



Mapping the consumer landscape

How can consumers be empowered to be more active participants in lifting the performance of our houses? We already know a lot about consumers' thoughts around housebuilding - over 30 separate pieces of research have explored their knowledge, experiences and preferences. There is also a large amount of building-related information already written for consumers, but it is widely scattered. One possible step forward might be a 'one-stop shop' information source - a BRANZ, industry and government collaboration that would give consumers a single source of reliable information.

We need to improve the performance of New Zealand houses. Too many existing houses are damp and mouldy, and many new homes are constructed to just meet the minimum requirements of the New Zealand Building Code.

The interface between designers, builders and their clients (consumers) is a critical one when it comes to building and maintaining better houses - homes that are energy efficient, low-carbon, sustainable, resilient, accessible, warm, dry and healthy. Informed consumers could be key drivers of system change through asking the right questions. This project aimed to provide a roadmap for an evidence-based, systematic and coordinated approach to consumer education and information, identifying the most effective role for BRANZ.

Stage 1 of the project - covered by this Research Now - aimed to:

- analyse relevant recent BRANZ research data relating to consumer information
- identify the organisations working in this area and the initiatives that already exist in New Zealand and overseas and what data exists to evaluate their success
- identify the essential information that New Zealand consumers need to know about building, altering, maintaining and living in their homes.

Consumer behaviour is already changing

There have already been some marked changes by consumers in recent years.

- Between the BRANZ House Condition Surveys of 2000 and 2015, the proportion of:
 - owner-occupied houses with heat pumps rose from almost zero to 46%
 - houses using open fires for heating fell from 24% to 6%
 - houses using portable LPG heaters fell from 20% to 6%
 - houses with ceiling insulation thicker than 100 mm grew from 2% to 53%.
- Domestic photovoltaic (PV) installations have grown from the low thousands in 2010 to 25,125 at the start of March 2020.
- LED lighting sales have grown significantly while sales of incandescent bulbs have fallen.
- Energy use in the average New Zealand household has fallen over two decades.

Misinformation, preferences, biases and barriers

Consumers approach information with already existing perceptions and viewpoints rather than completely open minds. For one thing, they are often not good judges of house performance or condition. BRANZ House Condition Surveys consistently find that homeowners believe their homes are in much better condition than an independent assessor finds (Figure 1). Part of this misperception may come from the fact that building practitioners may also be overly optimistic about the standard of houses they are working on. Research suggests that builders are more likely to see existing houses as being in better condition than do designers and architects.

There is evidence in several studies that consumers see the Building Code as a high-quality solution rather than the minimum that is a base to work from.

There is compelling evidence from many research projects that the upfront cost of building work is one of the main drivers (if not the main driver) for consumers. The cost of higher-performance features is a barrier. Very little consideration is given to the operating costs of a house.

Behaviour change research

The research into behaviour change finds that simply giving people information is by itself not enough to change behaviour. Interventions to change behaviour must consider the social environment people live in and their attitudes and skill levels and must provide people with support and resources. Importantly, people need to be empowered rather than just told what to do. (For more information, see BRANZ Research Now: Changing behaviour #1 *Strategies for changing behaviour.*)

Research data relating to consumer information

There have been over 30 different projects in recent years that have included a survey, focus group(s) and/or interviews of homeowners and consumers - BRANZ itself has carried out over 20. Many others have been projects funded by the Building Research Levy or carried out with BRANZ support or assistance. Some research has been wide ranging and some focused narrowly on very specific topics. Consumers have been asked for their opinions in some cases and their experiences in others.

Consumer opinions and preferences and beliefs have also been recorded indirectly through a number of surveys of or interviews with industry practitioners. This is particularly valuable

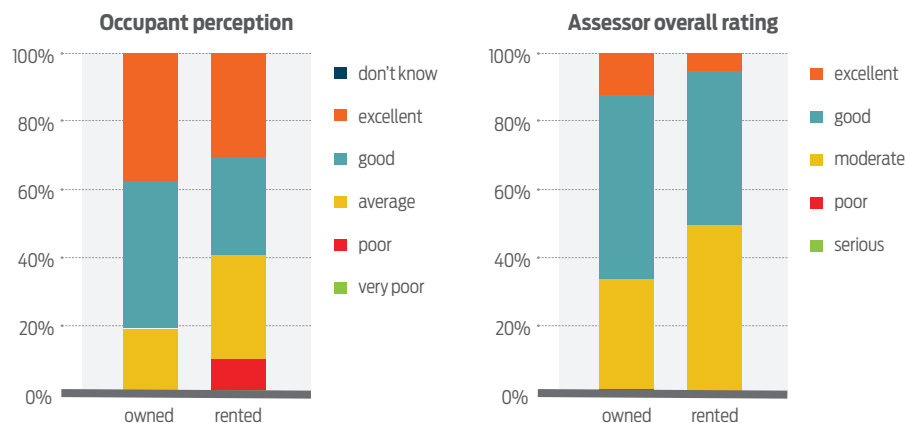


Figure 1. Consumers often misunderstand the condition and performance of their home. This data, from a BRANZ House Condition Survey, shows that consumers think their houses are much better than an independent assessment finds.

information because the consumers whose views are being talked about are usually those actively involved in building or renovation work, so their comments often come from experience.

