into house design New House Owners' Satisfaction Survey 2012				
How would you rate:	... the fixing of defects after first occupancy?	... the service provided by your designer?	... your builder in relation to finishing your home in time?	... the standard of finish of your new home?
Select design from the builder's standard plans with NO CHANGES	4.00	4.79	4.00	4.33
Select design from the builder's standard plans with SOME CHANGES BY OWNER	3.92	4.21	4.30	4.46
One-off design by an architect/architectural designer with MAJOR/TOTAL OWNER INPUT	4.09	4.29	4.28	4.53
One-off design by an architect/architectural designer with MINOR OWNER INPUT	4.19	4.38	4.37	4.49

1= very poor, 2= fairly poor, 3= neither, 4= fairly good, 5= very good

4.3 How the Builder was Chosen

The two most common methods of an owner selecting their builder were having them recommended by friends/family and the show home. Very few owners chose their builder because of an incentive scheme or green credentials. The survey allowed for owners to choose more than one reason for selecting their builder.

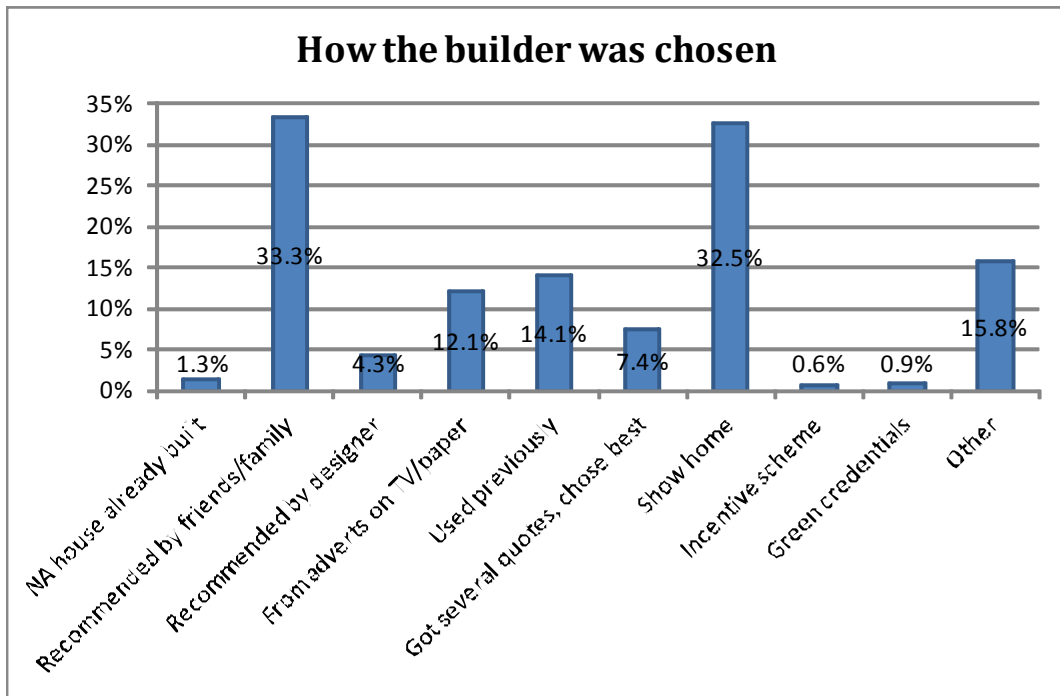


Figure 4 How Builder Was Chosen

Looking at the average satisfaction and rating scores by how the builder was chosen, it appears that those who choose their builder because they had used them previously received the best results. Presumably, they had a good experience with their builder the previous time they used them and received a similar performance again. Where “used previously” did not receive the highest average score, it was still one of the better performers.

Having green credentials received the highest average score for both the condition of the home on the day they moved in and the finishing of their home in time.

The majority of lowest average scores were from those homeowners that chose their builder from adverts on TV/paper. They received the lowest average score for every aspect apart from the final cost compared to expected cost at signing contract.

As so few respondents stated that they chose their builder because of an incentive scheme the results have not been included.

Table 2 Average Satisfaction Rating by How the Builder was Chosen

Average satisfaction score by how the builder was chosen New House Owners' Satisfaction Survey 2012						
How satisfied are you with the:	... service provided by your builder during the buying process?	... condition of your home on the day you moved in?	... service provided by your builder after you moved in?	... value for money of your new home?	... final cost compared to expected cost at signing contract?	... overall quality of your home?
NA house already built	4.73	4.65	4.41	4.59	4.07	4.71
Recommended by friends/family	4.62	4.55	4.29	4.55	4.49	4.66
Recommended by designer	4.69	4.64	4.49	4.54	4.46	4.72
From adverts on TV/paper	4.32	4.27	3.76	4.32	4.17	4.41
Used previously	4.80	4.74	4.62	4.66	4.70	4.78
Got several quotes, chose best	4.44	4.33	4.02	4.45	4.36	4.51
Show home	4.47	4.36	3.94	4.42	4.36	4.51
Green credentials	4.50	4.75	4.17	4.33	4.33	4.50

1= very dissatisfied, 2= fairly dissatisfied, 3= neither, 4= fairly satisfied, 5= very satisfied

Average rating score by how the builder was chosen New House Owners' Satisfaction Survey 2012				
How would you rate:	... the fixing of defects after first occupancy?	... the service provided by your designer?	... your builder in relation to finishing your home in time?	... the standard of finish of your new home?
NA house already built	4.35	4.70	4.47	4.53
Recommended by friends/family	4.17	4.26	4.37	4.62
Recommended by designer	4.45	4.60	4.46	4.70
From adverts on TV/paper	3.75	4.11	4.10	4.35
Used previously	4.58	4.50	4.69	4.73
Got several quotes, chose best	3.96	4.24	4.27	4.41
Show home	3.82	4.22	4.25	4.40
Green credentials	4.00	4.50	4.73	4.64

1= very poor, 2= fairly poor, 3= neither, 4= fairly good, 5= very good

4.4 Important Features in Choosing a Builder

The most important feature in choosing a builder was the quality/reputation of the builder with over three-quarters of respondents selecting it. Also important were a timely completion, fixed-price certainty and having looked at the builders' previous houses.

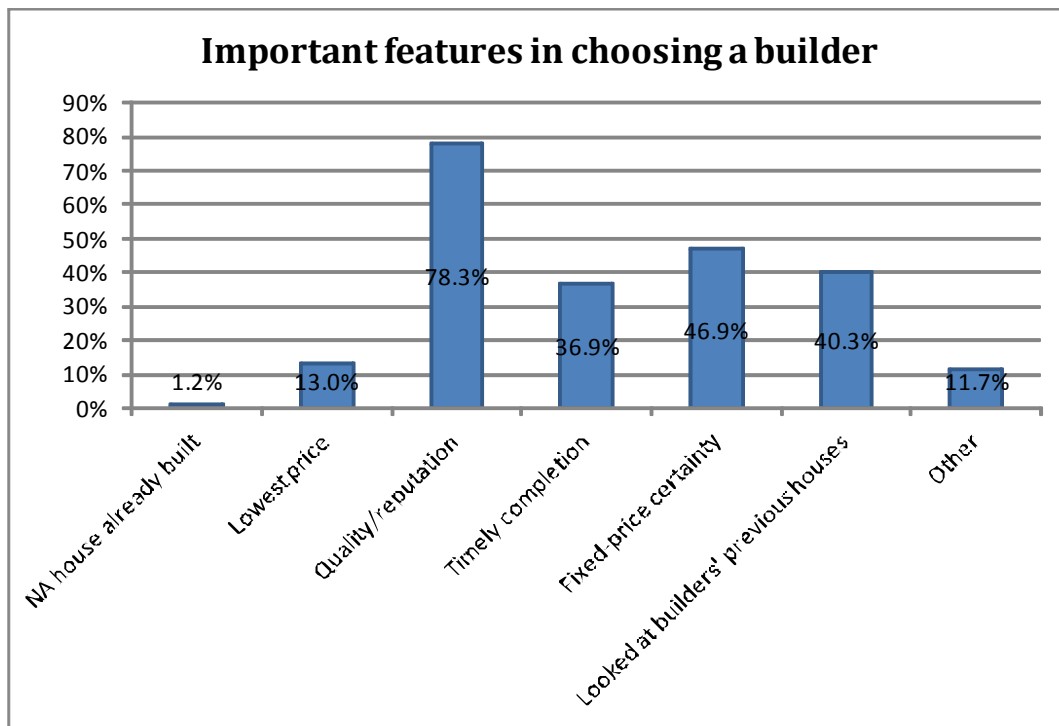


Figure 5 Important Features in Choosing a Builder

Homeowners that stated that the lowest price was an important feature in choosing their builder had the lowest satisfaction scores in the majority of aspects. The only aspect we looked at that they were not the least satisfied with was the final cost compared to expected cost at signing contract.

Surprisingly, those homeowners that stated that an important feature in choosing their builder was fixed-price certainty were not the most satisfied with the final cost compared to expected cost at signing contract.

Those homeowners that selected that looking at builders' previous houses was an important feature generally had high average satisfaction scores.

Due to the majority of respondents stating that the quality/reputation of the builder was an important feature in choosing their builder, there was a wide range of results and the results tend towards the average rather than being the highest or lowest score for any aspect.

Table 3 Average Satisfaction Score by Important Features in Choosing a Builder

Average satisfaction score by important features in choosing a builder						
New House Owners' Satisfaction Survey 2012						
How satisfied are you with the:	... service provided by your builder during the buying process?	... condition of your home on the day you moved in?	... service provided by your builder after you moved in?	... value for money of your new home?	... final cost compared to expected cost at signing contract?	... overall quality of your home?
NA house already built	4.67	4.67	4.13	4.47	4.07	4.73
Lowest price	4.37	4.30	4.01	4.40	4.20	4.43
Quality/reputation	4.61	4.51	4.23	4.52	4.46	4.65
Timely completion	4.51	4.43	4.14	4.44	4.38	4.54
Fixed-price certainty	4.48	4.38	4.04	4.44	4.45	4.52
Looked at builders' previous houses	4.61	4.49	4.24	4.55	4.50	4.65

1= very dissatisfied, 2= fairly dissatisfied, 3= neither, 4= fairly satisfied, 5= very satisfied

Average rating score by important features in choosing a builder				
New House Owners' Satisfaction Survey 2012				
How would you rate:	... the fixing of defects after first occupancy?	... the service provided by your designer?	... your builder in relation to finishing your home in time?	... the standard of finish of your new home?
NA house already built	4.14	4.56	4.21	4.67
Lowest price	3.89	4.10	4.17	4.34
Quality/reputation	4.11	4.33	4.42	4.58
Timely completion	4.00	4.20	4.38	4.48
Fixed-price certainty	3.96	4.23	4.27	4.42
Looked at builders' previous houses	4.15	4.32	4.43	4.60

1= very poor, 2= fairly poor, 3= neither, 4= fairly good, 5= very good

4.5 Type of Contract

The majority of contracts were fixed-price including all trades. Some 49.5% of contracts were fixed-price including all trades but asked for changes after signing contract, whereas 34.8% had no changes after signing contract.

