



Client perspectives on their relationship with their builder while building a new home

Clients of new-build homes were asked about their experience of their relationship with their builder and any sources of tension. Clients need regular contact with their builder and the site. Positive experiences rely on builders managing client expectations early on, while understanding their client's desire for more information as the build progresses. BRANZ recommends developing resources to support conversations between clients and their builders at the project outset about how they will work together and to help clients choose the right builder for them.

Anecdotes from clients and builders suggest that the builder-client relationship can be one potential cause of distress for both parties during residential house builds. BRANZ and Axon Consulting investigated whether there was any evidence for this and, if so, what the impact is. The research examined both sides of the relationship during the construction of new homes. This Research Now focuses on the client's perspective.

Approach

Two surveys were carried out - one for clients and another for builders. Online surveys were designed to gather quantitative information about their experiences of working with one another. 112 clients and 216 builders responded to the surveys.

Clients were asked about their demographic information, the house they were building, communication during the build and their experiences during and opinion of the build process. They were also asked whether they had any notable disagreements with their builder during the build.

At the end of the survey, 30 participants were interviewed. More information was gathered using a semi-structured conversational approach to give context to the survey answers. This approach helps provide understanding of why clients and builders

may have certain perceptions or experiences. Clients were asked to describe good and bad experiences with their builder and to explain what happened if the relationship broke down and whether they could resolve the issues arising.

The research was cut short because it coincided with New Zealand's COVID-19 Alert Level 4 and 3 lockdowns. This impacted the sample size, but enough responses were gathered for meaningful analysis. A second issue is that the participants were self-selected and may have been influenced by their own negative experiences, so it is not possible to say whether the participants in this study are a fair representation of all clients. BRANZ believes that findings are robust and reliable because the data collected represents a wide variety of positive and negative experiences in detail from the large number of interviews.

About the clients

Most of the clients were over 55 (Figure 1). Around 60% identified as male. People from all over New Zealand took part. Christchurch, Otago and Waikato regions had the largest number of survey respondents.

Client expectations for communication with their builder

The main point of contact for most clients (80%) was a project manager or the builder responsible for the work on site. Clients who said 'other' said they communicated with a combination of two or more representatives of the company building their home.

How often clients communicated with their builder varied. Many clients (47.9%) expected they should be able to get hold of their builder at any time, while 22.4% disagreed. 80% communicated with their builder once a week or more often (Figure 2a). 83% of builders were dealing with clients outside of business hours. For builders, this is seen as a part of building a trusting relationship with their client.

Both clients and builders preferred face-to-face communication, but BRANZ observed that it was often a combination of face-to-face and emailing that achieved the most successful communication. Emailing provided clear documentation while face-to-face meetings were an opportunity to iron out uncertainty.

Receiving timely updates was key to satisfying the clients' information requirements. When asked about the amount of communication they received from their builder, 57% thought they had received the

right amount of communication, 3% felt that their builder had overcommunicated during the process, but 40% would have liked more communication from their builder (Figure 2b). Just over 30% felt frustrated at how little information they received about what was happening on site (Figure 2c). On the other hand, catching up with their builder was largely considered a positive experience, although 10% said this part of the process was not enjoyable (Figure 2d).

The clients identified a general issue with their builder's communication style in that they felt they must 'chase up' their builder to find out what was going on during the build. For clients, the act of chasing up a builder is usually because their expectation about the level of communication was not met. Any perceived lack of communication would act as a red flag for clients and signal a need for them to become more involved with the build. Hearing about what was happening on site was a key source of information for clients. BRANZ found that clients prefer regular up-to-date coverage, even when things are progressing as expected.

Sources of tension in the client-builder relationship

Tension in the relationship almost always occurred when client expectations did not match what they perceived was being delivered. How well the builder communicated with the client made the difference between it escalating to a conflict or not.

Several different tension points were

identified in the surveys and interviews with clients.

Access to the site

Access to site and the information clients gather from the site was one of the major points of contention for both builders and clients. Builders often perceived site visits as an opportunity for things in the client relationship to go wrong. Clients are also aware that their increased involvement on site can create tension with their builder.

For some clients, accessing the site is important and is their most-used avenue for information about the progress of the build. For many, it is a mostly positive experience. The client can see progress more often and is able to answer queries immediately when needed. Access to the site also allowed clients to visualise and confirm that progress matched their expectations. However, clients' presence on site without supervision could sometimes lead to conflict when the client observed something they didn't expect and the builder wasn't there to explain.

