



New Homes Quality Board

# Glossary

of the terms used in the Code and Guidance

This glossary provides an explanation of terms used in the following documents;

- New Homes Quality Code
- Developer Guidance

Where these documents use the term or terms for England/Wales, the appropriate term or terms for the United Kingdoms' devolved nations are implied.

## GLOSSARY OF TERMS

Term	Meaning
<b>After-Sales Service</b>	the service provided by the Developer to resolve any Emergency Issues, Snags, Defects or Complaints during the first two years following Legal Completion.
<b>Agent/s</b>	a person, firm or company used by a Developer to deal with any matter on their behalf (for example, an estate agent or contractor).
<b>Builder</b>	the firm or person, who is responsible for the construction, building or conversion of the New Home. <i>This may or may not be the same person or firm as the Developer.</i>
<b>Building Regulations</b>	the Building Regulations that govern the construction of the New Home which were in force at the time the "notice to build" was deposited with the Local Authority or Approved Inspector. In Scotland, the Building Regulations in place at the time the application for the building warrant was submitted to the Local Authority.
<b>Building Safety Regulator</b>	a statutory body/individual appointed by Government in accordance with the provision laid out in the Draft Building Safety Bill 2020.
<b>Code</b>	the New Homes Quality Code including the Statement of Fundamental Principles and Practical Steps setting Requirements that govern the marketing, sale and after sales service for two years after Legal Completion of a New Home which must be adopted by Developers.
<b>Code Council</b>	the organisation which runs and manages the Code, monitors Developers' compliance with the Code and the effectiveness of the Code.
<b>Code Sponsor</b>	the New Homes Quality Board (nhqb.org.uk) who undertakes enforcement as necessary in relation to breaches of the Code.
<b>Complaint/s</b>	any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of a Customer about the Developer's provision of or failure to provide a service or product, or to comply with the Code. See also Snags / Snagging.
<b>Completion (or Legal Completion)</b>	the point at which the New Home is transferred from the ownership of the Developer to the ownership of the buying Customer. See Contract of Sale. In Scotland, this stage is known as <i>Settlement</i> .
<b>Contract Deposit</b>	a deposit paid by the Customer to the Developer at Contract Exchange which acts as part payment towards the purchase of the New Home and demonstrates the Customers' commitment to buy the New Home.

<b>Contract Exchange</b>	the term employed in England and Wales used to describe the formal stage at which the Contract of Sale is exchanged between the Developer and Customer. In Scotland, this is known as <i>Conclusion of Missives</i> .
<b>Contract of Sale</b>	a legally binding agreement between the Customer and the Developer for the acquisition or building of the New Home. In Scotland this document is known as the <i>Missive (or Builder's Missive)</i> .
<b>Cooling off Period</b>	the period of 14 days from signing the Reservation Agreement, that a Customer can decide to terminate the agreement and have their Reservation Fee refunded in full.
<b>Customer</b>	a person making enquiries about buying a New Home and/or who goes on to reserve or buy a New Home from a Developer. <i>For New Homes reserved or bought jointly by two or more people, the Buyer's rights will be joint.</i>
<b>Defects, 'Defective or Faulty Items'</b>	incomplete work, or faults or Defects in completed work that do not meet the expected tolerance or finish as set out in the Contract of Sale including the New Home Warranty providers standards or manufacturer's performance standards or functioning for that element of the building or New Home. See also Major Defects.
<b>Developer</b>	a person or firm who is a Registered Developer with the Code Sponsor: (a) who undertakes or commissions: i. the construction of a new building that is to consist of or contain a New Home ii. the conversion of an existing building so that it consists of or contains a New Home iii. the conversion of an existing building so as to alter the number of New Homes contained in it, with a view to granting, or disposing of, a relevant interest in land that includes the New Home or, in the case of a conversion within sub-paragraph (a), any of the New Homes (b) who is of a description specified in regulations made by the Secretary of State. (c) who registered the original building plot with the New Home Warranty provider
<b>Development</b>	the extent and facilities contained within the Detailed Planning Consent under which the New Home is being constructed.
<b>Dispute</b>	a disagreement in respect of a Complaint made by the Customer to the Developer where the parties do not agree on the outcome in respect of matters covered by this Code after the Customer has followed the Developers published Complaints procedure.
<b>Early Bird</b>	a Scheme used by Developers whereby a Customer can register an interest in a New Home which has not yet been released for sale but which is likely to be released within a defined period of time.
<b>Emergency Issue</b>	an issue that poses an immediate threat to safety, security, health or wellbeing.
<b>Event Fees</b>	a fee payable under a term of or relating to a residential lease or the freehold of a New Home on certain events such as resale or sub-letting. Event Fees may be referred to by a variety of names including exit fees, transfer fees, deferred management fees, estate fees, consent fees, covenant fees, contingency fees and selling service fees.
<b>Fundamental Principle</b>	the Statement of Principles preface which summarises the principle-based approach to good customer service. These are not necessarily prescriptive as they reflect the overarching behaviour and treatment expected towards Customers and will require interpretation for different situations.

