

# New home customer satisfaction



HBF NATIONAL NEW HOME CUSTOMER SATISFACTION SURVEY

APRIL 08

## Key Findings

A large majority of Britain's new home buyers are satisfied with their purchase, according to the Home Builders Federation's third annual Customer Satisfaction Survey. Just over three quarters (76%) of purchasers in the 12 months from October 2006 to September 2007 were satisfied with the overall quality of their home, and three quarters would recommend their home builder to a friend. Responses to the latest survey are broadly in line with results from the two previous surveys, although after-sales service and the recommendation rate have fallen back slightly.

## Customer Satisfaction: Background

In response to one of the recommendations of the Barker Review of Housing Supply (March 2004), the Home Builders Federation (HBF) developed a strategy to help raise customer satisfaction levels among new home buyers.

This strategy, developed in consultation with home builders and Homes for Scotland, had three key elements: a national survey of new home buyers in partnership with NHBC; a Code of Conduct and model Customer Charter, again in partnership with NHBC; guidance for home builders on compliance with the Unfair Terms in Consumer Contracts Regulations 1999.

A set of model contract terms, drawn up in consultation with the OFT, and a Customer Service Code of Conduct were completed in 2006. This report presents results from HBF's third Customer Satisfaction Survey, covering the 12 months October 2006 to September 2007. The previous surveys covered the 12 months October 2005 to September 2006 (published in March 2007) and the six months April 2005 to September 2005 (published in February 2006).

As with the first two surveys, the new results reveal a high level of satisfaction among new home buyers, confirming the industry's commitment to achieving high levels of satisfaction.

Raising customer satisfaction in a home building company, where each house or apartment is effectively a bespoke product, built on location, often involving sub-contract labour, requires commitment from everyone in the company, from senior management through to site sales and construction staff. Companies that have achieved a significant improvement in customer satisfaction stress that it takes time to achieve significant improvements. It is therefore not surprising that we have not seen any dramatic changes in the results over the three surveys.

## HBF National New Home Customer Satisfaction Survey

HBF's survey is a self-completion postal census of the new home purchasers of 17 larger home builders constructing in excess of 500 homes per year. It covers purchasers legally completing during the 12 months October 2006 to September 2007. Purchasers were sent a questionnaire approximately eight weeks after legal completion. Any private tenants receiving a questionnaire were asked not to complete it. The survey work was carried out by NHBC on behalf of HBF.

Of the 71,481 questionnaires mailed, 28,479 were returned, a response rate of 39.8%.

Industry results for the eight survey questions are shown on page 2. Individual company results are shown on page 3 for Question 7 (satisfaction with overall quality of home) and Question 8 (recommendation) using a five-star rating. A brief description of the methodology and star ratings is given on page 4.

## Survey Findings

Purchasers once again reported high levels of satisfaction with the service during the buying process and completing their home on time. More than three quarters (77%) were very or fairly satisfied with the service during the buying process, one percentage point down on the previous survey and the same as the first survey. In addition, 72% regarded their builder as very (44%) or fairly (28%) good in relation to completing the home on time, a percentage point down on the first two surveys.

Asked about the condition of their home on move-in day, 72% were satisfied (33% very), with a similar proportion (69%) regarding the standard of finish as good. By contrast, one in five buyers was dissatisfied with the condition of the home on move-in day and 18% regarded the standard of finish as poor. All these results were very close to those recorded in the first two surveys.

As in the first two surveys, home builders' service after purchasers had moved in proved the weakest area, with 64% very or fairly satisfied, against 24% dissatisfied. The latest satisfaction result is one percentage point down on the previous survey but two percentage points up on the first survey.

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## ...Survey Findings cont

Although the proportion of home purchasers reporting a problem (such as a defect or snag) to their builder after moving in has edged up during the three surveys, a substantial majority regarded the number of problems as either in line with expectations (37%) or fewer than expected (22%). However 41% said the number reported was more than expected, up two percentage points on the two previous surveys.

As in the two previous surveys, reducing defects and improving after-sales service remain key areas for industry improvement.

Asked about their overall satisfaction or dissatisfaction with the quality of their home, 76% said they were satisfied, unchanged on the two previous surveys, whereas 15% were dissatisfied and 9% neither satisfied nor dissatisfied.

Three quarters of new home purchasers said they would recommend their builder to a friend, against one quarter who would not, a small decline on the previous survey (77% would recommend, 23% would not).

## HBF National New Home Customer Satisfaction Survey Industry Results (weighted)

### Q1. How satisfied or dissatisfied were you with the service provided by your builder during the buying process?

	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Total satisfied	Total dissatisfied	Sample size (not weighted)
%	38	39	11	8	5	77	13	22,113

### Q2. How would you rate your builder in relation to completing your home on time?

	Very good	Fairly good	Neither	Fairly poor	Very poor	Total good	Total poor	Sample size (not weighted)
%	44	28	10	9	8	72	17	21,725

### Q3. How satisfied or dissatisfied were you with the condition of your home on the day you moved in?

	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Total satisfied	Total dissatisfied	Sample size (not weighted)
%	33	39	9	11	9	72	20	22,330

### Q4. How would you rate the standard of finish of your new home?

	Very good	Fairly good	Neither	Fairly poor	Very poor	Total good	Total poor	Sample size (not weighted)
%	29	40	13	12	7	69	19	22,331

### Q5. How satisfied or dissatisfied were you with the service provided by your builder after you moved in?

	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Total satisfied	Total dissatisfied	Sample size (not weighted)
%	32	31	12	13	11	64	24	22,294

Note: an additional 1% responded "not applicable" to Q5.

