



At Your Service
CHOOSING THE BEST HOME SERVICE PROS

Seeing the Big Picture

Ready for a home upgrade without a big move? Considering a major renovation, a freshening of a kitchen or bathroom, or a nice new deck in the backyard?

According to the National Association of the Remodeling Industry, you need to have a good idea of what you're looking for (a professional can help you iron out the details), how much you have to spend and what kind of timeline you're considering.

WHAT YOU WANT YOUR HOME TO LOOK LIKE

Whether it's adding another bedroom, a living area for a growing family, or upgrading to prepare your home to better withstand a natural disaster, NARI suggests thinking about your life five and 10 years from now when planning your project. Consider whether you want a smart home, to be more energy-efficient or if you want space that's more fluid as your lifestyle changes. Also consider your home's value.

GO EXPLORING

You can go to home shows, look at online galleries or talk to local contractors about projects they've done to find out possible features and options. Really consider the



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minutiae. Your contractor will ask you about paint colors, types of wood, bathroom and light fixtures and so many tiny details. As you're planning, dive into faucets and paint samples and types of hardwood. You can visit local design showrooms for better ideas of how all these details work together.

CONSIDER YOUR BUDGET

The location and size of the room, what features you choose and what types of fixtures or appliances you pick all contribute to the cost. This means a bathroom or kitchen may cost more to remodel than a larger bedroom that doesn't have all of the cabine-

try and appliances. Changing your home's structure requires more design and engineering work, so it costs more, according to NARI. The age of your house and the quality of the work product also contribute to costs. Also think about whether your contractor will need to hire subcontractors, which adds to the cost.

THINK ABOUT TIMELINE

A room renovation might take a few days or weeks, while renovating your house could take months. Be realistic about how long the project will take and make sure that fits into your plans. As you're considering estimates, don't always assume the quickest finish is your best option.

Finding the Right Contractor

Once you know the scope of your project, it's time to find the person who can turn your renovation dream into reality.

As people consider giving their homes a new look, many turn to professional contractors to build, renovate or add to their properties. Finding the right contractor, who you'll be working with over a long period of time and will be in your home for much of that work, can be a daunting task.

The Federal Trade Commission offers consumer information on finding and hiring the right contractor.

KNOW YOUR NEEDS

The size and scope of your project will determine what type of professional you need. According to the FTC, general contractors manage all aspects of a project, including obtaining building permits, scheduling inspections, the actual work and hiring, overseeing and paying subcontractors. Specialty contractors perform particular services, such as electricians, plumbers, carpenters or roofers. Architects design homes additions or major renovations but don't do the building work; and design/build contractors can create the plans and oversee all of the construction work.



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ASK AROUND

Check with friends and neighbors to see who they have used and would or would not recommend. Follow up with previous customers, including seeing the results of the contractor's work, if possible. Find out if projects were completed within the original budget and

schedule and ask how the contractor communicated changes. Check review websites to see what other customers have to say about their experiences with the contractor. If your state requires contractors to be licensed, ensure the contractor's license is up to date.

Organizations like the

National Association of Home Builders or your local home builders association can be good resources as well. The FTC also recommends working with an established company so you can verify their record and reputation.

GET ESTIMATES

Price matters, but it

shouldn't be your only consideration. The lowest bid could indicate greater efficiencies or it could mean shoddy materials. Read the bids carefully, compare them and ask questions. Ask about differences in prices among the firms, ask about differences in timelines and get clarification on anything you see in the estimate.

Questions for Your Contractor

Once you know generally the type of contractor you need, set up interviews and discuss the big factors the Federal Trade Commission recommends, as well as details about your project, potential concerns from your online research and any other questions that arise.

What similar projects have you completed recently?

You want to make sure you hire a contractor with experience in your type of project. Also ask for references. Get names, addresses and phone numbers for recent projects that are similar to yours and find out how their project went. Ask:

- How long the work took.
- If the contractor stuck to the schedule.
- Was the customer satisfied?
- Were there unexpected costs?

Can I visit ongoing projects?

This may give you an idea of how the contractor is on site and how he or she works with the homeowner.

What permits will be needed?

Make sure they're familiar with the permitting process and laws in your community. Subcontractors will need permits and licenses as well. You can also ask about licensing for contractors and subcontractors; not all states require it.



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How will subcontractors be paid?