Estimated total price contracts were less common.

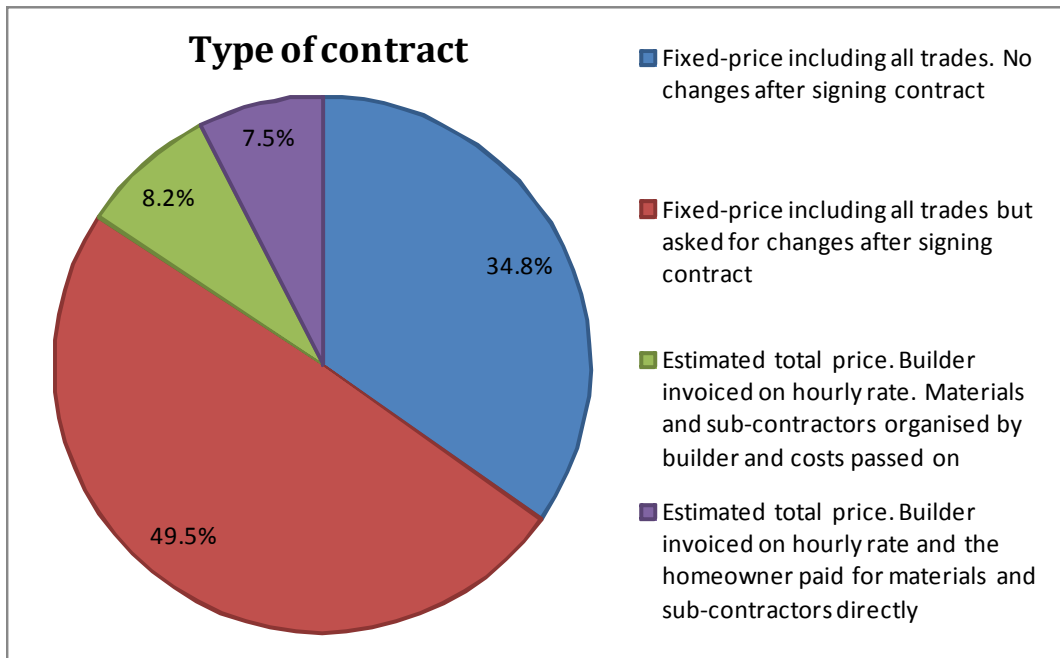


Figure 6 Type of Contract

4.6 Disputes Over Final Costs

Some 12.1% of homeowners that responded to our survey had a dispute with their builder over the final cost. Reasons for disputes varied from being overcharged, extras that were/were not included, items left out of contract or incomplete work, to name a few.

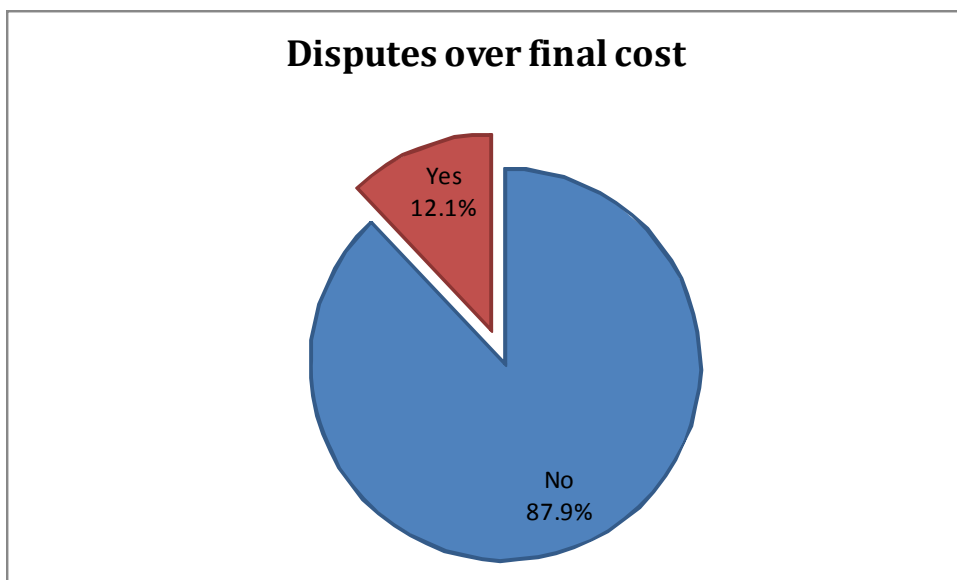


Figure 7 Disputes Over Final Cost

The most common type of contract (as shown in Figure 6) had the highest percentage of disputes over final costs. Some 14.9% of respondents who used a fixed-price contract including all trades but asked for changes after signing the contract had a dispute over the final cost compared to 12% of those who did not ask for changes after

signing the contract. None of the respondents who had an estimated total price whereby the builder invoiced on an hourly rate and the homeowner paid for materials and sub-contractors directly had a dispute over the final costs.

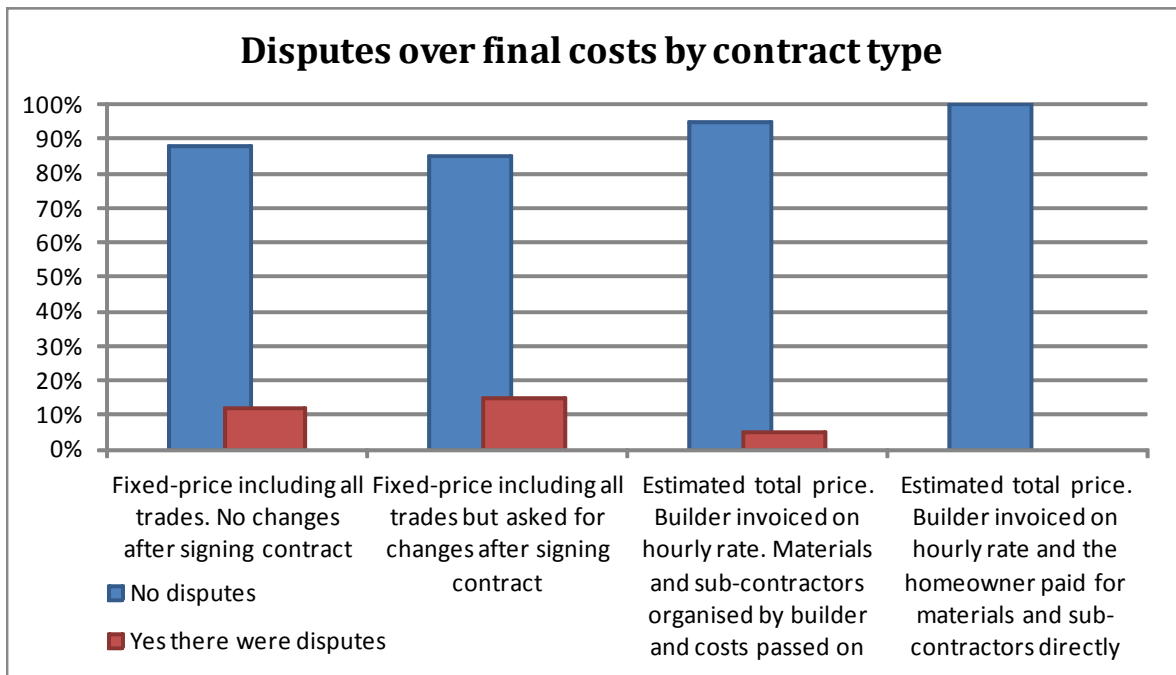


Figure 8 Disputes by Contract Type

Where the price was an important feature in choosing the builder, an estimated total price was less common, with homeowners instead choosing a fixed-price contract including all trades. Some 53% of homeowners who selected fixed-price certainty or the lowest price as being an important feature in choosing their builder used a fixed-price contract including all trades but asked for changes after signing contract (49.5% of homeowners in total selected this contract type).

A total of 43% of homeowners who said that fixed-price certainty was an important feature in choosing their builder selected a fixed-price contract including all trades with no changes after signing contract. Some 36% who stated that the lowest price was an important feature selected the same contract.

Having the lowest price or fixed-price certainty as an important feature in choosing their builder led to a slightly higher percentage of homeowners having a dispute over the final costs (approximately 13% compared to the 12% rate for owners who did have lowest price or fixed-price certainty as a priority). However, the difference is not significant.

The types of disputes over final cost for fixed-price contracts with no changes varied. The most common issue was the cost of earthworks or retaining walls being more than expected. Other common issues included hidden costs, council fees and under-quoted provisional cost sums.

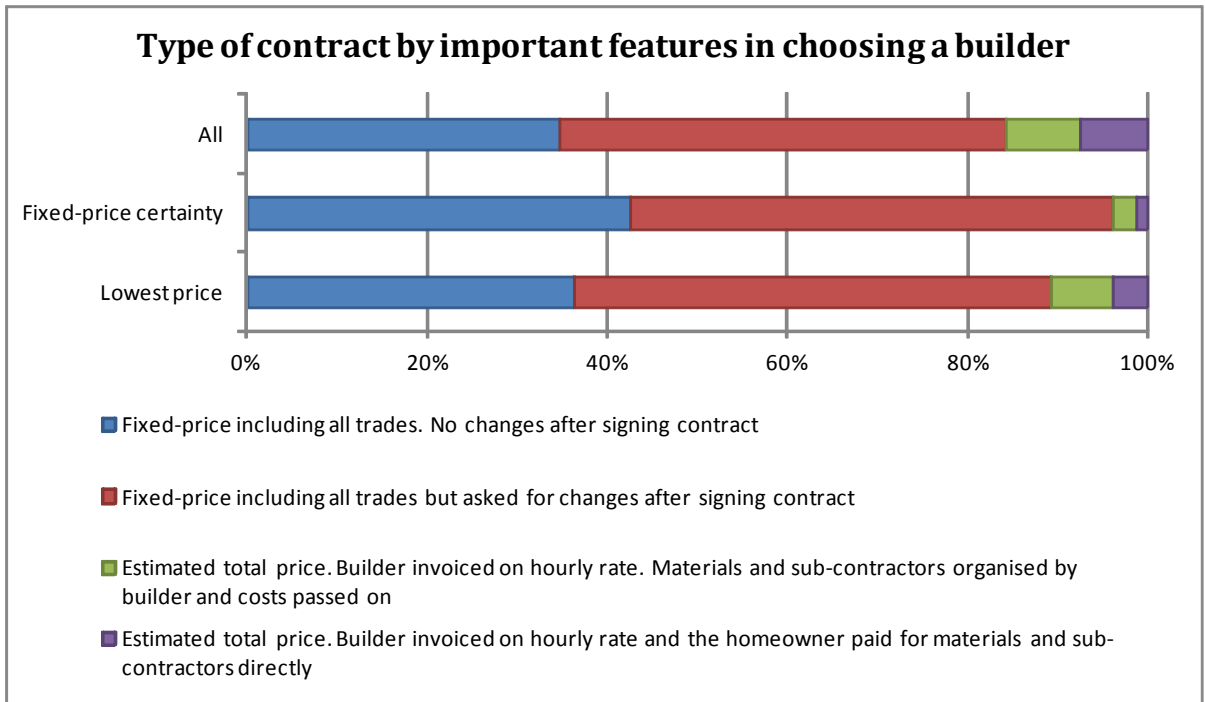


Figure 9 Type of Contract by Important Features in Choosing Builder

4.7 Call Backs

Over two-thirds of homeowners called back their builder to repair defects after first occupancy. This is a downwards improvement from our last survey of 4.4 percentage points.

