

Choosing a Remodeler

Do Your Research

Finding the remodeler who's right for you is not as simple as picking up the Yellow Pages. On a big project, you may be working closely with this individual for several months, so you want to do everything possible to ensure that you make the right decision.

Here are some good places to start your search.

- Seek referrals from friends, family, neighbors, co-workers, and others who have had remodeling work done.
- Talk to independent trade contractors, building materials suppliers, architects, engineers, home inspectors, and local lenders. Once you have identified some strong candidates, do even more checking to ensure that these are the kinds of remodelers with whom you would like to do business.

Call your local or state consumer protection agency and the Better Business Bureau to find out if there are any unresolved complaints filed against the remodeler.

You should also contact your state's contractor licensing agency and state and local building inspectors to verify that the remodeler has the appropriate license(s) and a clean record.

Interview Previous or Present Customers An essential step in your decision-making process is to check a remodeler's references. Ask for the names and phone numbers of current and former customers; then take the time to interview them (preferably in their homes so that you can take a look at the remodeler's work).

Some of the questions to ask include:

- Would you hire this company again?
- Did the remodeler maintain a neat work site?

- Did the crew show up on time? Were you pleased with their work style?
- Was your project completed on time and within the budget?
- Was the remodeler easy to talk to and did he or she keep you informed as the job progressed?

Buyer Beware

Your excitement about the remodeling process may be understandably tempered when you hear stories about unscrupulous contractors who accepted large down payments and then skipped town, new roofs that leak during a heavy downpour, and jobs begun but never completed. It's enough to make anybody wary. But you can protect yourself by watching out for these warning signs:

- The contractor solicits business door-to-door. This sales approach is often accompanied by high pressure sales tactics, intimidation, and threats.
- You can't verify the remodeler's name, address, telephone number, or credentials.
- The contractor claims to be endorsed by the Federal Housing Administration for the Title I home improvement loan program. More information on this type of deceptive advertising is available from the Department of Housing and Urban Development's
- The contractor is not willing to offer references or the references provided were not happy with the contractor's work.
- You are asked to pay for the entire job in advance.
- The contractor will accept payment only in cash.

If you do sign a contract and then have second thoughts, remember that the Federal Trade Commission's "Cooling Off Rule" may apply if the contract was signed somewhere other than the contractor's place of business (in your home, for example). Under this law, you have up to 72 hours to cancel the agreement.

What to Look For, What to Ask

When you hire a remodeler, you are buying a service rather than a product. The quality of the service the remodeler provides will determine the quality of the finished project and your satisfaction with it. Listed below are some qualifications you will want to explore and questions you will want to ask when you interview a remodeler.

Business Experience and Management

Does the remodeler –

- Maintain a permanent mailing address, a phone number, and a pager or answering system? You want to be able to reach the remodeler quickly and easily especially at critical times.
- Carry insurance that protects you from claims arising due to property damage or jobsite injuries?
- Ask for a copy of the remodeler's insurance certificates so you can be sure that you are not liable for property damage or jobsite-related injuries.
- You should also ask the remodeler how much the project will add to your home's value and then obtain the necessary additional insurance.
- Have an established presence in the community?
- How long has the company been in business? Longevity usually suggests financial stability.
- Does the remodeler maintain solid relationships with experienced independent trade contractors (such as plumbers and electricians) and work with them as a team to keep your job running smoothly?
- Possess a trustworthy reputation among customers, peers, and those in the remodeling industry?

- Ask for a list of building materials suppliers and call them to see if the remodeler has an account or pays for materials on delivery. Most suppliers are willing to extend credit to financially sound companies.

- Does the remodeler have a track record of successful projects similar to yours?

- Participate in a trade organization such as the National Association of Home Builders Remodelers Council? Membership reflects a remodeler's commitment to professionalism in the remodeling industry.

