

Out of the (Warranty) Nest

Most builders operate with integrity. This basic honesty and sense of fair play results in their correcting items that are wrong whenever they are discovered, never mind the status of the warranty. Yet this commitment seldom includes touching up paint, caulk, grout, replacing o-rings, lubricating things that need routine lubricating, or adjusting things that need routine adjusting—especially once the warranty has expired.

Ironically, builders appreciate referrals from veteran homeowners, but prefer not to maintain their homes long term. This dichotomy creates a sometimes difficult to manage dynamic when the warranty expires.

Additionally, due to the nature and duration of the home building process, builders (or their staff) may form friendships with clients along with creating their home. With or without this friendship, the cost of the product leads buyers to expect generous attention, often with no regard to the technicality of an expired warranty.

These additional dynamics complicate the already difficult separation that occurs at the end of the warranty period—a separation to which the builder looks forward at the same time that the homeowner is resisting it. A deliberate strategy for managing this rite of passage helps.

Broadly categorized, homeowners fall into three groups. First are those the builder never hears from—increasingly rare these days. Next you have those who request attention for a moderate number of legitimate items. And last is the small but potent group who are angry—either at the builder or at the world—and who want revenge or reassurance and repeatedly submit long lists of items in an effort to satisfy their needs.

With just a slight twist to a basic end of warranty strategy, each of the three categories can reach the goal: successful maintenance of the home by its owner. The key to this is to make a noticeable event out of this transition—a sort of graduation—to mark the shift in the homeowner's mind.

Year-End Ceremony

Will calling attention to the expiration of the warranty generate more work? Possibly, but if you have well thought out warranty guidelines, you will be correcting items you should correct. For a custom builder, existing product is often the best advertising; if your name is on it, you want it to be right.

The good news is that builders who have taken this approach report little change in the amount of year end work they oversee. At the same time, arguments over whether you should accept a list submitted 41 days out of warranty are reduced. When you initiate a year end contact, homeowners cannot claim they forgot.

Finally, the effort adds immeasurably to a positive image. Omitting this step from your service program is a missed opportunity to create goodwill, ask for feedback, and obtain referrals.

Silent Does NOT Mean Satisfied

Make no assumptions about buyers' satisfaction. Just because homeowners have not contacted their builder does not mean everything in their home is just fine. Maybe they're just busy. Or maybe they are counting on you to check in. Imagine their disappointment if you do not. And these silent few are just as capable of referring another buyer as any other customer.

Warranty expiration is an excellent time to check in with them. A call or a letter may bring a short list or nothing at all—but the effort will be noticed and appreciated. They may or may not take you up on your offer to inspect the home, but either way, you have brought their attention to the end of the warranty period.

Use an Inspection Checklist

The second group—what many would call average homeowners—have no doubt been in touch a few times. This habit may be hard to break without an event that spotlights the termination of warranty coverage. For this group an "out of the nest" ceremony is also just right.

Support your year-end this process with a standardized list of items to check and fine-tune. This effort shows the company to be professional and thoroughly competent. To call even more attention to this event, a farewell gift can be added into the procedure.

Last Chance to Impress

For homeowners with whom you've had a difficult relationship, year-end often brings those difficulties to a head, perhaps stimulating a parting barrage of complaints—real or imagined—or worse, a threat of a lawsuit.

Pre-empt some of this drama with a builder-initiated review of any outstanding items, re-inspection of the home and rigorous follow up. Loose ends left on their own will only continue to fray and cause problems later. Ignoring them in the hope they will go away is naive. You can bet the list is stored on an electronic something or other for quick reference.

Take the courageous approach and contact this homeowner as well. Create one final list. Agreed to items require meticulous follow through and careful documentation. Hold a regular (weekly?) meeting to review and ensure good progress. Confirm conversations about denied items in a follow up letter. If a farewell gift is a normal part of your procedures, include it for these homeowners as you would for any other.

The system is essentially the same for all homeowners—the time involved is little more than you are already investing. But by making a noticeable process out of the end of warranty—including some frills and fussing—you can successfully get homeowners out of your nest and safely caring for their own.