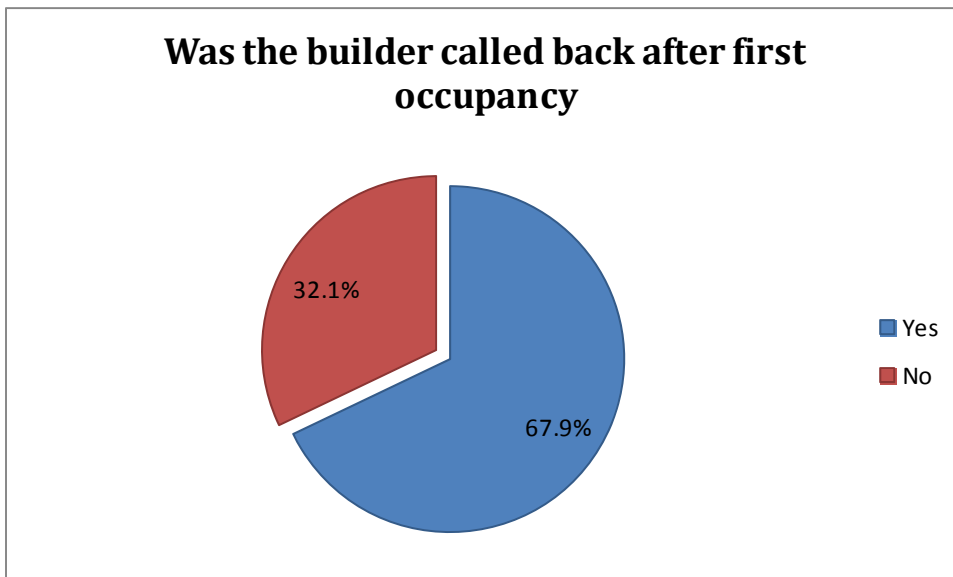


Figure 10 Call Backs

The types of defects are shown in Figure 11. The most common source of defect was the paint, with almost 300 of the houses surveyed requiring some type of paint touch up. Other common defects included doors requiring adjustments mainly due to sticking,

plumbing not working correctly, the locks or handles of doors being faulty and damaged carpet or other floor coverings.

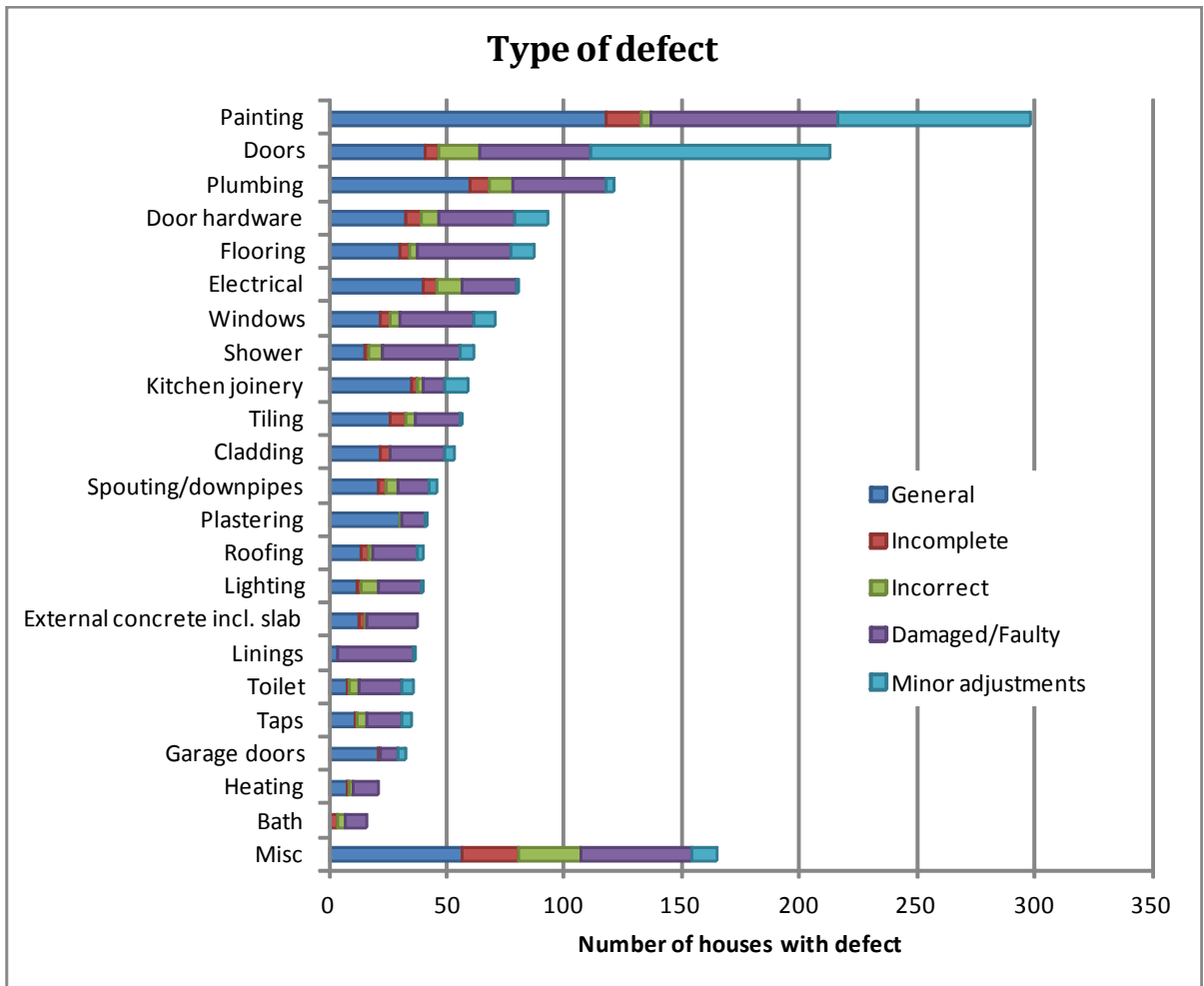


Figure 11 Type of Defect

As can be seen above, the defects have been split into four different categories as well as a general category. "General" is for times where the defect has been identified by type only, with no further information. The other types are: "incomplete", where work has not been completed; "incorrect", where the work has been done wrongly; "damaged/faulty", where the aspect has been damaged in some way (usually by another trade) or there is some fault with the aspect; and "minor adjustments", where a small adjustment is needed. The split of these different categories can be seen in Figure 12.

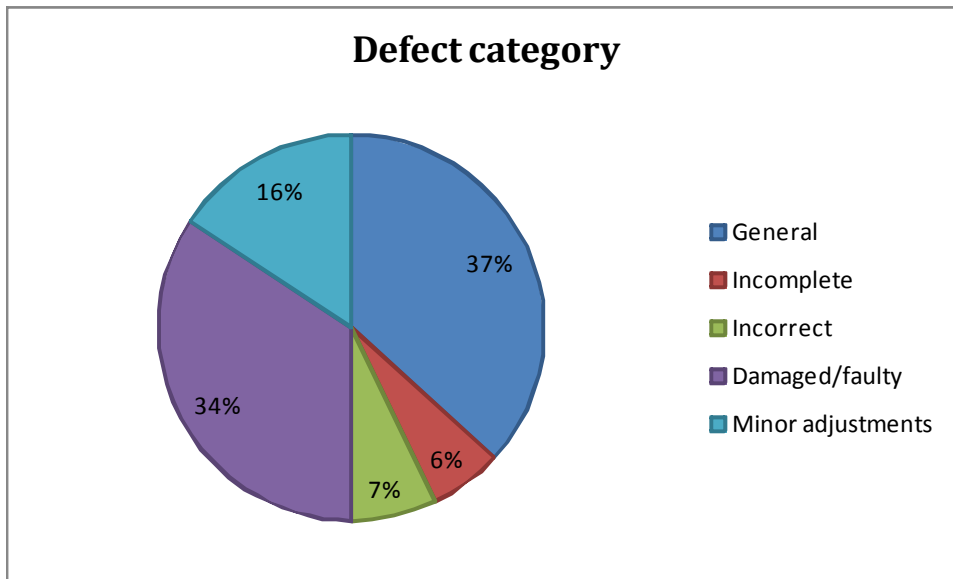


Figure 12 Defect Category

The majority of respondents stated they had some expectation of defects in their new home. Just 15.7% of respondents stated they expected no defects. Just over a quarter of respondents had more defects than expected and just under a quarter had fewer defects than expected.