Ask subcontractors and suppliers for a lien release or lien waiver, and get one from the contractor. The contractor should pay the subcontractors, but if subcontractors are not

paid, some states allow them to get a lien on your home to take care of the bill. Signing a lien release will protect you from this. Do not sign a consent of owner statement, which makes the property owner liable for the costs of material

and labor if the contractor doesn't pay.

What insurance do you have?

Ask for copies of insurance certificates. Contractors should have personal liability, workers

compensation and property damage coverage. You could be liable for injuries and damages that happen during the project if your contract doesn't have the correct insurance. This type of coverage is needed for subcontractors too.

If this is your first major building project, you may not know what to ask contractors when you talk to them about the job. Before you interview, do some research to narrow down your search.

Contract Basics

When you've found a contractor you like, the next step is to hire them. This is an official relationship where you're paying for a service, so, no matter how well you may know the contractor, always treat it like a business deal.

Write everything down, ask all the questions you would like and don't be afraid to have a lawyer review it.

The Federal Trade Commission offered tips for writing up a contract that will protect both the contractor and the homeowner paying for the work.

CONSIDER PAYMENT OPTIONS

Research your state laws to determine if there's a limit to how much a contractor can charge as a down payment. Most consumers should aim for as low a down payment as possible. You also want a contract that includes payment on completion of certain steps, as opposed to paying according to a calendar. That way you're not paying for work that hasn't been completed.

GET A WRITTEN CONTRACT

Even if your state doesn't require a written contract, get one. This ensures your project and the contractor's work are clearly defined and will be necessary if you have a dispute during the process. Include all the parties, what work is being done, where and when it will be done, how much it will cost and how that payment will be handled.

Contracts should have the contractor's name and contact information, an estimated

start and finish date, payment schedule, permitting, how changes to the project will be made, a list of needed materials with specifics (paint color/number, etc), warranty information and any promises made during conversations up to this point. Keep all paperwork related to the contractor.

CLEANUP

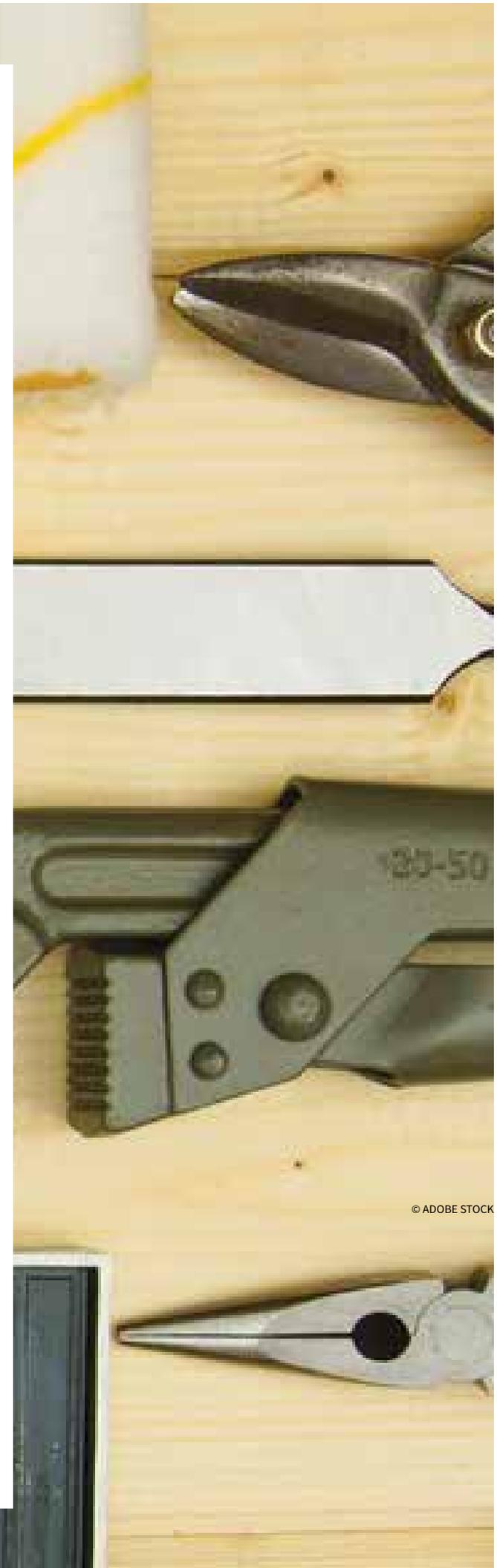
Include a clause laying out what the contractor will and won't do, such as site clean up, hauling away trash, and spills and stains from the construction.

