Caught in the act

The ongoing popularity of garden rooms is leading to a growing number of court disputes. construction litigation expert, Mustafa Sidki, explains the pitfalls for manufacturers – and what can be done to mitigate against potential legal action.

The popularity of garden rooms triggered by the pandemic has been sustained by cost-of-living pressures, potential interest-rate rises and economic uncertainty, prompting homeowners to seek additional space without moving, driving rapid growth across supply, manufacture and installation.

However, alongside this expansion, we are seeing a marked rise in disputes involving defective works, delayed projects and payment issues. While many garden rooms remain timber structures, an increasing number now incorporate metal frames or hybrid elements, placing manufacturers squarely within the scope of contractual and consumer law obligations.

A recurring issue in garden room disputes is confusion over the identity of the contracting parties. Homeowners often believe they are contracting with an established business, only to discover that the legal entity responsible has no trading history or recoverable assets. This can severely limit enforcement options in the event of a dispute.

Manufacturers should ensure contractual documentation clearly identifies the contracting party and confirms that the customer has a legal interest in the property where the structure is installed.

Most garden room construction contracts are governed by the Consumer Rights Act 2015 (the Act). In addition to expressing contractual terms, the act implies obligations that the finished structure will be of satisfactory quality, fit for purpose, as described, and completed within a reasonable time, with the terms applying to structural elements, fixtures and fabrication.

Defects in garden room installations – such as inadequate foundations or deviations from agreed specifications – typically become apparent early in the construction process. Under Section 23 of the act, homeowners have the right to demand, within 30 days of delivery, a repair or replacement if their garden room has defects, is not as described, or fails to meet the expected quality. Manufacturers and contractors must be afforded a reasonable time to carry out remedial works without charge, provided this can be done without significant inconvenience to the customer.

If repair fails, the homeowner may have the right to a replacement; if that also fails, section 21 of the act may entitle them to reject the garden room and obtain a refund.

After 30 days, but within six months, a refund remains available if repair/replacement cannot be achieved; the onus is on the manufacturer to show the room was not defective at sale. After six months, the homeowner must prove the defect existed at construction; the right to any refund may be reduced for use or homeowner-caused damage.

Complications frequently arise where garden rooms are bespoke structures, manufactured to a homeowner's precise requirements. Where a building has been custom-designed or adapted, rejection and full refund may not be an appropriate remedy. It may be considered inequitable for a business to remove a structure that cannot be reused elsewhere. This distinction is particularly relevant for manufacturers producing made to order frames or components that have no residual value beyond the specific project.

Mustafa Sidki

Garden rooms commonly incorporate natural materials, which are susceptible to minor imperfections, expansion and contraction. Theses are not necessarily defects. Many such issues are capable of resolution during the snagging stage. Disputes often arise where homeowners treat minor (or de minimis) issues as fundamental breaches, particularly where expectations have not been properly managed at contract outset.

Disputes frequently escalate when homeowners withhold staged payments or prevent contractors from accessing the site before works are completed. Such actions may place the homeowner in breach of contract, even where alleged defects exist. Equally, a failure by the business to proceed diligently or to remedy serious faults may also constitute breach. In serious cases, these failings may amount to repudiatory breach, entitling the innocent party to terminate the contract.

Where a repudiatory breach occurs that is not put right within a reasonable time, the innocent party is entitled to terminate the contract. Damages are typically assessed by reference to the contract price minus the residual value of the structure. Expert evidence is often required to assess the value of partially completed or retained buildings, ensuring appropriate credit is given where a party retains the benefit of the works. Even with bespoke structures, if defects are capable of remediation, the homeowner may opt to keep it but hire another party to correct the defects.

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