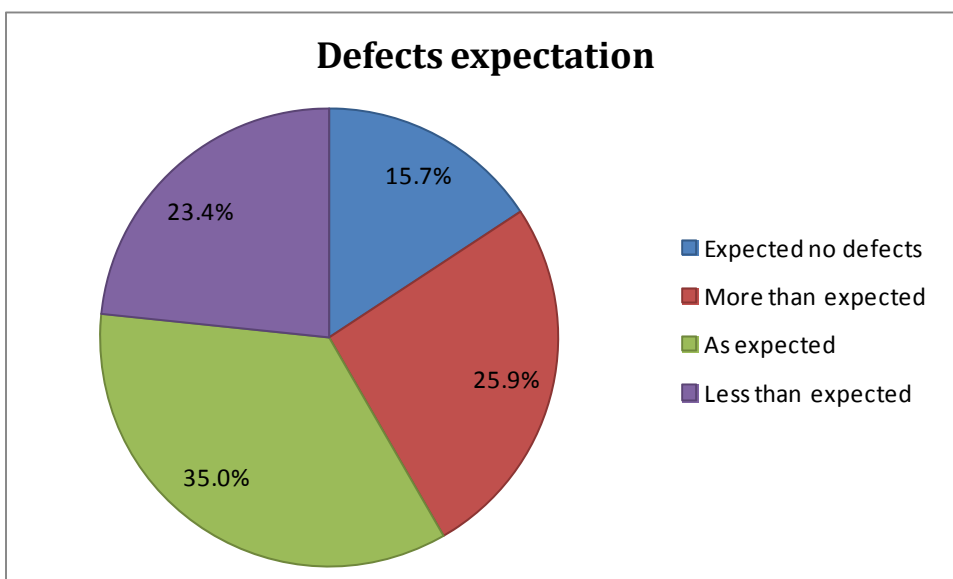


Figure 13 Defects Expectation

4.8 How New Homeowners Would Speak About Their House Builder

Generally, new homeowners would speak positively about their builder, with 56.1% of respondents stating they would recommend their builder without being asked. The percentage of respondents that would speak about their builder critically was just 12.4%, a downwards improvement from 15% in the 2011 survey.

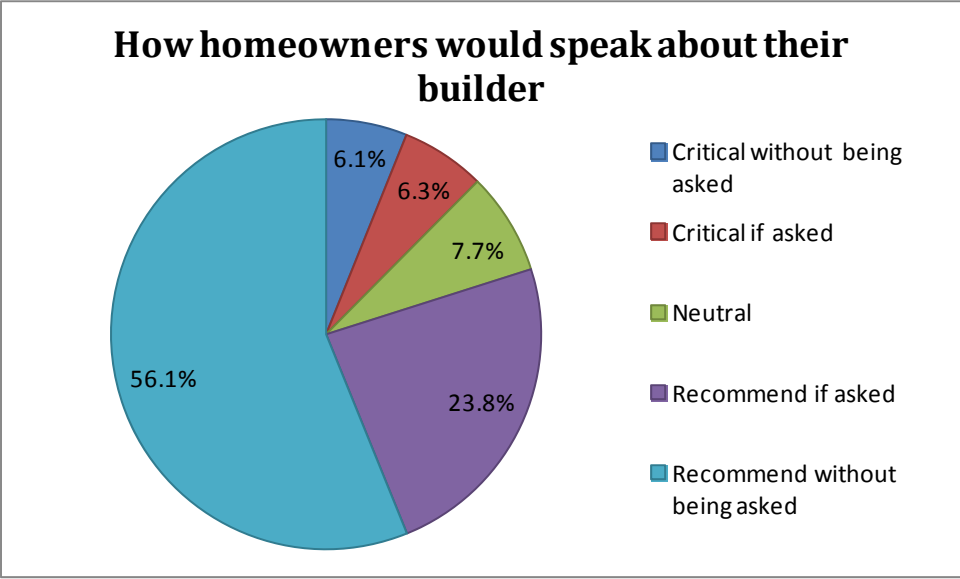


Figure 14 How New Owners Would Speak About Their House Builder

5. DISCUSSION

The final section of the survey form asks for general comments on the overall performance of the builder. Two common themes emerged, the importance of good project management and the importance of good communication.

Table 4 and Table 5 show the average satisfaction/rating scores by how the communication or project management was spoken about by the new homeowner. Where they were spoken about positively, the satisfaction/rating scores were much higher than when the homeowner spoke negatively about them.

Table 4 Average Satisfaction Rating by Communication

Average satisfaction score by how the communication of the builder was spoken about New House Owners' Satisfaction Survey 2012						
How satisfied are you with the:	... service provided by your builder during the buying process?	... condition of your home on the day you moved in?	... service provided by your builder after you moved in?	... value for money of your new home?	... final cost compared to expected cost at signing contract?	... overall quality of your home?
Positive communication	4.96	4.88	4.77	4.77	4.67	4.93
Negative communication	3.75	3.60	2.69	3.98	3.85	3.98

1= very dissatisfied, 2= fairly dissatisfied, 3= neither, 4= fairly satisfied, 5= very satisfied

Average rating score by how the communication of the builder was spoken about New House Owners' Satisfaction Survey 2012				
How would you rate:	... the fixing of defects after first occupancy?	... the service provided by your designer?	... your builder in relation to finishing your home in time?	... the standard of finish of your new home?
Positive communication	4.70	4.75	4.80	4.92
Negative communication	2.58	3.50	2.94	3.70

1= very poor, 2= fairly poor, 3= neither, 4= fairly good, 5= very good

Table 5 Average Satisfaction Rating by Project Management

Average satisfaction score by how the project management of the builder was spoken about New House Owners' Satisfaction Survey 2012						
How satisfied are you with the:	... service provided by your builder during the buying process?	... condition of your home on the day you moved in?	... service provided by your builder after you moved in?	... value for money of your new home?	... final cost compared to expected cost at signing contract?	... overall quality of your home?
Positive project management	4.80	4.55	4.50	4.65	4.60	4.68
Negative project management	3.85	3.27	2.85	4.03	3.79	3.97

1= very dissatisfied, 2= fairly dissatisfied, 3= neither, 4= fairly satisfied, 5= very satisfied

Average rating score by how the project management of the builder was spoken about New House Owners' Satisfaction Survey 2012				
How would you rate:	... the fixing of defects after first occupancy?	... the service provided by your designer?	... your builder in relation to finishing your home in time?	... the standard of finish of your new home?
Positive project management	4.50	4.60	4.60	4.63
Negative project management	2.71	3.50	2.90	3.63

1= very poor, 2= fairly poor, 3= neither, 4= fairly good, 5= very good

6. APPENDIX

The Appendix contains:

- Comparison of results from the New House Owners' Satisfaction Survey 2011.
- A list of the largest builders for 2012.
- A comparison between franchise builders and other builders.
- Area and value charts.
- Tables for data presented in charts where necessary.
- BRANZ New House Owners' Satisfaction Survey 2012.

6.1 Results from New House Owners' Satisfaction Survey 2011

In some of the previous sections, results were compared to the results of the last survey in 2011. Overall, many of the aspects that we measure have improved in the latest survey. Only the average satisfaction with the overall quality of the home has declined from the previous survey. Three new questions were added to this section of the survey in 2012 so there are no previous results to compare them with.



Figure 15 2011-2012: Satisfaction Levels

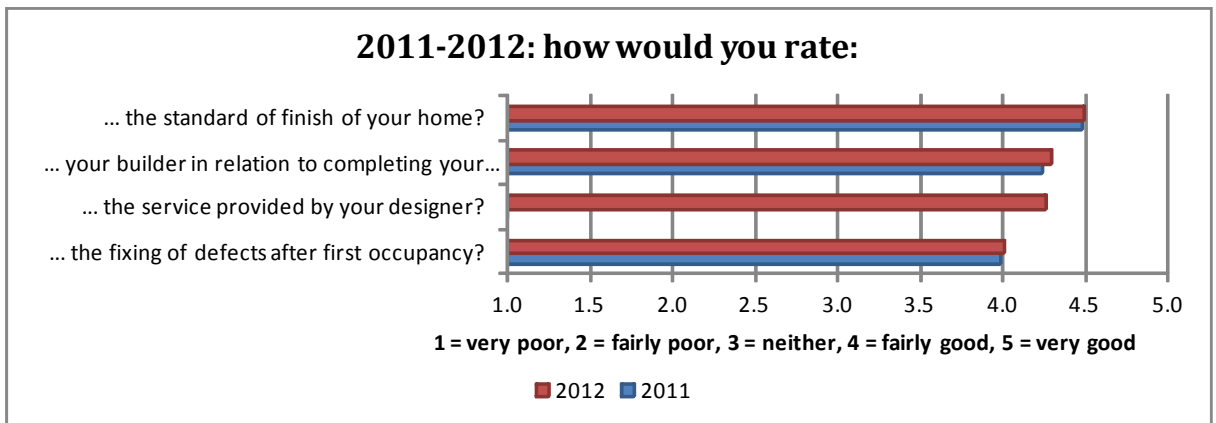


Figure 16 2011-2012: Ratings

6.2 Largest Builders for 2012

The following table shows the builders with the most consents for the 2012 calendar year by what percentage of the total consents they had. The percentages are based on the What's On¹ building consent data which covers approximately 85% of all detached housing consents and which we believe to be representative of all new detached houses.

G J Gardner Homes had 4.2% of the total consents last year. Overall, the top-20 builders by number of consents had 24.3% of the total consents for new dwellings.

¹ What's-On Report (Monthly). TF Stevens & Co Ltd, Auckland, New Zealand

Table 6 Top Builders by Consents 2012

Top builders by consents 2012 Calendar Year	
G J Gardner Homes	4.2%
Stonewood Homes	3.2%
Golden Homes	2.7%
Mike Greer Homes	1.9%
Fletcher Residential	1.8%
Jennian Homes	1.6%
A1 Homes	1.2%
Signature Homes	1.1%
Generation Homes	1.0%
Versatile	1.0%
Classic Builders	0.9%
Peter Ray Homes	0.8%
Fowler Homes	0.6%
David Reid Homes	0.5%
Platinum Homes	0.5%
Milestone Homes	0.5%
Landmark Homes	0.3%
Latitude Homes	0.2%
Keith Hay Homes	0.2%
Penny Homes	0.2%
Total	24.3%

6.3 Franchise Builders vs Other Builders

This section examines the performance of franchise builders against how the non-franchise builders have performed. Figure 17 and Figure 18 show that in general, the franchise builders performed worse than the non-franchise builders in all areas we measured. In general, they had more dissatisfied clients than the non-franchise builders and more that were fairly satisfied, but far less that were very satisfied.

