

Your Guide to Hiring a Contractor

The National Association of the Remodeling Industry (NARI) offers the following tips when selecting a contractor. NARI, the only independent association dedicated to the remodeling industry, is a not-for profit trade association that represents professional remodeling contractors, product manufacturers, distributors, wholesalers, trade publications, utilities and lending institutions. For more information on NARI, visit www.nariremodelers.com, or call 800-611-6274.

Proper Planning

Depending on your needs and the size of your remodeling project, there are several options for you to explore before finalizing your plans. Think your remodeling project through from start to finish. Careful planning of your home improvement projects will enable you to update your home, increase the value of your investment and customize your living space; all for a lot less than the cost of a new home.

Look over your property carefully. What repairs are needed? What improvements would you like to make? Think ahead and determine your future needs.

Professional remodeling contractors can help you in your planning by outlining options and discussing the improvements you can make within your budget. Be sure to review your homeowner's insurance policy and make adjustments for the added value of the work being done.

Finding a qualified professional remodeling contractor doesn't have to be a difficult task. Following these guidelines will make the selection process easier and you will be better prepared to make an informed decision that best suits your needs.

Employ a contractor with an established business in your area. Local firms can be checked through references from past customers in your community. Many states, but not all, require contractors to be licensed and or bonded. Contact your state or local licensing agencies to ensure the contractor meets all requirements.

Check with the government Consumer Affair Office and the Better Business Bureau to ensure there is no adverse file on record for the contractor.

Ask to see a copy of the contractor's certification of insurance for the name of his or her insurance agency to verify coverage. Most states require a contractor to carry worker's compensation, property damage and personal liability insurance.

Make sure the contractor's insurance coverage meets all the minimum requirements. If you solicit bids from several different contractors, be sure they are bidding on the same scope and quality of work. Discuss variations in bids and beware of any bid that is much lower than the others.

Be sure the contract includes the contractor's name, address, phone and license number (if applicable).

A contract should include detail about what the contractor will and will not do. A detailed list of materials for the project should be included in your contract, with information such as size, color,

model, brand name and product. The contract should include approximate start and completion dates.

Study the design plans carefully. Insist that you approve them and that they are identified in your written contract before any work begins. Known as the "Right of Recision," Federal law requires a contractor to give you written notice of your right to, without penalty, cancel a contract within three business days of signing it, provided it was solicited at some place other than the contractor's place of business or appropriate trade premises.

Make sure financial terms are understood and spelled out in the contract. The total price, payment schedule, and any cancellation penalty should be clear. A warranty covering materials and workmanship for a minimum of one year should be written into the contract. The warranty must be identified as either "full" or "limited." The name and address of the party who will honor the warranty (contractor, distributor or manufacturer) must be identified. Make sure the time period for the warranty is specified.

A binding arbitration clause is also a good inclusion in the event a disagreement occurs. Arbitration may enable you to resolve disputes without costly litigation. Thoroughly review the entire contract and be certain you understand it before signing it. Consider the scope of the project and make sure all items you've requested are included. If you do not see a specific item in the contract, consider it not included.

Never sign an incomplete contract. Always keep a copy of the final document for your records.

Design and Function

Design and function should be foremost in your mind if you're thinking of adding a room or converting an existing room. Give thought to details such as: where you want electrical outlets, telephone jacks and cable hook-ups located; the type of lighting required; current and future storage needs; and whether you want to include luxury items. These details will help your remodel to better suit your needs and lifestyle. A professional remodeler should be consulted about design and function of any remodeling project. He or she can also help you with time and money-saving hints.

The Measure of a Good Remodeler

Types of contractors

The General Contractor - Many home improvements may not require professional design services and can be handled by an experienced remodeling contractor. Again, be sure to deal with a professional. Even small jobs need careful planning, as their successful completion is important to you.

The Design/Build Contractor - Design/build is a concept developed to benefit the homeowner with his or her remodeling project by providing both quality design and construction services within the same company. A design/build contractor will be able to see your project through from start to finish, keeping design, engineering and budget in mind.

The Architect - Major remodeling projects require construction drawings to define contracts and permits procurement. If our professional remodeler does not provide design services, you can use a professionally trained architect. It is best to work with an architect experienced in remodeling, as he or she will be more sensitive to the special challenges that remodeling represents.

Financing

There are various financing plans available to homeowners. Among the most popular is the equity line of credit that bases the loan amount on the equity in your home. Loans are available through the Federal Housing Administration (FHA) specifically for home improvements and can be obtained through many lending institutions. The FHA, however, requires that lender approve the contractor. The FHA does not guarantee the contractor's work. Some institutions will allow you to borrow against the anticipated equity in your home once your remodeling project is complete.

A professional remodeling contractor is familiar with available financing options and can help. Research various sources of funding to compare individual qualification guidelines, interest rates, terms and tax considerations.

Project Details

Before work begins, ask your contractor what inconveniences may occur while the project is under way and plan for them accordingly. Be sure your contractor is aware of vacations or special events so that he or she may schedule appropriately.

Move personal property from work areas and declare all work zones off-limits to children and pets.

Be sure to put all changes in writing if your remodeling project is modified while work is being done. Both parties should sign the amendment, called a "change order."

Keep a job file including contract, plans, specifications, invoices, change orders and all correspondence with the contractor.

Request a contractor's Affidavit of Final Release be provided to you at the time you make the final payment and a final waiver of mechanic's lien. This is your assurance that you will not be liable for any third-party claims for non-payment of materials or subcontractors.