Defects

Defects were a significant trigger of tension in the relationship from the client's perspective. Even minor defects presented a risk to the relationship between builder and client if the builder failed to understand the impact of the defect on the client's level of trust. While a builder might see a minor defect as inconsequential and not in need of urgent attention, the ongoing presence of the defect

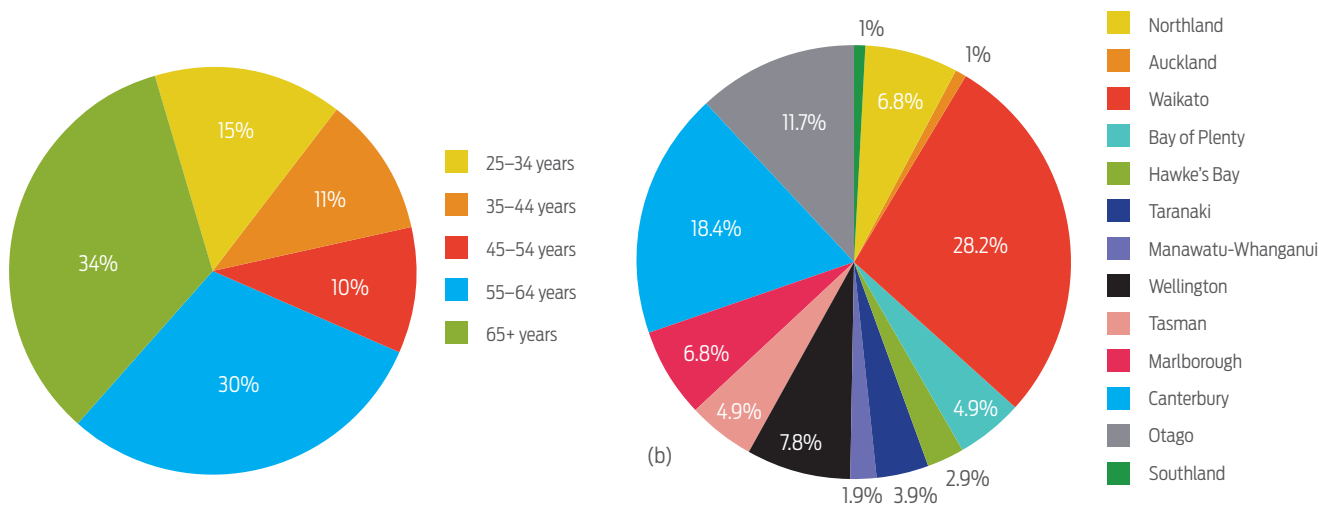


Figure 1. Information collected about the 112 clients who responded to the online survey. (a) Age of client. (b) Location of newbuild home.