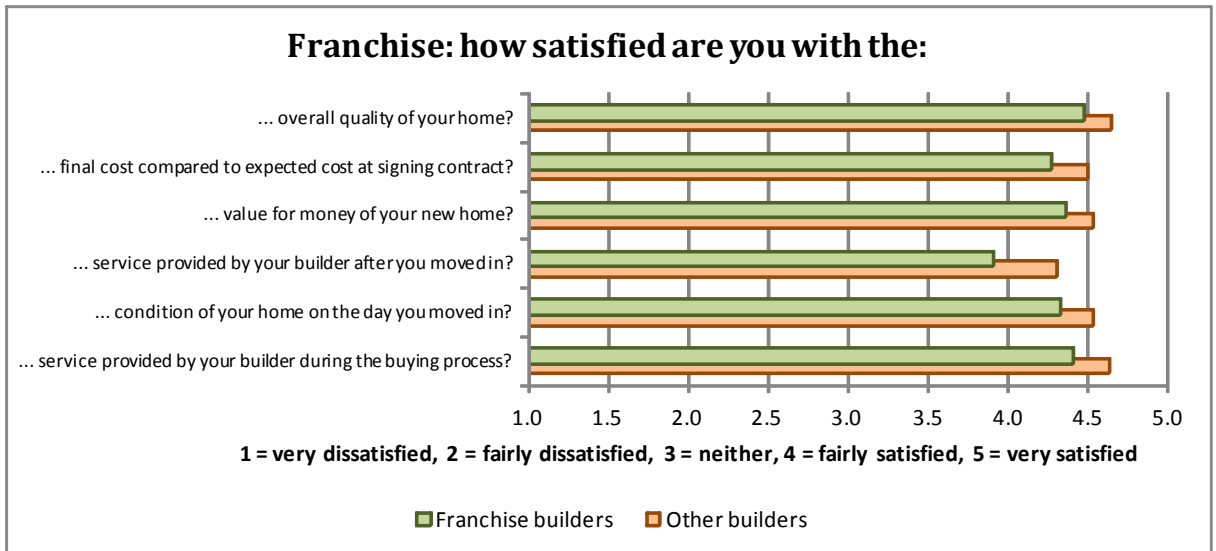


Figure 17 Franchise: Satisfaction

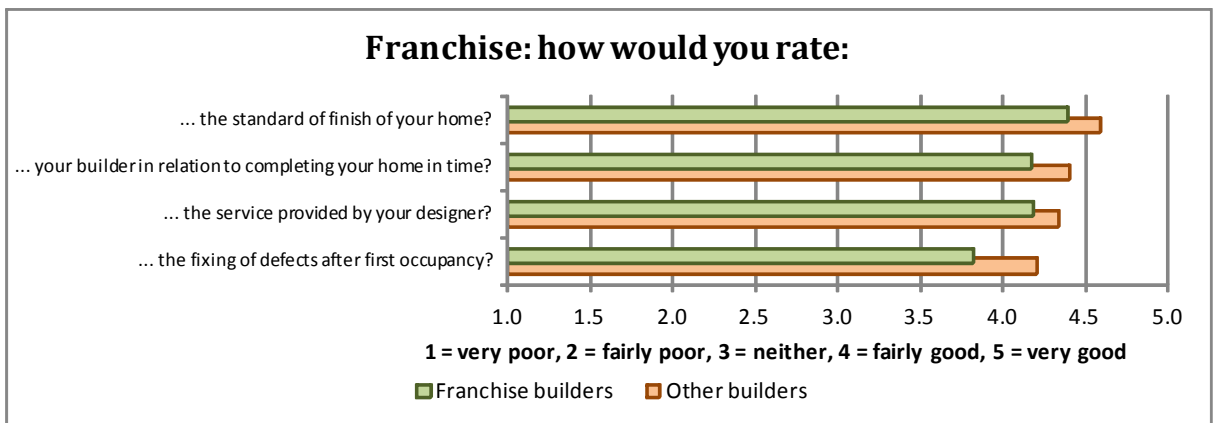


Figure 18 Franchise: Ratings

Those homeowners that chose a franchise builder generally selected a design from the builder's standard plans with some changes. Table 1 earlier showed that homeowners who had this type of input into the design of their house generally had lower levels of satisfaction than other types of input. The homeowners who did not choose a franchise builder generally selected a one-off design by an architect/architectural designer with major or total owner input.

It is quite surprising that 30% of houses built by franchise builders are one-off designs.

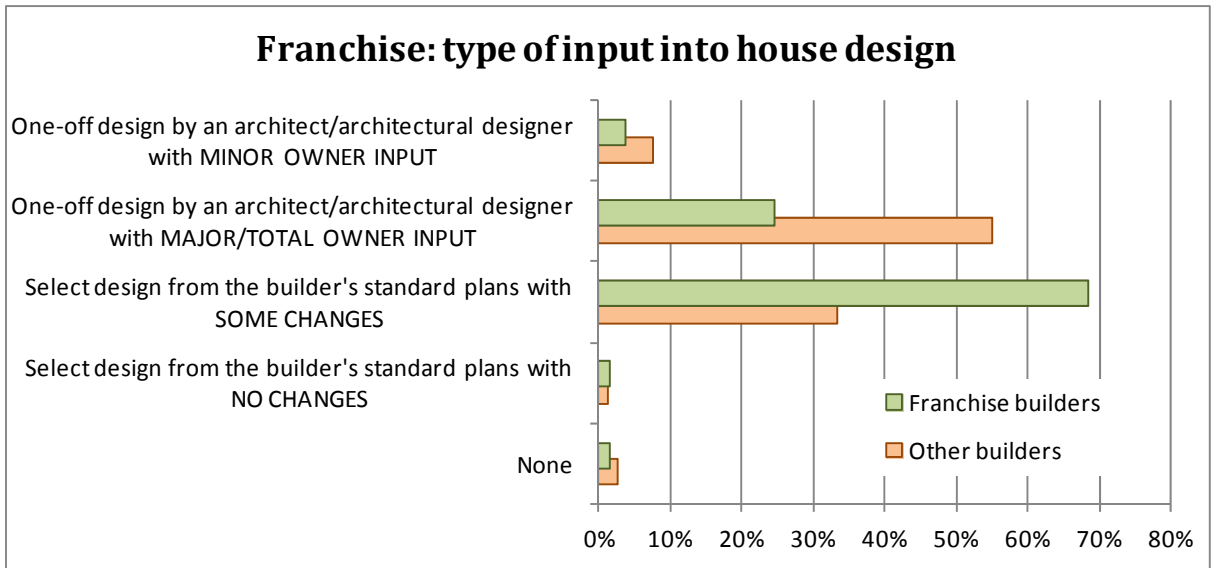


Figure 19 Franchise: Type of Input

The following two charts illustrate the average satisfaction/rating scores for franchise builders and non-franchise builders by the type of input into house design. As the average scores were generally higher for homeowners that had a one-off design by an architect/architectural designer with major/total owner input than for a selected design from the builder's standard plans with some changes, both have been shown in Figure 20 and Figure 21.

The average scores were higher for non-franchise builders than for franchise builders for every aspect for both the selected design from a builder's standard plans with some changes by owner and one-off design by an architect/architectural designer with major/total owner input. This shows that the results of Figure 17 and Figure 18 were not skewed by more of the homeowners using non-franchise builders choosing a one-off design by an architect/architectural designer with major/total owner input, which had generally high average satisfaction/rating scores.

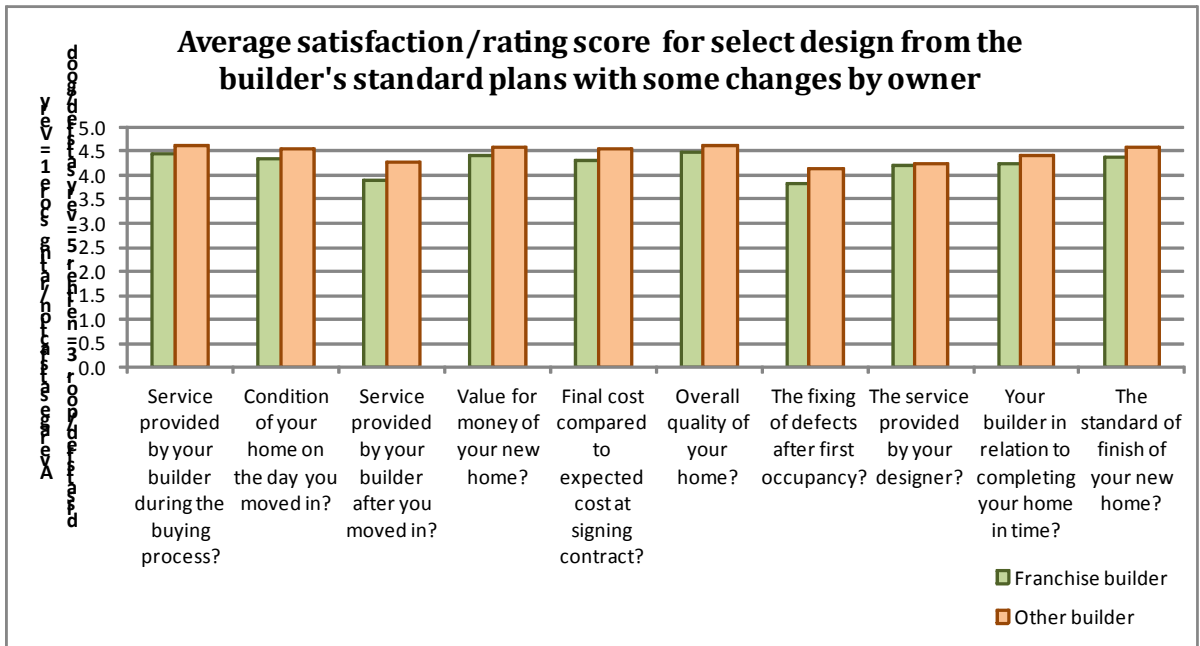


Figure 20 Franchise: Average Score for Select Design

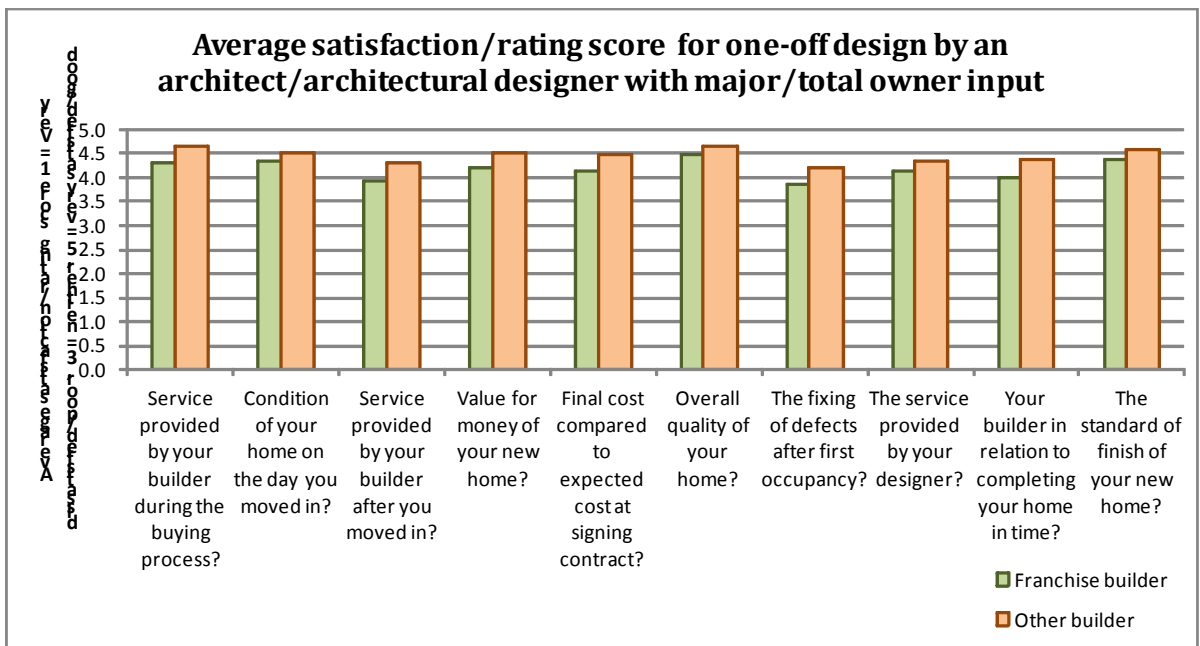


Figure 21 Franchise: Average Score for One-Off Design

There was a big difference in the way franchise builders and non-franchise builders were chosen. Franchise builders had a much larger percentage of respondents saying that they chose their builder based on their show home or from an advert on TV/paper than for non-franchise builders, and a smaller percentage saying that the builder was recommended by friends/family or that they had used the builder previously.