- Carry a designation such as Certified Graduate Remodeler™ (CGR), Certified Bath Designer (CBD), or Certified Kitchen Designer (CKD)?

Construction and Technical Expertise

Does the remodeler –

- Have a working knowledge of the many types and ages of homes in the area?

A sound structural and architectural knowledge of what is likely to be behind a wall or under a floor helps the remodeler provide reliable estimates. Extremely low bids may reflect a remodeler's lack of this knowledge and a poor understanding of the actual costs involved.

- Know what products and materials would likely be used for your project?
- Offer an array of options when selecting products, materials, and techniques?

- Specialize in particular types of projects?

- Arrange for the building permit? Remember that the person who obtains the permit is the contractor of record and therefore liable for the work.

- Offer a warranty? If so, what kind and for how long? What is covered under the warranty and what is not?

- Understand the scheduling issues required to begin and complete your job within your timetable?

Customer Service and Communication

Does the remodeler -

- Respond promptly to your inquiries?
- Emphasize customer service?
- Listen to and understand your needs and wants?
- When you discuss what you'd like to do, does the remodeler show enthusiasm for your ideas and suggest ways to make them work within your budget?
- You should ask the remodeler for examples of how the company has solved home improvement challenges for other customers.
- Facilitate and encourage communication? Ask how the remodeler handles communication during construction (such as a message center in the house for you and the remodeling team).

Making the Decision

You've done your research and asked all the right questions, and now you're ready to hire a professional remodeler. However, before you have a contract drawn up, there's still a few more items to consider.

Estimates

Ask for a written estimate of the work to be done based on a set of plans and specifications. This is a time-consuming process for the contractor, so you should be prepared to pay for this package.

Make sure that you're comparing apples to apples. Estimates from different remodelers need to be based on identical project specifications.

Conventional wisdom states that you should "get at least three bids" before hiring a contractor. But it's a mistake to let price alone drive your selection.

If you like a remodeler and are confident that he would do a good job, don't automatically switch to another contractor (who may not rank as high in customer service, competence, communication, etc.) if the estimate is more than you can afford. You may be able to scale down by making a few modifications using quality stock rather than custom designed cabinets or selecting less expensive appliances or fixtures.

The Right Fit

Remodeling is a very personal process.

The remodeler you hire will be part of your home life for several weeks or months, so it's important to make sure that your personalities work well together. If, for example, you want to know every detail as the project progresses, you probably won't be happy with a remodeler given to one-word answers. The bottom line is: Do you feel comfortable with this individual?

A strong rapport and close communication with your remodeler will help make any job go well.

Understanding Your Contract

Once you've picked a remodeler, no work should begin until you have reviewed and signed a written agreement or contract that spells out in detail the what, where, how, time span, and cost of your project.

What should your contract include?

- The contractor's name, address, telephone number, and license number (if applicable).
- A visual representation - blueprint, floor plan, sketches - that shows what the remodeler will do and where.
- The timetable for the project, including approximate start and completion dates.
- The price and payment schedule.

- Detailed specifications for all products and materials.

The description of each item should provide enough detail to clearly identify it, such as the brand name, model number, color, and size.

This section of the contract may also describe any materials to be selected later, who will choose them, and the amount of money (called an allowance) set aside to pay for each item.

- Information on who will obtain and pay for necessary permits and other approvals.
- Insurance information.
- The procedures for handling change orders.
- Lien releases to ensure that you are not held liable for any third-party claims of nonpayment.
- Provisions for conflict resolution in the event of a contract dispute.
- Notice of your right under the FTC's Cooling Off Rule to cancel the contract within three days if it was signed someplace other than the remodeler's place of business.
- Details on issues like access to your home, care of the premises, phone and bathroom use, and cleanup and trash removal.

Once you have read your contract carefully, review it with your remodeler to clarify any wording you do not understand. If you still have questions after this meeting, you should discuss them with your attorney.

When all your questions have been answered, you're ready to sign the contract.