

NEW HOME CUSTOMER SATISFACTION



HBF NATIONAL NEW HOME CUSTOMER SATISFACTION SURVEY

FEBRUARY 06

Key Findings

The picture to emerge from the HBF National New Home Customer Satisfaction Survey is one of high levels of satisfaction among home buyers. Three quarters of purchasers are satisfied with the overall quality of their home and a similar proportion would recommend their builder to a friend. To raise satisfaction levels even further, house builders need to focus on reducing post-occupation defects and improving their handling of after-sales service.

Customer Satisfaction: Background

Recommendation 32 of the Barker Review (March 2004) said "the housebuilding industry must demonstrate increased levels of customer satisfaction", and called on the Home Builders Federation (HBF) to develop a strategy.

HBF's strategy to help the industry raise customer satisfaction, which is being developed in consultation with home builders and Homes for Scotland, has 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 to ensure their purchaser contracts comply with the Unfair Terms in Consumer Contracts Regulations 1999.

Customer satisfaction is a new focus for HBF which has traditionally concentrated on supply-side issues such as planning and building regulations. The most striking conclusion to emerge from HBF's early work is the high level of industry commitment to raising levels of customer satisfaction. An HBF member survey in late 2004 found that 38 of the largest 42 members were already surveying their purchasers. In addition many have incorporated their survey results into bonus schemes, ensuring a strong commitment from all levels of staff. Above all, there is a commitment from senior management who see significant commercial benefits from achieving high levels of customer satisfaction.

One consequence of these existing commitments is that HBF has not started from a blank slate. In particular, in launching an industry customer satisfaction survey, the Federation has had to be mindful of existing customer surveys.

HBF National New Home Customer Satisfaction Survey

HBF undertook a self-completion postal census of the new home purchasers of 22 larger home builders constructing in excess of 500 homes per year. The survey covers purchasers legally completing during the six months April-September 2005. Purchasers were sent a questionnaire approximately eight weeks after legal completion. Any tenants receiving a questionnaire were asked not to complete it. The survey work was carried out by NHBC on behalf of HBF.

Of the 35,000 eligible questionnaires mailed, almost 15,000 questionnaires were returned, a response rate of 43%. This is a good result, especially as most purchasers also receive a survey questionnaire from their home builder.

Industry results for the eight survey questions are shown on page 2. In addition, 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 rating is given on page 4.

Survey Findings

The picture to emerge from the survey is one of high levels of satisfaction among home buyers, but to raise satisfaction levels even further house builders will have to reduce post-occupation defects and improve their handling of after-sales service.

Purchasers reported high levels of satisfaction with service during the buying process and completing their home on time. More than three quarters (77%) were satisfied with the service provided during the buying process, with just over one third (35%) saying they were very satisfied. In addition, almost three quarters (73%) regarded their builder as very (43%) or fairly (30%) good in relation to completing the home on time.

When asked about the condition of their home on move-in day 70% were satisfied, with an almost identical proportion (69%) regarding the standard of finish as good. By contrast, one in five purchasers was dissatisfied with the condition on move-in day, and a similar proportion regarded the standard of finish as poor.

The weakest area identified by the survey was house builders' service after purchasers had moved in. Nearly two thirds (62%) were satisfied, but one in four was dissatisfied.

Although most home purchasers had reported a problem to their builder after moving in, such as a defect or snag, a majority regarded the number of problems as either in line with expectations (38%) or fewer than expected (22%). However 39% said the number reported was more than expected.

These results suggest reducing defects and improving after-sales service are key areas for improvement.

Asked about their overall satisfaction or dissatisfaction with the quality of their home, 76% of purchasers said they were very (35%) or fairly (42%) satisfied, whereas 14% were fairly or very dissatisfied.

Three quarters of new home purchasers responding to the survey said they would recommend their builder to a friend, against one quarter who 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
%	35	42	11	7	5	77	12	14,786

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
%	43	30	11	9	8	73	16	14,550

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
%	31	40	10	12	8	70	20	14,891

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
%	28	41	13	12	7	69	18	14,890

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
%	29	33	12	13	11	62	24	14,870

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
%	93	7	14,902

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

	Fewer	Same	More	Sample size
%	22	38	39	14,090

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
%	35	42	10	8	5	76	14	14,879

Q8. Would you recommend your builder to a friend?

	Yes	No	Sample size
%	75	25	14,548

Notes

1. "Neither" indicates "Neither satisfied nor dissatisfied", or "Neither good nor poor". 2. Results are weighted to take account of the size of each home builder.

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

Sample size	House builder	Q7 Quality of home	Q8 Recommend to a friend
2558	Barratt	***	***
933	Bellway	**	**
190	Ben Bailey	***	****
242	Berkeley Group	****	****
424	Bovis	**	**
169	Cala	****	****
155	Countryside	***	**
418	Crest Nicholson	***	***
737	David Wilson	****	****
231	Fairclough	***	***
140	Galliford Try	****	****
2159	George Wimpey	****	****
255	Kier Residential	***	***
154	Linden	*****	****
117	Lovell Partnerships	***	***
711	McCarthy & Stone	*****	*****
388	Miller	****	***
145	Morris	****	****
2765	Persimmon	***	***
702	Redrow	***	**
181	Stewart Milne	****	****
1253	Taylor Woodrow	***	***

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).

Technical Note

The HBF National New Home Customer Satisfaction Survey is a self-completion postal census of the new home purchasers of 22 home builders building more than 500 units per year. Based on NHBC registration records, the participating companies account for 43% of annual NHBC registrations.

The survey results cover purchasers legally completing during the six months April-September 2005. 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. Ipsos MORI has acted as a consultant, advising on the methodology and analysis.

Just over 35,000 eligible* questionnaires were mailed for the six month period. 15,295 eligible questionnaires were returned, a response rate of 42.8% of eligible questionnaires. Blank responses were excluded from calculation of the results for each question.

The industry results shown (page 2) are weighted to take account of each home builders' total NHBC registrations. Individual company results are not weighted. However the impact of weighting by region and house type was tested and was found to have very little impact on the company results.

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

90%+	5 star
80% less than 90%	4 star
70% less than 80%	3 star
60% less than 70%	2 star
50% less than 60%	1 star

The table below gives an indication of sampling error.

It is HBF's intention to publish customer satisfaction survey results annually. Over the next 12 months, HBF will be working with NHBC and participating companies further to develop the survey.

*In total, just over 39,000 questionnaires were mailed. However this total reduced to just over 35,000 after removing those returned undelivered, tenants and purchasers of dwellings completed by non-participating builders.

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

Sample size	House builder	Q7 Quality of home	Q7 Error identifier	Q8 Recommend to a friend	Q8 Error identifier
2558	Barratt	***		***	
933	Bellway	**		**	
190	Ben Bailey	***	α	****	α
242	Berkeley Group	****		****	α
424	Bovis	**	β	**	
169	Cala	****	α	****	α
155	Countryside	***	α	**	β
418	Crest Nicholson	***	α	***	α
737	David Wilson	****		****	
231	Fairclough	***	β	***	β
140	Galliford Try	****	α	****	
2159	George Wimpey	****		****	
255	Kier Residential	***	β	***	α
154	Linden	*****	α	****	β
117	Lovell Partnerships	***	α/β	***	β
711	McCarthy & Stone	*****		*****	α
388	Miller	****	α	***	β
145	Morris	****	α	****	α
2765	Persimmon	***		***	α
702	Redrow	***	α	**	β
181	Stewart Milne	****	α	****	α
1253	Taylor Woodrow	***		***	

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.