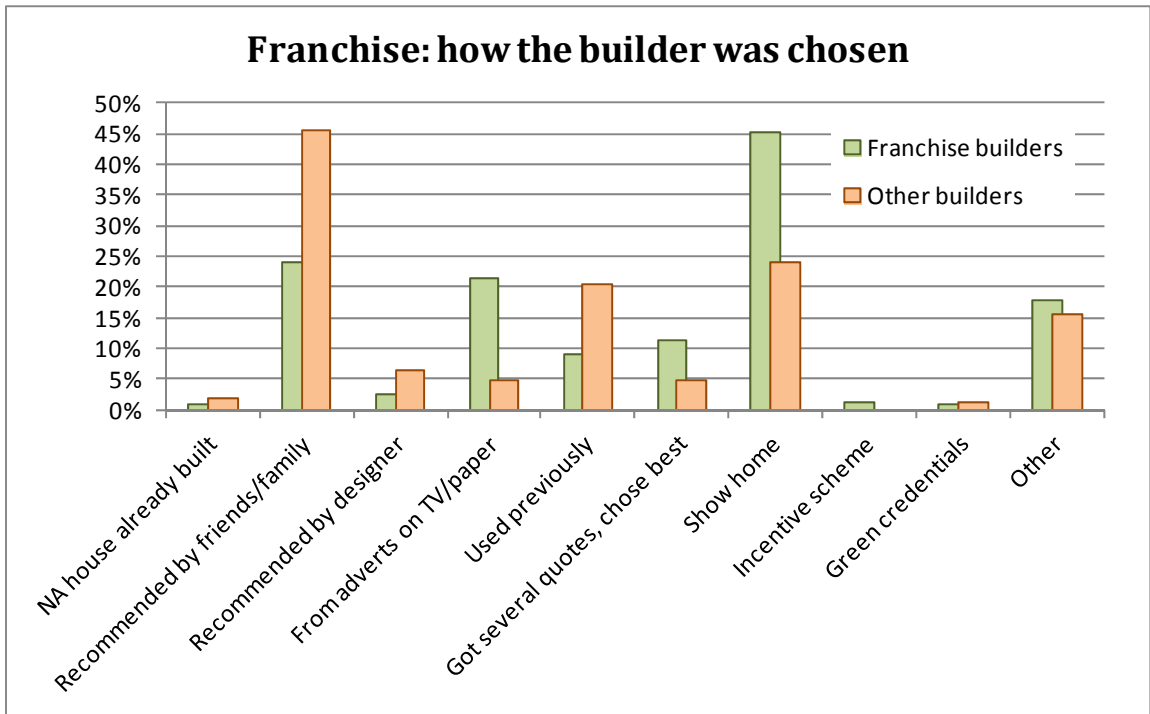


Figure 22 Franchise: How Builder Chosen

The largest differences in the important features in choosing their builder came with franchise builders having a larger percentage of respondents stating that fixed-price certainty was an important feature, whereas non-franchise builders had a larger percentage for quality/reputation and having looked at the builder's previous houses.

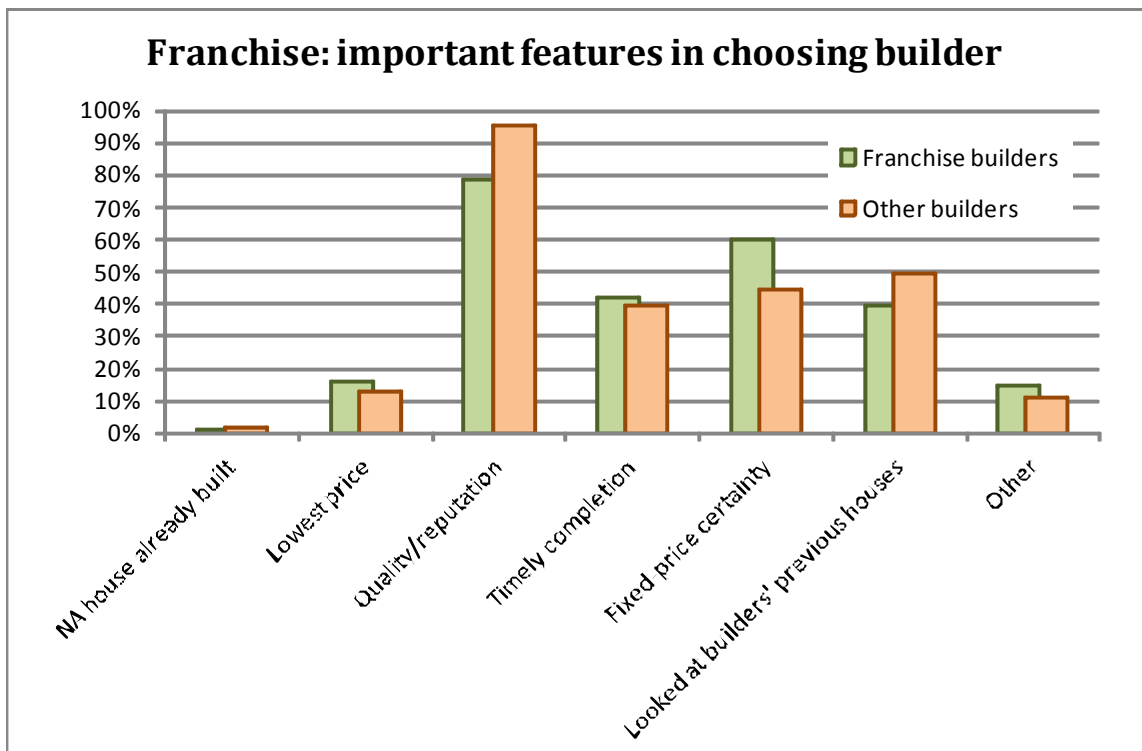


Figure 23 Franchise: Important Features in Choosing Builder

For both franchise and non-franchise builders, fixed-price contracts including all trades were most common. However, estimated total price contracts were far less common for franchise builders than non-franchise builders.

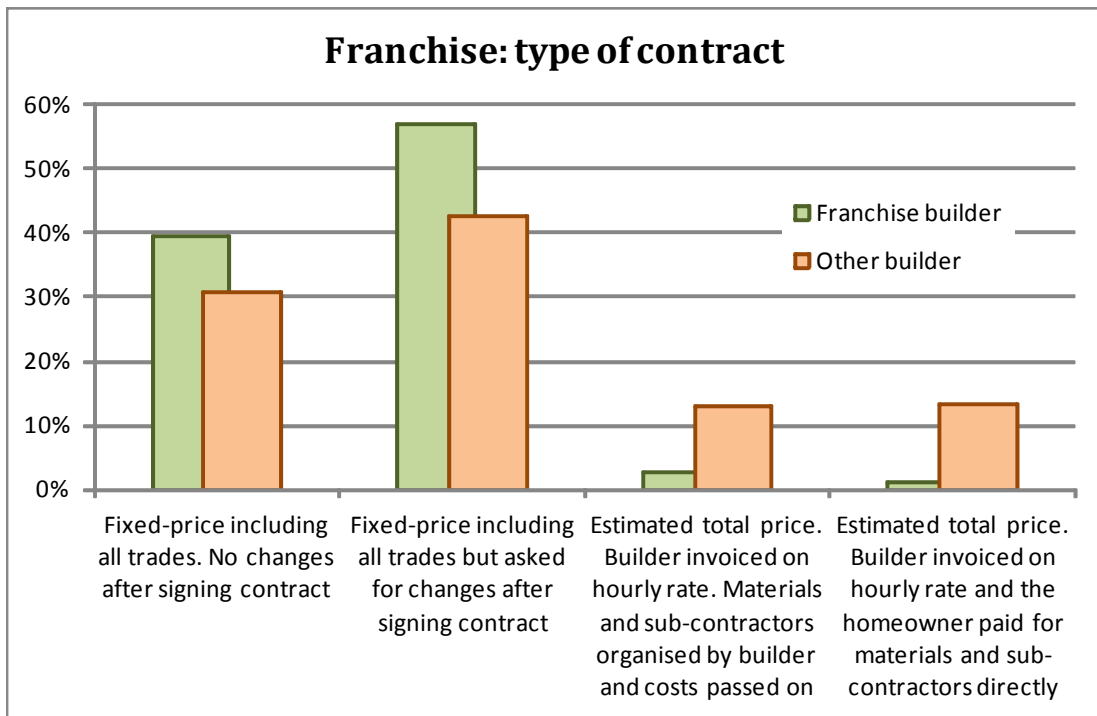


Figure 24 Franchise: Type of Contract

Figure 25 shows the percentage of franchise builders and non-franchise builders that had a dispute over the final cost. Some 15.5% of respondents that used a franchise builder said that they had a dispute over the final cost compared to 8.9% of respondents that used a non-franchise builder.

