

**Grainger Trust – managing defects in new build homes**

This guide will provide some background information with regards to your property and the 'Defect Process' at Grainger Trust.

**Introduction**

Grainger Trust purchase the units directly from housebuilder and then either rents them or sells shares to leaseholders (Shared Ownership). Each property will be covered by a 1 year warranty which commences from the date that the unit was Practically Completed (not the date that you complete your purchase / start renting). Therefore, any defects (issues with your property) need to be reported to Grainger Trust who must act as middle man and will in turn report them to the housebuilder, as Grainger Trust is the housebuilder's direct customer. Please note any defect reported directly to the housebuilder without informing Grainger will not be followed up by the Property Management team as we would be unaware.

Grainger Trust employs a team of retained surveyors (RUND) who conduct multiple inspections during the build process and then support us through the purchasing process by compiling the Practical Completion (PC) snag lists. They assist us in identifying and proving defects throughout the 1-year warranty period until the End of Defects (EOD) meeting described below, and thereafter support us with latent defects that may raise their head once properties fall outside of the defects period.

Between the Grainger Trust Property Management Team and RUND, we would like to reassure you that we will do everything we can to ensure the prompt closure of reported defect items. Our professional surveying colleagues are also here to help us to prove that items may be the fault of the housebuilder where that is in dispute.

However, we do ask that you read the information and definitions provided below to familiarize yourself with the processes we follow.

**Definitions & Process**

**PC Snag List** – Rund inspect the property as it is nearing completion and compile snag lists that the housebuilders have to close down for the property to be at an appropriate standard to be issues its 'Practical Completion' (PC) certificate.

There is a small degree of imperfections that are allowable by law meaning that one the things remaining on the snag list are suitable minor, we are obliged to issue the PC certificate and purchase the unit. Therefore some minor items may be outstanding when we rent or sell the units but the PC snag list items will be attended to by the house builders either before you move in or whilst you are in situ (dependent on their priority).

The housebuilders often refuse to attend snags in empty properties because a) no one is yet affected so it is considered low priority b) access issues and c) the possibility of damage disputes. It is often easier to get items attended to once you have moved in rather than prior.

Please do note that any cosmetic items (e.g. marks/dents/scratches in glass/cracks in tiles/chips on finishings) should be reported to Grainger who will in turn report to the house builder – however if they are not on the PC Snag list, the housebuilder may decide to refuse to attend to these items. This is because they can argue that they must have happened during the moving in process as they were not there at the PC snag stage. A 'damage dispute' is where housebuilders may have entered the property between PC and the onward sale/letting to sort snags from the PC list but caused further damage while they were in there, which goes

unrecorded. These are very hard to prove and why it is important you report any damage as soon as possible after getting the keys.

**End of Defects (EOD) Meetings/Lists** – Once your property reaches 1 year old (from the date it was ‘Practically Completed’ rather than the date you moved in), you will be contacted by RUND to arrange a meeting at your property. Coming to this meeting will be: an appointed surveyor from RUND (representing Grainger Trust), a representative from the relevant housebuilder and yourself as the leaseholder/resident. This meeting plays a crucial part of the process and will be beneficial to all parties. If for any reason you are unable to attend this meeting, please contact the team – if you do not respond to the correspondence from RUND (they will send 3 letters) you will miss the opportunity to report any final defects and Grainger Trust cannot be held liable for sorting snags once this window has closed.

Prior to this meeting, a list of your final defect items may be requested (but if not, we would highly recommend preparing one so you don’t forget anything on the day). This list should include all outstanding issues with your property (internal/external). We would also encourage you to include on this list items even if you are unsure whether they are classed as a ‘defect’ – as RUND and the housebuilder in attendance will be able to advise whether it can be included on the list.

