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Housebuilding Market Study
Competition and Markets Authority
The Cabot
25 Cabot Square
London
E14 4QZ

23rd November 2023

Dear ██████████

I write further to the Housebuilding Market Study and the emerging concerns on the impact of private estate management arrangements on consumers' interests. As you know, at the NHQB, we have implemented a Code of Practice for housebuilders – the New Homes Quality Code (NHQC). Whilst the NHQC doesn't directly address the subject of private estate management, it recognises the importance of consumer awareness and covers the provision of information from the developer to ensure that customers are fully informed about the responsibilities for estate management and the likely costs during the first ten years of ownership of the new home.

Transparency is one of the ten overarching principles of the NHQC and it is a specific requirement for developers to provide detailed information to customers purchasing a new home:

- At the very start of the sales process in sales and marketing literature
- In the terms and conditions of the reservation agreement
- When a new home is reserved and again at pre-contract stage, developers are specifically required to provide an Affordability Schedule which documents all estimated costs likely to be incurred during the ten years after the sale

The developers of c80% of all new homes sold in England, Scotland and Wales have already signed up to the NHQC. Around half of these are already working under the new arrangements, and the rest will activate in the first half of 2024. We are also extending the NHQC to new homes sold in Northern Ireland at the end of this month. This means that the majority of customers purchasing new build homes will be covered by these requirements aimed at ensuring they are fully aware of arrangements for estate management and any charges they may have to pay.

Our focus on this area, and particularly the requirement for a ten-year schedule, along with access to robust redress via the New Homes Ombudsman, is driving industry behaviours which can only benefit consumers.



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I hope this information is helpful as you continue the market study and would be delighted to meet and discuss further should you require.

Yours sincerely

[Redacted signature]

[Redacted contact information]



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