# GLOSSARY OF TERMS

Term	Meaning
<b>Health &amp; Safety File</b>	as required by the Construction Design and Management Regulations, this is a collection of information appropriate to the characteristics of the Development and the New Home, which contains relevant health & safety information needed to allow future construction work, including cleaning, maintenance, alterations refurbishment and demolition, to be carried out safely.
<b>Home Warranty Body/Bodies</b>	any organisation that provides a warranty for the New Home.
<b>Leasehold</b>	land owned by one party which is leased for a fixed period to the owner of the New Home built upon that land.
<b>Legal Completion</b>	see Completion above.
<b>Legal Completion Period</b>	the time between notice being served by the Developer, requiring Completion to take place, and Legal Completion.
<b>Management Services</b>	the maintenance, supply and service obligations and charges (including Event Fees and Leasehold charges), to which (if applicable to the relevant New Home) the Customer will be legally obliged to meet, after the New Home is purchased.
<b>Major Change</b>	a change that affects the size, appearance or value of the New Home (including the internal layout) from what was shown to a Customer in the Reservation Agreement and/or Contract of Sale (as applicable).
<b>Major Defect/s</b>	likely, though not always, to be a structural Defect or failure that could be subject to an insurance claim through the New Home Warranty.
<b>New Home/s</b>	the new-build, or newly converted property (including its gardens, boundary, fencing, communal areas and curtilage) sold by the Developer as stipulated in the Contract of Sale and purchased by the Customer for their own occupation.
<b>New Homes Ombudsman Service (NHOS)</b>	a New Homes Ombudsman Service will investigate and resolve, determine or make recommendations in relation to Disputes and Complaints between the Customer of a New Home and the Developer where the Customer believes the Developer has failed to meet the requirements of the Code.
<b>New Homes Quality Board (NHQB)</b>	the independent organisation who appoints a New Homes Ombudsman Service and the Code Council. (nhqb.org.uk).
<b>New Home Warranty / Warranties</b>	an insurance-backed warranty or insurance policy issued by one of the Home Warranty Bodies, providing the Customer with cover for the New Home.
<b>Notice to Complete</b>	the formal notice from the Developer to inform a Customer of the date that the new home will be ready for Legal Completion and occupation.

<b>Pre-Completion Inspection</b>	the opportunity for a Customer to visit the New Home before Legal Completion. Alternatively the Customer can appoint a suitably experienced inspector to undertake the inspection and complete the template Pre-completion Inspection Checklist on their behalf.
<b>Pre-completion Inspection Checklist</b>	the standard template checklist to be used by suitably qualified inspectors to undertake the Pre-Completion Inspection. Used to systematically review the finish of the New Home and identify any snags prior to Legal Completion..
<b>Professional Adviser</b>	a suitably qualified and or accredited person acting for the Customer. When dealing with a Complaint or Dispute such advisers may include trading standards departments, Citizens Advice, consumer centres and professional advisers such as solicitors and qualified surveyors, formally appointed under a relevant professional institute's rules.
<b>Registered Developer/s</b>	a Developer who is registered with the Code Sponsor.
<b>Reservation Agreement</b>	an agreement when a Customer and a Developer jointly make a written statement of intent (subject to Contract of Sale and whether or not a fee is paid) giving the Customer an exclusive period of time to enter into a Contract of Sale to buy a New Home.  <i>Reservation, Reserved and Reserve carry the corresponding meanings.</i>
<b>Reservation Fee</b>	the fee payable by the Customer upon entering into a Reservation Agreement with a Developer
<b>Requirements</b>	obligations placed on Developers by the Code.
<b>Snag/s or Snagging</b>	a minor imperfection or malfunction in the New Home which does not meet the expected tolerance or finish as set out in the Contract of Sale. Typically, something which is damaged, broken, not fitted properly or looks unfinished and can be categorised as: <ul style="list-style-type: none"> <li>(a) Omitted or incomplete work</li> <li>(b) Faulty or defective work</li> </ul> Snags may be identified during a Pre-Completion Inspection by the Customer and/ or their representative or Professional Adviser (e.g., an accredited surveyor or other suitably qualified inspector). Snags may also be identified post Completion. Snags/Snagging items brought to the Developers attention are not automatically considered a Complaint. However, failure to resolve within 30 calendar days of the date of the Snag/s being notified to the Developer by the Customer may require any outstanding items to subject to the Developers formal Complaint process.
<b>Special Purpose Vehicle</b>	a subsidiary created by a parent company with a single purpose. It is used to carry out financial transactions, such as asset purchases, construction, joint ventures, or to isolate assets or operations from the parent company.
<b>Vulnerable Customer</b>	when a Customer's disclosed personal circumstances and/or evident characteristics combine with aspects of the New Home buying process to create situations where they are; significantly less able than a typical Customer to protect or represent their interests, significantly more likely than a typical Customer to suffer detriment, or that detriment is likely to be more substantial.  Vulnerability can come in a range of guises, and can be temporary, sporadic or permanent in nature that needs a flexible, tailored response from Developers.



[www.nhqb.org.uk](http://www.nhqb.org.uk)