Building-related information available to consumers

There are many hundreds of sources of information in New Zealand about house-building (Figure 2 gives a few examples). There is plain-English, accessible information already available on almost every aspect of house construction and renovation. There is particularly good information about:

- regulatory issues - MBIE/Building Performance, local councils, BRANZ websites
- consumer protection - Consumer New Zealand (largely behind a paywall), MBIE, BRANZ Weathertight website
- passive design, energy efficiency and energy-efficient appliances - EECA/Energywise,

Consumer New Zealand, BRANZ Level website

- weathertightness - MBIE/Building Performance, BRANZ Weathertight website.

Overall, there is no evidence of a lack of general information about building available to consumers in New Zealand. There is a great deal of information. The problem is that it is scattered very widely. It is very difficult for consumers to judge whether they have found the best or most up-to-date information available. In other words, the problem is around ease of access and convenience.

Research has indicated a few gaps in knowledge, specifically in areas of:

- cost/benefit for building beyond Building Code minimums
- high-level issues around building a new house - roles and responsibilities
- new-build quality and weathertightness
- maintenance
- medium-density housing.

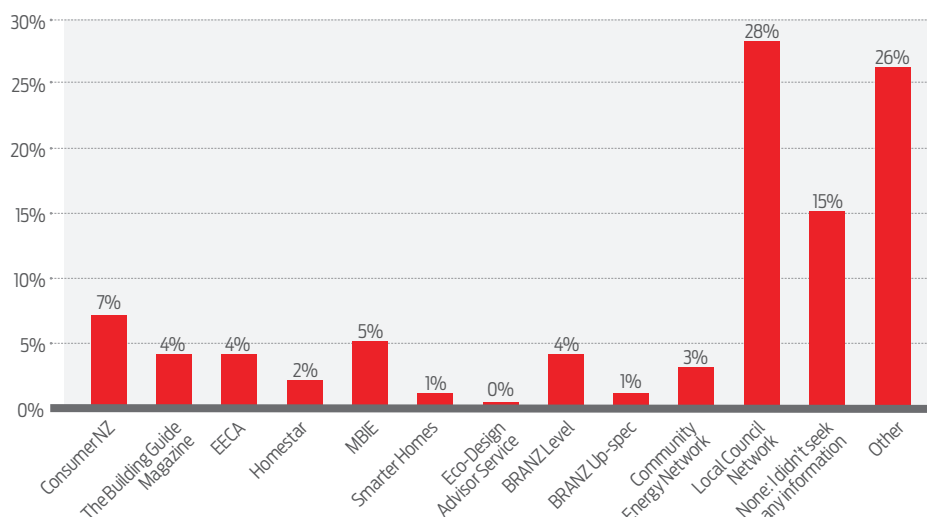


Figure 2. The sources of information consumers in one study used for a house refurbishment/retrofit.

Findings

- There is a vast amount of information already available on building in New Zealand, but it is very widely scattered.
- There has been a large amount of research conducted with consumers in past years - over 30 different projects have been identified, 20 carried out by BRANZ.
- The upfront cost of a new home is the overriding driver of many consumer decisions. Operating costs are rarely considered.
- Comfort and health are more important to consumers than building efficiency.
- Consumers have relatively little knowledge about building and place a large degree of trust in their builder and building consent authority. BCA inspections are often misperceived as a quality control or quality assurance mechanism.
- Consumers' interests tend to be about what they can see - such as kitchen or bathroom fixtures and fittings - rather than invisible elements such as wall insulation.
- Where consumers do ask for something outside standard offerings or beyond the Building Code, they sometimes run into builder resistance.
- Despite dozens of pieces of research directly involving consumers or asking industry practitioners about consumer thinking, no strong consumer demand for more knowledge about general building performance has been uncovered.
- There appears to be widespread consumer acceptance of their houses being built to comply with the Building Code but no clear demand for Code-plus houses.

- The view that, if the 'right' information is found and provided to consumers, they will then demand better-performing homes is too simplistic and unlikely to achieve change by itself.

Recommendations

- Given the vast investment made in research of consumer opinion and experience in past years, it is extremely difficult to justify yet more research. A large amount of information already exists.
- Consideration should be given to how building information that is already available from many different sources can be brought together into a single location - an easier to find 'one-stop shop'. A 'one-stop shop' does not imply a single channel, such as a single website. There is considerable evidence that consumers and industry want information accessible through various channels but especially in printable or printed form.
- As a well-respected independent organisation, BRANZ has a key role to play. Any one-stop resource should involve a partnership between BRANZ, the building industry, government and probably other bodies such as Consumer New Zealand. One possible example is Your Home, an Australian industry/government collaboration. The Your Home website (www.yourhome.gov.au) receives over 1 million visitors per year.
- Information prepared for consumers should take account of cost/price sensitivity by prioritising features or construction methods that

give high returns for no or little additional dollar cost - 'more bang for the same buck'.

- New research should focus on the few information areas where gaps have been identified, especially around costs and benefits. It should be borne in mind that this is niche work. Financial benefits, lower running costs, greater energy efficiency and so on are not key drivers for most consumers.
- Information for consumers should stress health and comfort benefits rather than efficiency or performance issues.
- Government intervention to drive better home performance may be the most practical and effective approach.

More information

BRANZ Study Report SR451 *Mapping the consumer landscape*

BRANZ Research Now: Changing behaviour #1 *Strategies for changing behaviour*