

Chartered Institute of Housing's response to the public consultation on changes to the New Homes Quality Code

November 2024

Introduction

Chartered Institute of Housing (CIH) is the professional body for people who work or have an interest in housing. We welcome the opportunity to respond to the New Homes Quality Board (NHQB) Code, and, overall, support the changes proposed. We have answered all questions relevant to our role as the professional body. As highlighted in our previous discussions with the NHQB, we support the introduction of a single consumer code, to ensure consistency and quality for all new build homes, and we would welcome the opportunity for further engagement with the NHQB to ensure high standards in housebuilding so that everyone has a safe, decent and affordable place to call home.

The current housing crisis means we must boost the supply of affordable housing in the UK. This is reflected in recent government [announcements](#), with the aim to build 1.5 million homes in the next five years. This will require all those who work in housing and construction to join together to rapidly increase housebuilding, particularly following years [of uncertainty and reduced development of social homes](#). However, it is crucial that this increase in quantity is not at the expense of the quality of new build homes. We have repeatedly reiterated the importance of having a safe, decent and affordable place to live, as seen in CIH's work on the [Better Social Housing Review](#) with the National Housing Federation, which aims to improve conditions in existing homes and more broadly enhance the performance of the housing sector. This is equally important in new build homes, particularly as we have seen [examples](#) of poor quality new-build housing in recent years.

The proposed changes in the code continue the crucial work on the NHQB to provide a clear framework for all developers and establish high standards for customers. We support the changes proposed, particularly in ensuring all customers are provided with accurate information and ensuring homes pass all required building safety regulations before completion, with further detail in our responses to each section. One suggestion to enable the code to act equally and effectively for all customers is to create greater clarity around the role of shared ownership, who are currently not covered by the code. This could be in coordination with other bodies and codes of good practice, such as the Shared Ownership Council, to review similar areas of regulatory interest and provide consistent guidance for developers and shared owners.

Finally, the recent [government response](#) to the Competition and Markets Authority's (CMA) market study into housebuilding reflects the importance of having a single mandatory consumer code and the role of the New Homes Ombudsman Scheme. The acceptance of these recommendations and the potential movement towards making the code mandatory is positive, and reflects the need for all developers to adhere to a consistent framework to improve the experience for all customers.

Please contact Megan Hinch, policy and practice officer, at megan.hinch@cih.org for further details.

Question responses

- **Changes to the list of what's not covered by the Code (Introduction).**
- **Confirmation that valid snags or defects should be resolved, regardless of how they are identified (Introduction).**
- **Addition of an expected timeframe for the developer 'transition period' (Introduction).**

We support the clarification of what and who the code covers, and the introduction of a transition period, to ensure all developers considered live or activated under the code are following the guidance, which increases trust for customers working with developers.

However, there are concerns around the uncertainty for shared owners, as the code explicitly notes that it does not apply to shared ownership, only that it “would expect registered developers to apply the guiding principles of the code”. Shared owners continue to face a [lack of clarity](#) around their position within the housing sector, and confusion around what applies to shared ownership can undermine regulation and affordability, and conflate wider leasehold concerns. Thus, it would be positive to see proactive dialogue between the New Homes Quality Board and the Shared Ownership Council (who recently published a consultation on a shared ownership [Code of Good Practice](#)), to determine similar areas of regulatory interest and where guidance for developers and shared owners can be aligned.

- **Confirmation that the requirement for sales & marketing material not to be misleading, also applies to photography (Section 1.1).**
- **New requirement for developers to comply with the list of legally required 'Material Information', where relevant (Sections 1.2 & 2.2).**

We agree with ensuring that all marketing material, including photography, is not misleading, to provide accurate information for customers in decision-making. This also applies to the 'Material Information' section, which emphasises the need for all information to be presented fully and accurately.

- **New requirement for developers to provide the overall size of the new home in addition to room dimensions (Section 1.2).**

No comment.

- **New requirement to give customers enough time to consider any short-term sales incentives (Section 1.3).**
- **Additional requirement related to 'drip pricing' (Section 1.3).**

It is essential to highlight and discourage practices around pressuring customers to make decisions quickly, including offering financial incentives, to protect customers from making unaffordable or uninformed decisions. This must also include pointing customers towards independent guidance and advice.

- **If developers receive any fee or reward for recommending an advisor/product/service, then they must tell the customer the amount as well as who will receive it and for what activity (Section 1.7).**

No comment.

- **Reduction of the timescale for the Affordability Schedule from 10 years to 5 (Section 2.2).**
- **Ability for customers to request an earlier exchange date (conclusion of missives in Scotland) if required (Section 2.2).**
- **Additional requirement to confirm how shared spaces, roads and amenities of the development will be managed (Section 2.2).**

It is positive to see that the terms of a reservation agreement must include the tenure of new homes, and all costs associated with this, including how these may change in the future, as this is often a concern for customers around unexpected increased costs later into the process of buying a new home.

- **Additional reference to anti-money laundering regulations (Section 2.4).**
- **Clarity around warranty providers, and information about the warranty itself (Section 2.5 & 2.11).**

No comment.

- **Customers to be able to undertake a pre-completion inspection themselves or appoint a professional (Section 2.8).**

The introduction of customers undertaking a pre-completion inspection is a positive step to avoid continued issues with 'snagging' and negate possibilities of reduced communication with developers once the property has been completed and handed over. This should ensure that any issues with quality are addressed earlier in the process, which will be better for customers and likely more efficient for developers. Providing information and a checklist for this process is essential to support the customer in completion, as well as educating customers on areas that a professional may be best placed to inspect.

- **Clarity around 'major changes' where the customer has the opportunity to cancel the reservation (Section 2.9).**
- **Clarity around occupation of a complete new home (Section 2.10).**

It is important that legal completion and occupation of a home can only take place once it meets all building regulations and building safety requirements. This is essential to ensuring that people have a safe place to call home. The tragedy of the Grenfell fire emphasised the importance of this.

- **Removal of out-of-date references to 'habitation certificate' (Section 2.11).**

No comment.



- **Clarity around any outstanding work in the home and also on the wider development (Sections 2.11 & 2.12).**

The requirement for developers to provide a Schedule of Incomplete Work and a statement of remediation timescales is necessary. This will, again, ensure that communication is not reduced after a customer moves into their home. However, it is important that completion of the required works is enforced to ensure customers are not living in incomplete homes. This must also not be at the expense of safety, and all works related to building safety must be completed before occupation, as noted in the above change.

- **Changes to the requirement relating to protection of consumer monies (Section 2.13).**

No comment.

- **Additional requirement where alternative accommodation is required (Section 3.2).**

It is positive that the code introduces the requirement for developers to pay for customers to move into alternative accommodation where after-care issues are prevalent, including taking into account a customer's needs. This is similar to the practice of repairs to existing homes, and ensures that customers are not living in unsafe or unsuitable conditions.

- **Definitions of Estate Charges and Service Charges (Glossary).**
- **Removal of reference to 'major defects' (Introduction & Glossary).**

No comment.