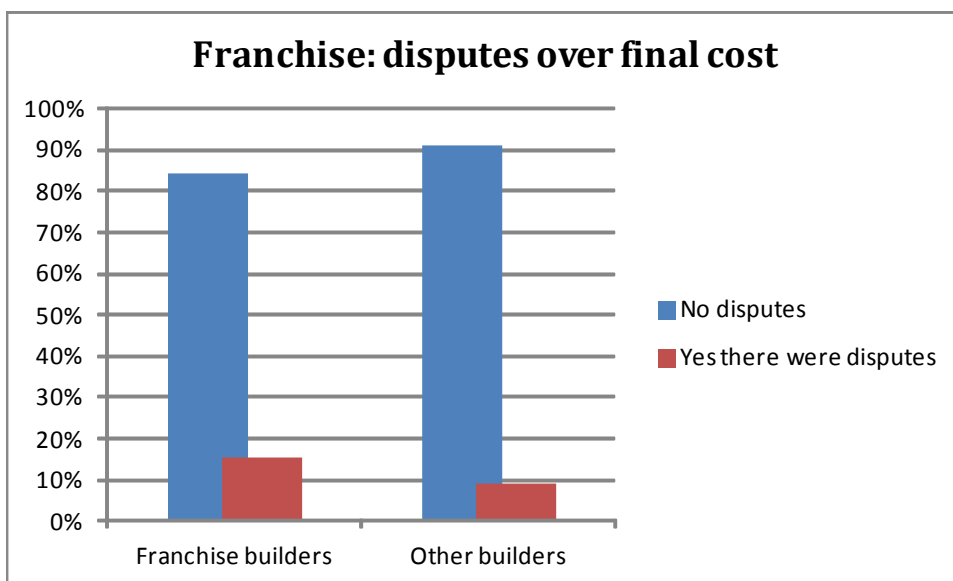


Figure 25 Franchise: Disputes Over Final Cost

The majority of homeowners had to call back their builder to repair defects after first occupancy. This occurred with three-quarters of respondents that used a franchise builder and 61.4% of respondents that used a non-franchise builder.

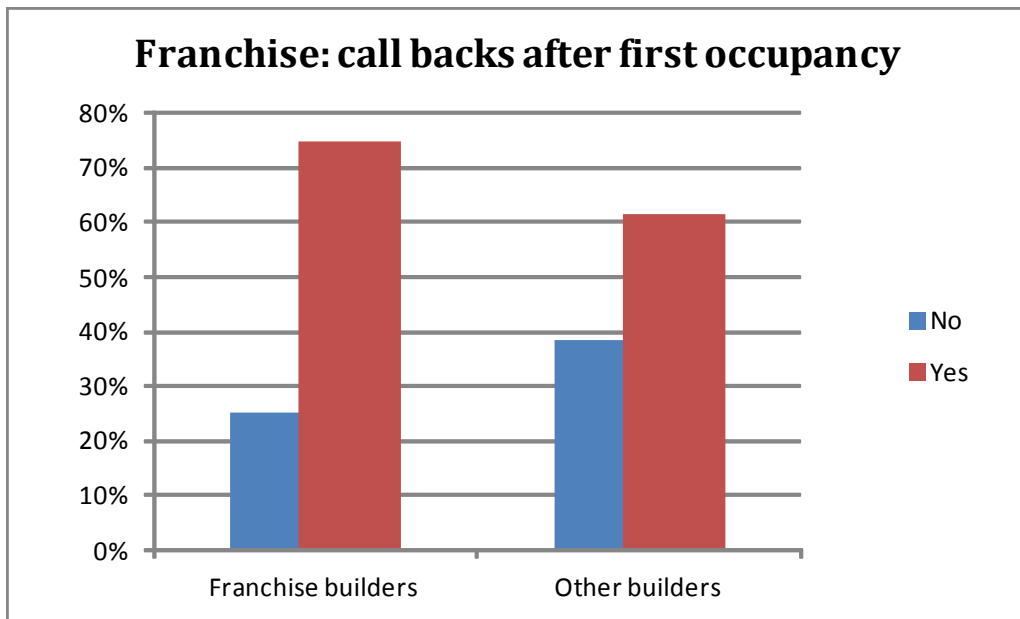


Figure 26 Franchise: Call Backs

Non-franchise builders were likely to be spoken about more positively than franchise builders. Franchise builders have a greater percentage of respondents stating that they would be critical than non-franchise builders and non-franchise builders have a far greater percentage of respondents stating that they would recommend their builder without being asked.

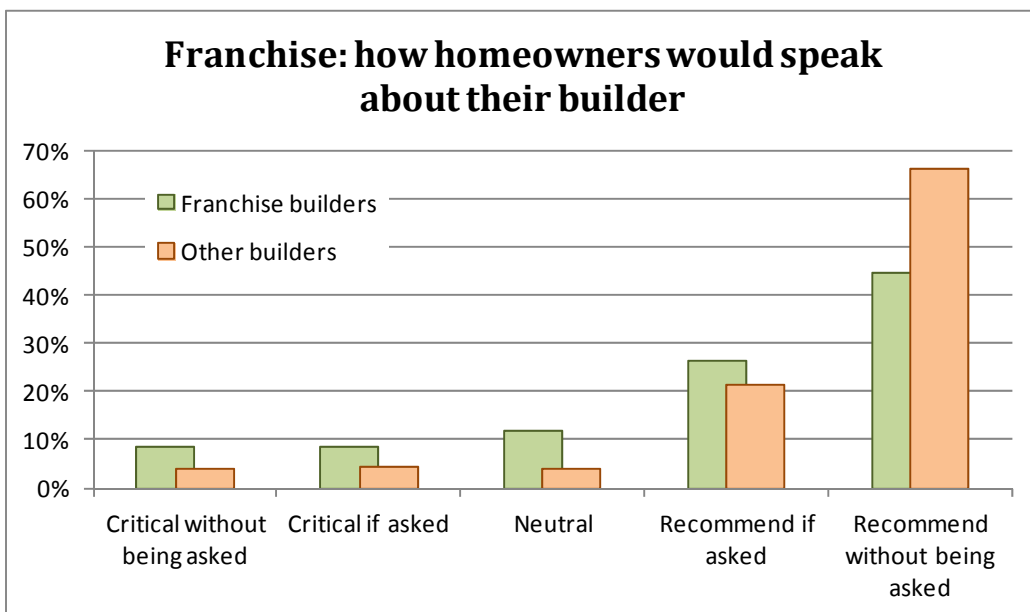


Figure 27 Franchise: How New Owners Would Speak About Their House Builder

6.4 Area and Value Charts

The following charts illustrate the difference in area and value (shown in dollars per square metre) between one-off designs and standard designs. Figure 28 shows that the average area for one-off designs was much larger than for both standard designs and the Statistics New Zealand average.

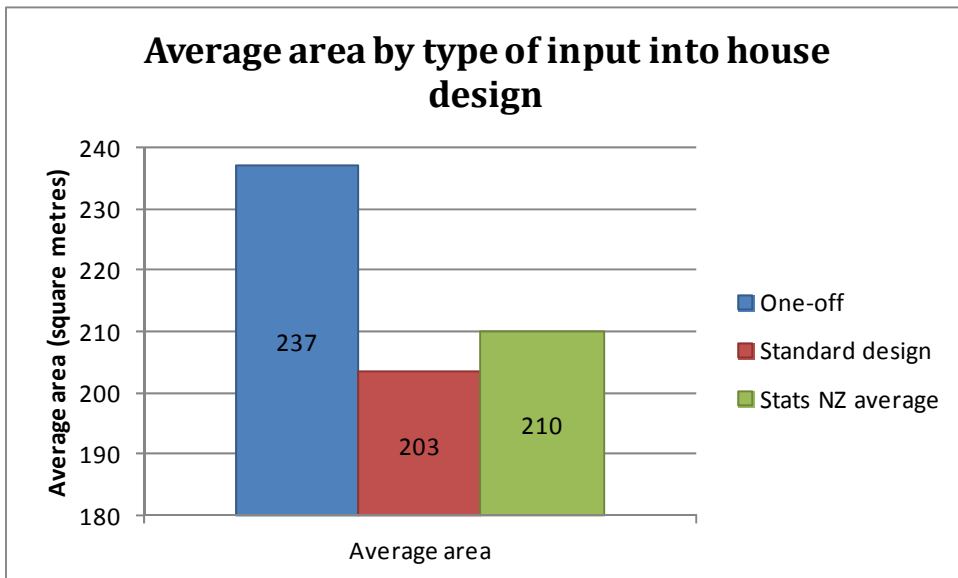


Figure 28 Average Area by Input

Figure 29 shows that the dollars per square metre rate for standard designs was much lower than for one-off designs.

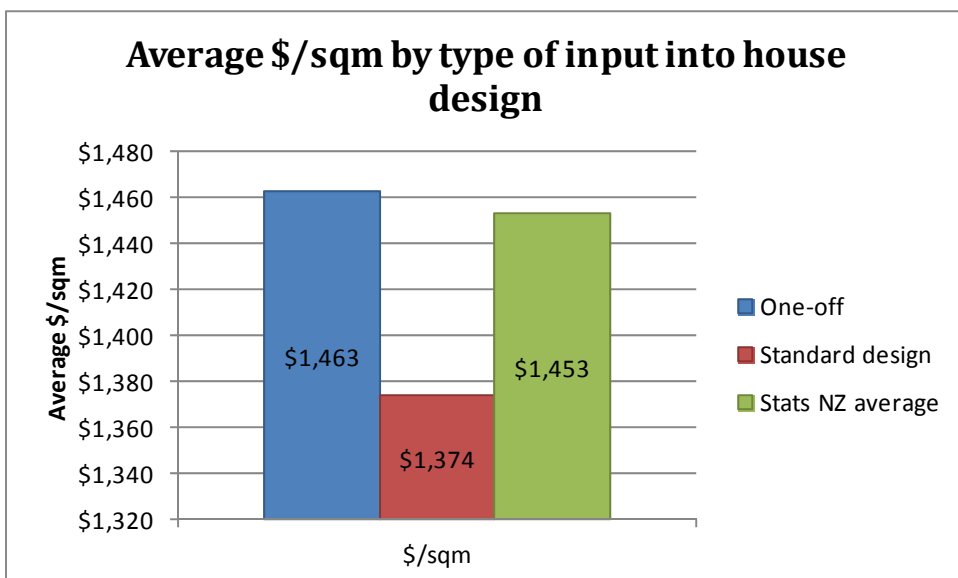


Figure 29 Average \$/sqm by Input

6.5 Tables

Table 7 Satisfaction Levels

How satisfied are you with the: New House Owners' Satisfaction Survey 2012							
	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Net satisfied	Net dissatisfied
... service provided by your builder during the buying process?	67.9%	23.7%	3.2%	3.0%	2.2%	91.6%	5.2%
... condition of your home on the day you moved in?	62.5%	27.4%	3.5%	4.5%	2.1%	89.9%	6.6%
... service provided by your builder after you moved in?	53.4%	24.7%	8.0%	7.8%	6.1%	78.0%	13.9%
... value for money of your new home?	59.1%	31.7%	5.8%	2.0%	1.5%	90.7%	3.5%
... final cost compared to expected cost at signing of contract?	58.6%	29.7%	5.1%	4.6%	2.0%	88.3%	6.5%
... overall quality of your home?	66.7%	26.9%	3.5%	1.6%	1.3%	93.6%	2.9%