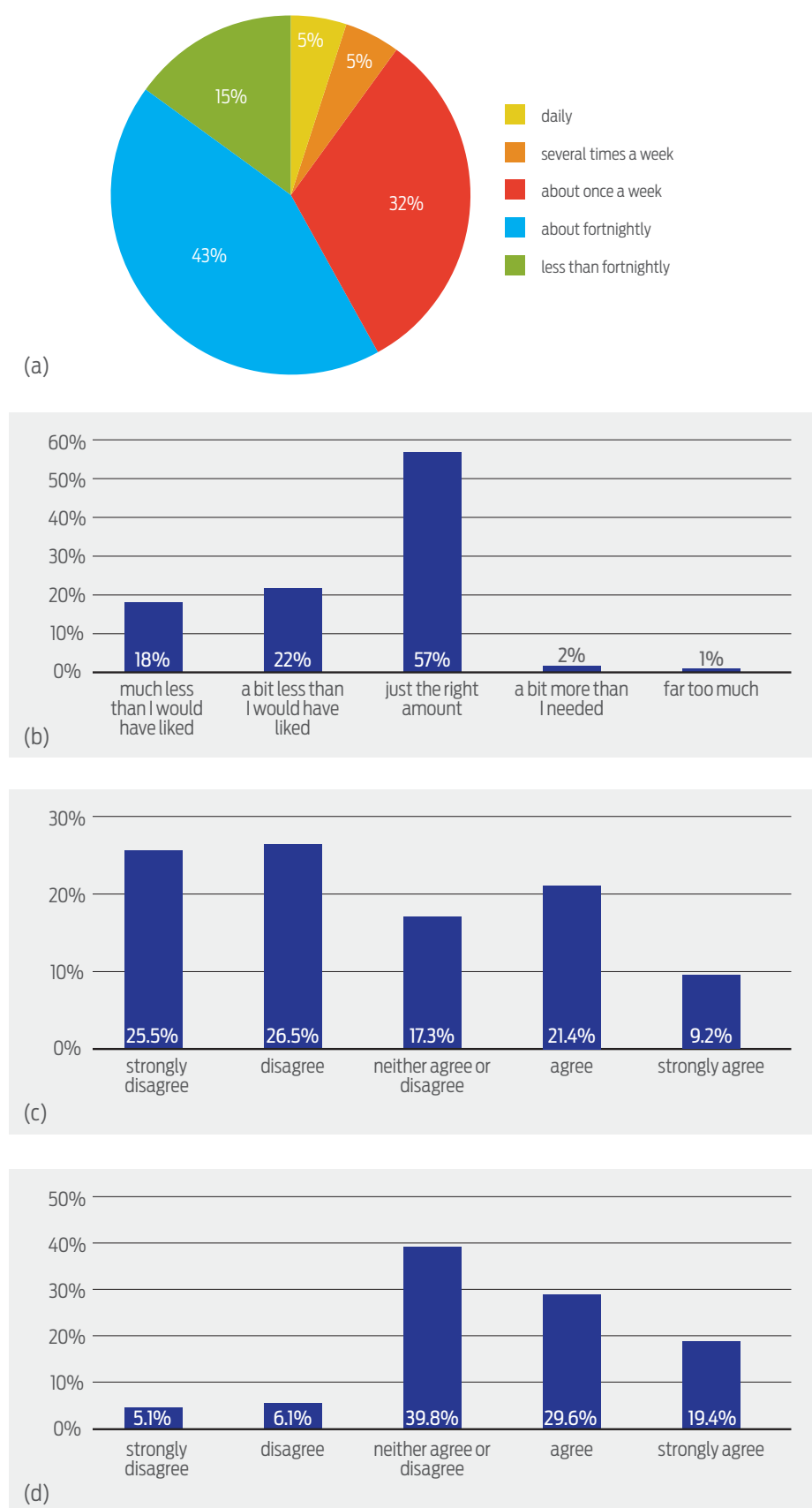


Figure 2. (a) How often clients communicated with their builder. (b) Client satisfaction with the amount of communication received from their builder. (c) Whether clients were frustrated with how little information was provided by their builder. (d) Whether clients enjoyed catching up with their builder about progress.

signals to the client that they have not been heard. It might also send the message that they need to remain vigilant as the builder is not committed to identifying or fixing mistakes. Communication is the key to managing tension over defects.

Power imbalance

Tensions around defects also highlight a perceived power imbalance between builders and clients, as clients are dependent on their builder validating their concerns. When a builder ignored a client's concerns, it destabilised the relationship between builder and client.

Variations and unexpected costs

The clients surveyed and interviewed were generally very understanding when it came to variations and timeframe issues, but only when these had been clearly signposted by their builder. Builders need to explain variations and exclusions clearly at the contracting stage to set realistic expectations about cost.

The impact of disagreements on clients

Disagreements with builders were a common occurrence for clients. 51% of the people surveyed said they had had at least one disagreement with their builder. A cause of stress for clients was when issues they had identified were not acknowledged and actively resolved by their builder.

When clients are unhappy with their builder or if the builder does not agree with their concerns, clients must go outside of the conditions of the contract for their dissatisfaction to be heard. Leaving poor reviews or refusing to pay variations were some of the only avenues they thought they could explore. Builders are the opposite in that they use the contract to resolve issues or seek legal help when a client is non-compliant.

The impact on client wellbeing is not as widespread as the impact observed on builders in this study (see the companion Research Now: *Builder wellbeing during tension in the builder-client relationship*). Clients identified mild to moderate impacts to their mental health due to the build process, but these were not as severe as observed in the builders surveyed and interviewed. Nearly all wellbeing impacts identified were due to expectations not being met in some way. The more severe cases of client wellbeing impacts were usually

because a disagreement with their builder had never been resolved and they were left with a house that they felt had a clear defect that had not been fixed.

Recommendations

- Clients need more education about what it means to be a newbuild client and to have their expectations discussed and managed. The clients participating in this study were uncertain and torn between being a 'good customer' who is not pushy (and gives the builder space to do their job) versus being an assertive client who pushes to ensure their specifications have been fulfilled before handover.
- Developing and creating a workbook to guide clients through an early conversation with their builder about working together and communicating throughout the building process could help. This workbook could include space to record a written agreement between client and builder about:
 - when and how a builder can be contacted
 - site visits and their frequency and duration
 - supervision and health and safety during site visits
 - interacting with subcontractors and other tradespeople on site
 - the process for identifying and reporting defects.
- A separate resource should be developed to inform clients about how to find and choose a quality builder. This resource should be developed in consultation with consumers and industry and be an extension of the workbook resource. It should explain the build process and walk clients through their expectations and the questions they should ask to ensure their expectations are met before signing up with a builder.

Further reading

BRANZ Research Now: Building sector wellbeing #2 *Builder wellbeing during tension in the builder-client relationship*

BRANZ Study Report SR461/1 *Understanding the builder-client relationship - part 1: builder perspectives*

BRANZ Study Report SR461/2 *Understanding the builder-client relationship - part 2: client perspectives*