



Knowing enough to ask: identifying what information newbuild clients need to support a good-quality build

BRANZ investigated how first-time, newbuild residential clients gather and use information before and during their build and how they interact with their builder during this process. Newbuild residential clients usually focus on the reputation of their builder to ensure the quality of their new home, and it is often difficult for them to research beyond this point themselves. Ensuring a good-quality build is not only about understanding what knowledge clients are missing. It is equally important to ensure that people can easily access the information they need.

A key factor for improving the quality of newbuilds is the better understanding and management of common issues occurring within the build process.

This research aimed to find out the level of knowledge possessed by newbuild clients in New Zealand when beginning their house-building journey and the various approaches they took to find information. It also explored how a base level of knowledge is built upon as clients progress deeper into the house-building process. This was achieved by interviewing the owners of new houses, supported by a literature review.

Findings of the literature review

While previous studies had touched on the area, no research in New Zealand had focused specifically on identifying the information-gathering practices of newbuild residential clients and how this impacts the resolution of quality issues.

Previous research showed that clients can have a significant impact on building quality (both positively and negatively), particularly during the design and planning stages and in relation to later changes in the project. A number of resources are available to clients, but it was not clear how these are used.

Further work was needed to understand what clients know entering a build, how a client's level of knowledge can impact the quality of a newbuild and how best to address any deficits.

Approach to interviewing

Interview invitations were sent to new-house owners in Wellington, Auckland, Tauranga and Queenstown. Potential interviewees were sourced from publicly available consent data

held by each regional district council in the 2017 and 2018 calendar years.

Clients of franchise builders were approached as they produce the highest volume of buildings in New Zealand so represent the usual house-building experience well. Clients whose builders were not part of a franchise were also invited to participate to see if their experience was different. Owners who were also the builder were not included.

Thirty people agreed to be interviewed either over the phone or in person. The interviews followed a semi-structured approach (open-ended questions allowing discussion rather than a formal list of questions).

Each interview explored the whole build from the perspective of the client. This included what research was undertaken by the client and the types of sources of information they found, whether they sought expert advice and how early in the process, how they found and chose their builder, issues they encountered and whether they thought their research helped their negotiations with their builder. The interview questions also explored information-gathering practices and issues for newbuild clients relating to quality measures

of functionality, durability and performance. The responses were analysed by theme.

Information-gathering context for newbuild clients

The interview approach allowed the researchers to understand why clients had certain experiences during the build process. During the analysis of this interview data, a number of key themes were identified and were then discussed based on where they occurred during the build process (as described by clients).

- **Choosing to build:** Clients recognise that New Zealand's poor housing stock and the legacy of the cold homes that clients grew up in influenced the decision to build as well as the features and performance that newbuild clients are looking for.
- **Choosing a builder:** This depends on a wide range of factors, such as clients being able to envisage their future home from a show home, the quality of show homes, the builder's reputation and availability, referrals within clients' social networks and how malleable the builder is during negotiation. Landowners may have more

autonomy to choose a builder, but the type of land and how difficult it would be to build on that land can also be a factor in finding and choosing a builder.

- **Research before and during the build:** The main objective of clients' research was to find a capable builder that they can trust. Most clients have only a basic understanding of building from promotional material, advice from others and the internet. Clients researching beyond this level already had unique knowledge or social connections.
- **Relationships between clients and builders:** Clients were aware of their own knowledge gaps and expected professionalism and expertise from their builder in making their dream home a reality. Clients knew they lacked authority over the performance of certain parts of the build but still had expectations about how they were meant to perform.
- **Increased client involvement:** Clients who had poor relationships with their builder found themselves improvising new strategies to gather information about the build. Their behaviour was tempered by uncertainty about being a bad customer or being picky,



pushy or needy. Clients had doubts about who was responsible for identifying quality issues and how they would be rectified.

- **Quality as goods and a service:** Clients were generally unhappy during the build but happier with the outcome. Clients assessed their build based on the quality of the final product and the service received.

Newbuild clients' research before the build

Newbuild clients prioritised determining the reputation of their builder. Viewing show homes and asking for referrals from friends were the types of information most used during this process.

Clients were often constrained in their choice of a builder because of the unique requirements of their build, the type of land they had purchased and the current commitments of the residential construction industry.

Clients who wanted to research beyond the reputation of their builder often had difficulties in doing so. Clients who successfully researched beyond the reputation of their builder were enabled by their social connections who had ties to the construction industry or had the expert knowledge themselves to feel comfortable enough to discuss performance-related specifications with their chosen builder.

Newbuild clients' research during the build

Clients who had issues in communicating with their builder would often find other ways to gather information about the progress of the build (visiting the site after hours, talking to subcontractors, asking experienced professionals to look on their behalf).

Clients who identified a defect themselves felt compelled to become more involved in the build process to safeguard their investment. Clients who became more involved with their build (by choice or by feeling forced) felt uncertain in this role as they tried to balance ensuring the best outcome for their build while not wanting to appear as picky or needy.

Recommendations

Ensuring a good-quality build is not just about identifying the types of knowledge clients are missing. It is important to ensure that clients can access the knowledge they need to ensure a good-quality build. BRANZ therefore advises against prioritising developing new information and new resources. Addressing the following points would result in better outcomes.

- **Clearer information for clients:** Future research could explore how to provide clearer information to clients including processes to deliver up-to-date information on the progress of their build. Restrictions on site access and on who can provide information could be examined.
- **Improve how clients and builders communicate:** Clients need more support and information around their rights and responsibilities as a consumer and on the practicalities of the build process. New research could explore the different ways information reaches clients. How different demographics use and access information should also be taken into account.
- **Impartial, independent experts:** Improve the availability of impartial, independent experts to help support less-connected clients. Most clients cannot access impartial, expert knowledge. Expansion of groups such as Eco Design Advisors would provide clients with an impartial reservoir of expert knowledge to leverage in negotiations with their builder. Access to impartial expertise and advice can help clients feel confident enough to ask questions of their builder and the build process in general.

Key knowledge gaps

Key knowledge gaps for newbuild clients include:

- how the build process works
- who does what during the build
- key communication channels during the build
- client rights and responsibilities during the build.

Further reading

BRANZ Study Report SR443 *Knowing enough to ask.*

BRANZ Study Report SR445 *Procuring for quality.*

BRANZ Study Report SR449 *New House Owners' Satisfaction Survey 2019.*

Research Now: Quality #1 *New house owners' satisfaction with their builder in 2019.*