Table 8 Ratings

How would you rate: New House Owners' Satisfaction Survey 2012							
	Very good	Fairly good	Neither	Fairly poor	Very poor	Net good	Net poor
... the fixing of defects after first occupancy?	43.4%	29.4%	6.4%	10.9%	10.0%	72.7%	20.9%
... the service provided by your designer?	55.3%	26.6%	10.1%	5.3%	2.7%	81.9%	8.0%
... your builder in relation to completing your home in time?	59.2%	26.7%	3.8%	5.1%	5.2%	85.9%	10.3%
... the standard of finish of your new home?	65.3%	25.3%	4.4%	3.4%	1.6%	90.6%	5.0%

Table 9 Disputes by Contract Type

Disputes over final costs by contract type New House Owners' Satisfaction Survey 2012				
	Fixed-price including all trades. No changes after signing contract	Fixed-price including all trades but asked for changes after signing contract	Estimated total price. Builder invoiced on hourly rate. Materials and sub-contractors organised by builder and costs passed on	Estimated total price. Builder invoiced on hourly rate and the homeowner paid for materials and sub-contractors directly
No disputes	88.0%	85.1%	94.9%	100.0%
Yes there were disputes	12.0%	14.9%	5.1%	0.0%

Table 10 Type of Contract by Important Features in Choosing Builder

Type of contract by important features in choosing a builder New House Owners' Satisfaction Survey 2012				
	Fixed-price including all trades. No changes after signing contract	Fixed-price including all trades but asked for changes after signing contract	Estimated total price. Builder invoiced on hourly rate. Materials and sub-contractors organised by builder and costs passed on	Estimated total price. Builder invoiced on hourly rate and the homeowner paid for materials and sub-contractors directly
Lowest price	36.3%	53.1%	6.9%	3.8%
Fixed-price certainty	42.6%	53.5%	2.7%	1.2%
All	34.8%	49.5%	8.2%	7.5%

Table 11 2011-2012: Satisfaction Levels and Rating

Average satisfaction/rating scores 2011-2012 New House Owners' Satisfaction Survey 2012		
	2011	2012
How satisfied are you with the:		
... service provided by your builder during the buying process?	4.43	4.52
... condition of your home on the day you moved in?	4.34	4.44
... service provided by your builder after you moved in?	4.02	4.11
... value for money of your new home?	NA	4.45
... final cost compared to expected cost at signing of contract?	NA	4.38
... overall quality of your home?	4.59	4.56
How would you rate:		
... the fixing of defects after first occupancy?	3.99	4.00
... the service provided by your designer?	NA	4.26
... your builder in relation to completing your home in time?	4.23	4.30
... the standard of finish of your new home?	4.48	4.49

Table 12 Franchise: Satisfaction Levels and Rating

Average satisfaction scores for franchise builders vs other builders New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
How satisfied are you with the:		
... service provided by your builder during the buying process?	4.40	4.63
... condition of your home on the day you moved in?	4.33	4.53
... service provided by your builder after you moved in?	3.91	4.30
... value for money of your new home?	4.36	4.53
... final cost compared to expected cost at signing of contract?	4.27	4.49
... overall quality of your home?	4.47	4.65
How would you rate:		
... the fixing of defects after first occupancy?	3.82	4.21
... the service provided by your designer?	4.19	4.34
... your builder in relation to completing your home in time?	4.18	4.41
... the standard of finish of your new home?	4.39	4.59

Table 13 Franchise: Type of Input

Franchise: type of input into house design New House Owners' Satisfaction Survey 2012		
	Other builders	Franchise builders
None	2.7%	1.6%
Select design from the builder's standard plans with NO CHANGES	1.4%	1.5%
Select design from the builder's standard plans with SOME CHANGES	33.3%	68.4%
One-off design by an architect/architectural designer with MAJOR/TOTAL OWNER INPUT	55.0%	24.7%
One-off design by an architect/architectural designer with MINOR OWNER INPUT	7.6%	3.8%

Table 14 Franchise: Average Score for Select Design

Average satisfaction/rating scores for select design from builder's standard plans with some changes by owner New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
How satisfied are you with the:		
... service provided by your builder during the buying process?	4.46	4.61
... condition of your home on the day you moved in?	4.33	4.54
... service provided by your builder after you moved in?	3.90	4.28
... value for money of your new home?	4.42	4.58
... final cost compared to expected cost at signing of contract?	4.31	4.55
... overall quality of your home?	4.47	4.63
How would you rate:		
... the fixing of defects after first occupancy?	3.82	4.13
... the service provided by your designer?	4.19	4.26
... your builder in relation to completing your home in time?	4.25	4.40
... the standard of finish of your new home?	4.39	4.60

Table 15 Franchise: Average Score for One-Off Design

Average satisfaction/rating scores for one-off design by an architect/architectural designer with major/total owner input New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
How satisfied are you with the:		
... service provided by your builder during the buying process?	4.40	4.63
... condition of your home on the day you moved in?	4.33	4.53
... service provided by your builder after you moved in?	3.91	4.30
... value for money of your new home?	4.36	4.53
... final cost compared to expected cost at signing of contract?	4.27	4.49
... overall quality of your home?	4.47	4.65
How would you rate:		
... the fixing of defects after first occupancy?	3.82	4.21
... the service provided by your designer?	4.19	4.34
... your builder in relation to completing your home in time?	4.18	4.41
... the standard of finish of your new home?	4.39	4.59

Table 16 Franchise: How Builder Chosen

Franchise: how the builder was chosen		
New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
NA house already built	0.9%	1.9%
Recommended by friends/family	24.0%	45.5%
Recommended by designer	2.4%	6.4%
From adverts on TV/paper	21.5%	4.8%
Used previously	9.0%	20.4%
Got several quotes, chose best	11.2%	4.7%
Show home	45.3%	24.1%
Incentive scheme	1.2%	0.0%
Green credentials	0.9%	1.1%
Other	17.8%	15.6%

Table 17 Franchise: Type of Contract

Franchise: important features in choosing builder		
New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
NA house already built	1.1%	1.5%
Lowest price	15.8%	13.2%
Quality/reputation	78.9%	95.3%
Timely completion	42.3%	39.6%
Fixed-price certainty	59.8%	44.4%
Looked at builders' previous houses	39.8%	49.6%
Other	14.7%	11.2%

Table 18 Franchise: Type of Contract

Franchise: type of contract				
New House Owners' Satisfaction Survey 2012				
	Fixed-price including all trades. No changes after signing contract	Fixed-price including all trades but asked for changes after signing contract	Estimated total price. Builder invoiced on hourly rate. Materials and sub-contractors organised by builder and costs passed on	Estimated total price. Builder invoiced on hourly rate and the homeowner paid for materials and sub-contractors directly
Franchise builder	39.4%	56.8%	2.7%	1.2%
Other builder	30.7%	42.7%	13.2%	13.5%

Table 19 Franchise: Disputes Over Final Cost

Franchise: disputes over final cost		
New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
No disputes	84.5%	91.1%
Yes there were disputes	15.5%	8.9%

Table 20 Franchise: Call Backs

Franchise: call backs after first occupancy		
New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
Yes	75.0%	61.4%
No	25.0%	38.6%

Table 21 Franchise: How New Owners Would Speak About Their House Builder

Franchise: how homeowners would speak about their builder		
New House Owners' Satisfaction Survey 2012		
	Franchise builders	Other builders
Critical without being asked	8.6%	3.8%
Critical if asked	8.4%	4.4%
Neutral	11.8%	4.0%
Recommend if asked	26.3%	21.4%
Recommend without being asked	44.9%	66.4%

6.6 Survey Form

NEW HOUSE OWNERS' SATISFACTION SURVEY

All responses are added together and no individual is identified in reports produced by BRANZ.

1. Was your builder part of a franchise? Yes / No If YES, which franchise? _____

2. Have you built a house before? Yes / No If YES, how many? _____

3. Satisfaction: How satisfied are you with the:

	Very Satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied
Service provided by your builder during the buying process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of your home on the day you moved in?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service provided by your builder after you moved in?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for money of your new home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final cost compared to expected cost at signing contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall quality of your home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Rating: How would you rate: No defects or no designer Very good Fairly good Neither Fairly poor Very poor

The fixing of defects after first occupancy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The service provided by your designer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your builder in relation to completing your home in time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The standard of finish of your new home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Did you have input into the house design before it was built? Yes / No (circle one)

If Yes, what type of input from the options below (tick one)

Select design from the builder's standard plans with **NO CHANGES**

Select design from the builder's standard plans with **SOME CHANGES BY OWNER**

One-off design by an architect/architectural designer with **MAJOR/TOTAL OWNER INPUT**

One-off design by an architect/architectural designer with **MINOR OWNER INPUT**

Why did you want to build? value, investment, specific requirements, less maintenance, sustainability features, existing houses unsuitable
Other (state) _____ (circle all that apply)

5. How did you choose the builder? (please tick all that apply)

Not applicable House already built	Recommended by friends/family	Recommended by designer	From adverts on TV/paper	Used previously	Got several quotes, chose best (how many quotes?)	Show home	Incentive Scheme	Green Credentials	Other (state)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. What features were important in choosing a builder? (please tick all that apply)

Not applicable House already built	Lowest Price	Quality/ Reputation	Timely Completion	Fixed Price Certainty	Looked at builders previous houses	Other (state)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Were there any disputes with the builder over final costs? Yes / No (circle one)

If yes, what was the dispute about? _____

8. Type of contract:

Fixed price including all trades. No changes after signing contract	Fixed price including all trades but asked for changes after signing contract	Estimated total price. Builder invoices on hourly rate. Material and sub-contractors organised by builder and costs passed on	Estimated total price. Builder invoices on hourly rate and you paid for materials and sub-contractors directly
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Is there anything that you wish your builder knew to improve the build process?

10. Did you call back the builder to repair defects after first occupancy? Yes / No (Circle one)

If Yes what defects needed fixing? _____

Was the number of defects: Expected no defects More than expected As expected Less than expected

11. Which of these comes closest to describing how you would speak about your housebuilder?

Recommend without being asked	Recommend if asked	Neutral	Critical if asked	Critical without being asked
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Do you have any general comments on the overall performance of your builder?

Thank you. Please fold this form and freepost it in the return envelope

Nov-12