Following this meeting, a list of all items (that have been accepted and agreed with the housebuilder) will be compiled – this is called your ‘EOD list’. The housebuilder should then contact you to arrange appointments to close down the remaining items. After each item is completed, the housebuilder should ask you to sign to say it has been complete. Once all items have been completed it is the resident’s/leaseholder’s responsibility to sign and date the list to agree that all items have been satisfactorily completed and can be closed down. *Please note: once items have been signed as complete, they cannot be re-opened.*

**Latent Defects** – After your EOD (when your property is over 12 months old), you may find that an issue arises that was not evident during your warranty period or at your EOD meeting. A ‘latent defect’ is where the issue was there all along but does not show up until after the 12 month period has elapsed – they tend to be structural issues. Eg. An incorrect roof line causing a steady leak that takes a couple of years to show internally.

*If you suspect a latent defect as a rented household, call or email Grainger Trust and report the issue as a normal repair as we will pick up with the housebuilders if appropriate. If it is an emergency we may do the repair ourselves and recharge the housebuilder.*

*If you suspect a latent defect as a Shared Owner, please call or email Grainger Trust for a ‘Latent Defect Form’ to complete which we will pass to the housebuilder. We may send our surveyors to inspect and support you with a second opinion to strengthen the claim. If it is an emergency, please instruct your own contractor to attend to perform the necessary immediate fix AND provide a report on their findings as to the cause. Should the report say that it is an original housebuilder error (ie latent defect) then we will submit this to the housebuilder with the ‘Latent Defect Form’ as supporting evidence. If it is a latent defect then your costs for the emergency attendance can be reimbursed by the housebuilders.*

### **Further information (standard for all housebuilders and new builds)**

**Cracks** – These will only be attended where there is a gap of 3mm or more (large enough to fit a £1 coin into the gap). If this is not the case, please do not be concerned about wider structural issues. It is very common to see cracks smaller than this in new builds as they occur while the building finishes drying out and settling over the first 12 months – they are called shrinkage cracks. These are easily dealt with while redecorating with a little decorator’s caulk.

**Appliances** – Any issues with white goods, cookers and hobs (if supplied) cannot be repaired through the defects process as they are not the liability of the housebuilder, rather the manufacturer. Please contact the manufacturer requesting a repair under their warranty (and don’t forget to register). If the manufacturer

attends and reports that the cause for the issue is poor installation (ie an original housebuilder error and/or latent defect) please report to your property management team.

**Sealant/mastics** – These are perishable items that need renewing and therefore fall under homeowner maintenance so cannot be repaired through this process

**Paintwork** – These fall under homeowner maintenance (redecorating) unless making good is needed due to a defect such as leak/damp.

**Nail pops in plasterboard** – These fall under homeowner maintenance unless there are 6 in one piece of plasterboard and / or over 6+ in the property.

**Timeframes for attendance within the 12-month defect warranty period**

Defects should be reported directly to Grainger Trust in the first instance. Grainger will then pass the defect instruction to the house builder with the relevant priority time frame.

- **High Priority, 24 Hours** – (Including, but not limited to): *Loss of heating, hot water, electricity/ Uncontrollable leak/ Loss of security (unable to open, close, lock doors or windows) / Blocked toilet (when only have 1 WC facility in property)*
- **Medium Priority, 7 Days** – (Including, but not limited to): *Adjust doors, windows/ Leak that can be contained (water dripping can be wiped or secured in a bowl) / Blocked toilet (when 2 WC facilities in property)*
- **Low Priority, 28 Days** – (Including, but not limited to): *Cosmetic (cracks/touchups) / External items, Lawn etc. Low priority items may be left until EOD to be added to the list & completed.*

Sometimes the House builders are unable to meet these timeframes due to an increased volume of work.

We ask that you make us aware if they do not meet the time frame given. In turn we may serve 7 days' notice under the contract, after which we can instruct the work and recharge them. However usually this incentivizes them to contact you to book an appointment.

If they fail to contact you and do not meet this extended period, please inform us and in limited circumstances we will be able to instruct our own contractor and reclaim this money back from the retention we hold.