

# HIRING A CONTRACTOR



REAL

ESTATE 101

**Taking on a home remodeling project is an enormous responsibility. If done properly, a construction project can preserve or even add to your home's value; if things go wrong, there's a lot on the line.**

## Do your research

It's always great to get a glowing recommendation from a friend or family member. Even then, it's important to do a careful evaluation of the contractor to be sure he's a good fit for your particular personality and requirements.

Read objective reviews on third-party websites, staying alert for fake reviews. Online reviews should never be the totality of your research on a contractor but can be a good place to start.

Interview several contractors by phone, asking specific questions. Has she done projects like yours before? How long has she been in business? How long has she been working with her subcontractors? Can you speak to former clients for references or see completed work? Can he provide financial references?

After phone interviews, interview your short list of contractors in person. This Old House even recommends visiting one of the contractor's current job sites to be sure it's safe and orderly and that workers are careful with the owner's property.

Check with the Better Business Bureau to

be sure the contractor doesn't have a history of complaints for shoddy work or skipping out on jobs. Check to see if the contractor is a member of a state or local association of builders.

## Pay attention to service

When you conduct your interviews, pay attention to how the contractor treats you. Are your phone calls returned quickly? Is he prepared with answers? Is he conscientious about his work and reputation? Choose a contractor who runs his business with the same kind of care that you want brought to your project.

## Ask for a detailed contract

Insist on a contract that outlines the labor and materials costs of your project in great detail, as well as the schedule of payments. The contract also should include proof of liability insurance and worker's compensation, as well as lien releases, preventing subcontractors from coming after you for payment if the contractor doesn't pay them.

The more detailed the contract, the better

## Know the pros

The Federal Trade Commission offers the following breakdown of the types of contractors you might hire, depending on the project.

*General contractor:* manages all aspects of a project, including hiring and supervising subcontractors, getting building permits, and scheduling inspections.

*Specialty contractor:* installs particular products, such as cabinets and bathroom fixtures.

*Architect:* designs homes, additions, and major renovations — especially ones involving structural changes.

*Designer or design/build contractor:* provides both services.

you will be able to get a grasp of the costs of each part of your project and know how any changes you make later on will affect the total cost.

See what your state law says about how contractors should be paid, and get a payment schedule in writing as part of the contract. This Old House recommends a 10 percent payment when the contract is signed, three payments of 25 percent evenly spaced over the duration of the project, and the final 15 percent when the job is done to your satisfaction.