### Q6a. Have you reported any problems with your home (i.e. snags, defects) to your builder since you moved in?

	Yes	No	Sample size (not weighted)
%	95	5	22,313

### Q6b. Was the number of problems in line with your expectations?

	Fewer	Same	More	Sample size (not weighted)
%	22	37	41	21,024

### Q7. Taking everything into account, overall how satisfied or dissatisfied are you with the quality of your home?

	Very satisfied	Fairly satisfied	Neither	Fairly dissatisfied	Very dissatisfied	Total satisfied	Total dissatisfied	Sample size (not weighted)
%	35	40	9	9	6	76	15	22,322

### Q8. Would you recommend your builder to a friend?

	Yes	No	Sample size (not weighted)
%	75	25	21,712

#### Notes

- "Neither" indicates "Neither satisfied nor dissatisfied" or "Neither good nor poor".
- Results are weighted to take account of the size of each home builder.
- The proportions responding very or fairly satisfied (or good) may not sum exactly to the total satisfied (or good) because of rounding.



## HBF National New Home Customer Satisfaction Survey Company Results (unweighted): Questions 7 and 8

Sample size	Home builder	Q7 Quality of home	Q8 Recommend to a friend
3674	Barratt	★★★	★★★
922	Bellway	★★★	★★★
858	Bovis	★★★	★★★
190	Cala	★★★★★	★★★★★
372	Crest Nicholson	★★★	★★★
100	David McLean	★★★	★★★
1397	David Wilson	★★★	★★★
1163	Miller	★★★	★★
614	Galliford Try	★★★★★	★★★★★
225	Kier	★★★	★★★
222	Lovell	★★★	★★★
1331	McCarthy & Stone	★★★★★	★★★★★
251	Morris	★★★★★	★★★★★
4707	Persimmon	★★	★★
889	Redrow	★★★	★★★
352	Stewart Milne	★★	★★
5133	Taylor Wimpey	★★★	★★★

Note: Taylor Wimpey results include separate George Wimpey and Taylor Woodrow results for the period prior to the merger in July 2007.

Q7. Taking everything into account, overall how satisfied or dissatisfied are you with the quality of your home?

Q8. Would you recommend your builder to a friend?

Note: For Q7, stars were allocated according to the proportions responding very or fairly satisfied. For Q8, stars were allocated according to the proportion responding 'Yes' (i.e. they would recommend their builder to a friend)

# HBF National New Home Customer Satisfaction Survey Technical Note

The HBF National New Home Customer Satisfaction Survey is a continuous self-completion postal census of the new home purchasers of 17 home builders building more than 500 units per year. Based on NHBC registration records, the participating companies account for 61% of annual NHBC registrations.

The survey results cover purchasers legally completing during the 12 months October 2006 to September 2007. Purchasers were sent a questionnaire approximately eight weeks after legal completion. Any private tenants receiving a questionnaire were asked not to complete it. The statistical methodology used in the analysis of this survey has been discussed with, and approved by the Statistical Services Centre, University of Reading. The methodology is the same as in the first survey, published in 2006, for which Ipsos MORI acted as a consultant, advising on the methodology and analysis.

Approximately 71,500 questionnaires in total were mailed out and just under 28,500 questionnaires were returned, a response rate of 39.8%. Blank responses are excluded from calculation of the results for each question.

The industry results (page 2) are weighted to take account of each home builders' total NHBC registrations. Individual company results are not weighted.

Company results for Q7 and Q8 (page 3) are presented in bands as follows:

<b>90%+</b>	<b>5 star</b>
<b>80% less than 90%</b>	<b>4 star</b>
<b>70% less than 80%</b>	<b>3 star</b>
<b>60% less than 70%</b>	<b>2 star</b>
<b>50% less than 60%</b>	<b>1 star</b>

For Q7, stars were allocated according to the proportions responding Very and Fairly satisfied. For Q8, stars were allocated according to the proportion responding 'Yes' (i.e. they would recommend their builder to a friend). The table on this page gives an indication of sampling error.

The major benefits of the chosen system of star ratings are that they provide a fixed benchmark against which results can be compared from year to year, and the bands are transparent and easily understood.

## HBF National New Home Customer Satisfaction Survey Company Results (unweighted): Questions 7 and 8

Sample size	Home builder	Q7 Quality of home	Q7 Error identifier	Q8 Recommend to a friend	Q8 Error identifier
3674	Barratt	★★★	β	★★★	
922	Bellway	★★★		★★★	
858	Bovis	★★★		★★★	α
190	Cala	★★★★		★★★★	α
372	Crest Nicholson	★★★		★★★	
100	David McLean	★★★	β	★★★	α
1397	David Wilson	★★★		★★★	
1163	Miller	★★★	α	★★	β
614	Galliford Try	★★★★	α	★★★★	α
225	Kier	★★★	α	★★★	α
222	Lovell	★★★	β	★★★	β
1331	McCarthy & Stone	★★★★★		★★★★★	
251	Morris	★★★★	β	★★★★	α
4707	Persimmon	★★		★★	
889	Redrow	★★★		★★★	
352	Stewart Milne	★★	α	★★	
5133	Taylor Wimpey	★★★		★★★	

The star ratings are based on sample estimates, and are therefore subject to sampling error. For each estimate, there is a 95% chance the true figure lies within an error range either side of the sample estimate. For example, a company may have 72% responding Yes to Q8, with an error range of +/-3%. The result would be shown as three stars. However there is a 95% chance the true figure lies within the range 69% to 75%. An 'α' indicates that, taking account of the error margin, the true figure could lie within a lower star band. Alternatively, 'β' indicates the true figure could lie within a higher star band.



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