CANCELLATION

According to the FTC, you can ask for a written statement of your right to cancel the contract within three days of signing if you signed the contract at your home or somewhere other than the contractor's place of business.

MAKING CHANGES

Circumstances may change — or you may change your mind — midway through the project. Your contract should include a clause about how to deal with change orders. These orders are written authorizations to the contractor that makes a change to the project and could affect cost and schedule.



Are You Being Scammed?

There are contractors out there looking to make easy money without building a deck, renovating your kitchen or putting a new roof on your house. As scary as that can be, the good news is taking a few simple precautions can help guarantee that you hire a reputable contractor and get the product you want.



According to the FTC, the key is using common sense and doing your research. If it sounds too good to be true, it probably is.

Be cautious if you encounter the following situations:

- Knocks on your door looking for business.
- Has material left over from a previous job that they can use on your job.
- Pressures you to hire them right away.
- Only accepts cash, asks for the entirety of the payment upfront or offers a lender they know.
- Asks you to get building permits.
- Offers a long-term guarantee or says your job will be a demo.
- Doesn't have a business number in the local phone book.

FIND A LENDER YOU TRUST

Get a loan from a financial institution where you have previously done business or otherwise trust. The FTC says scammers often offer to arrange loans through a lender they know and arrange to have the vendor pay them the full amount of the loan before starting the work, then never complete the work.

This is not to say you can't use a lender your contractor recommends. Just make sure you've investigated the lending institution, you trust them, and that you're dealing with the lender as opposed to the contractor dealing with the lender.

READ, UNDERSTAND, SIGN

The documents are long and can be hard to understand, but make sure you know what you're signing. Scammers may provide paperwork from the lenders they suggest and pressure you to sign them quickly without reading them all the way through, or the paperwork isn't filled out properly or is missing critical information. Homeowners have found themselves with a home equity loan with a high interest rate and high fees. Don't agree to a home equity loan if you can't afford to make the monthly payments.

TALK TO AN ATTORNEY

This is especially critical if you're asked to deed your property to the contractor or anyone else. If you think you've been scammed, contact state or local consumer protection officials.

After a Disaster

Natural disasters such as earthquakes, floods and fires require home and business owners to rebuild all or parts of their buildings. This process is somewhat different from a typical renovation because money from insurance companies and the Federal Emergency Management Agency comes into play.

Know the right way to go about rebuilding and how to avoid getting conned during this already traumatic time.

USE CAUTION

The Federal Trade Commission advised checking outside the building for cracks in the foundation or chimney or sagging in the roof. Don't force open any doors that are jammed, and be careful going inside if the structure appears unstable. Get what information you can safely and contact your insurance company. Depending on the damage to your home or office, rebuilding the structure may not be allowed, and you'll have to entirely replace the building.

WATCH OUT

Fraudsters follow weather emergencies, the FTC says. They know the insurance money is coming and people need repairs and may need them quickly. Do the same due diligence in hiring contractors for a regular job – ask for references, verify licenses, ask about price differences between contracts and have a lawyer review the contract if you're unsure.

KNOW YOUR RIGHTS

According to the FTC, a down payment of one-third the total price is standard. Pay by check or credit card – never cash. Paying by credit card is generally best because disputing payments is easier, and this provides you extra protection. Pay the final amount only when you are satisfied with the work. Do not pay the total amount upfront.

BE CAREFUL WITH A CHECK

You can work with your bank for a certificate of completion, which will enable the bank where you've deposited your insurance check to pay the contractor for completing predetermined stages of the job, which are laid out in

the contract. Those payments will be made only with your approval.

WORK WITH FEMA AND THE SBA

FEMA has a Disaster Housing Program that provides grants to homeowners for minor but necessary repairs

related to weather disasters. You can reach FEMA's helpline at (800) 621-FEMA. The U.S. Small Business Administration offers low-interest loans of up to \$200,000 to homeowners to help repair or replace buildings that have been damaged or destroyed.



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DIY vs. Contractor

Doing home improvement yourself sounds like a money saver, but you need to know what you're taking on before you start. You might spend less on labor, but a project may take twice as long. You also may find yourself spending more money than you planned buying tools and materials, and any mistake you make is your responsibility.

The National Association of Home Builders advised possible DIYers to consider a number of factors when deciding whether to do it themselves or to pay a professional.

LOOKS MATTER

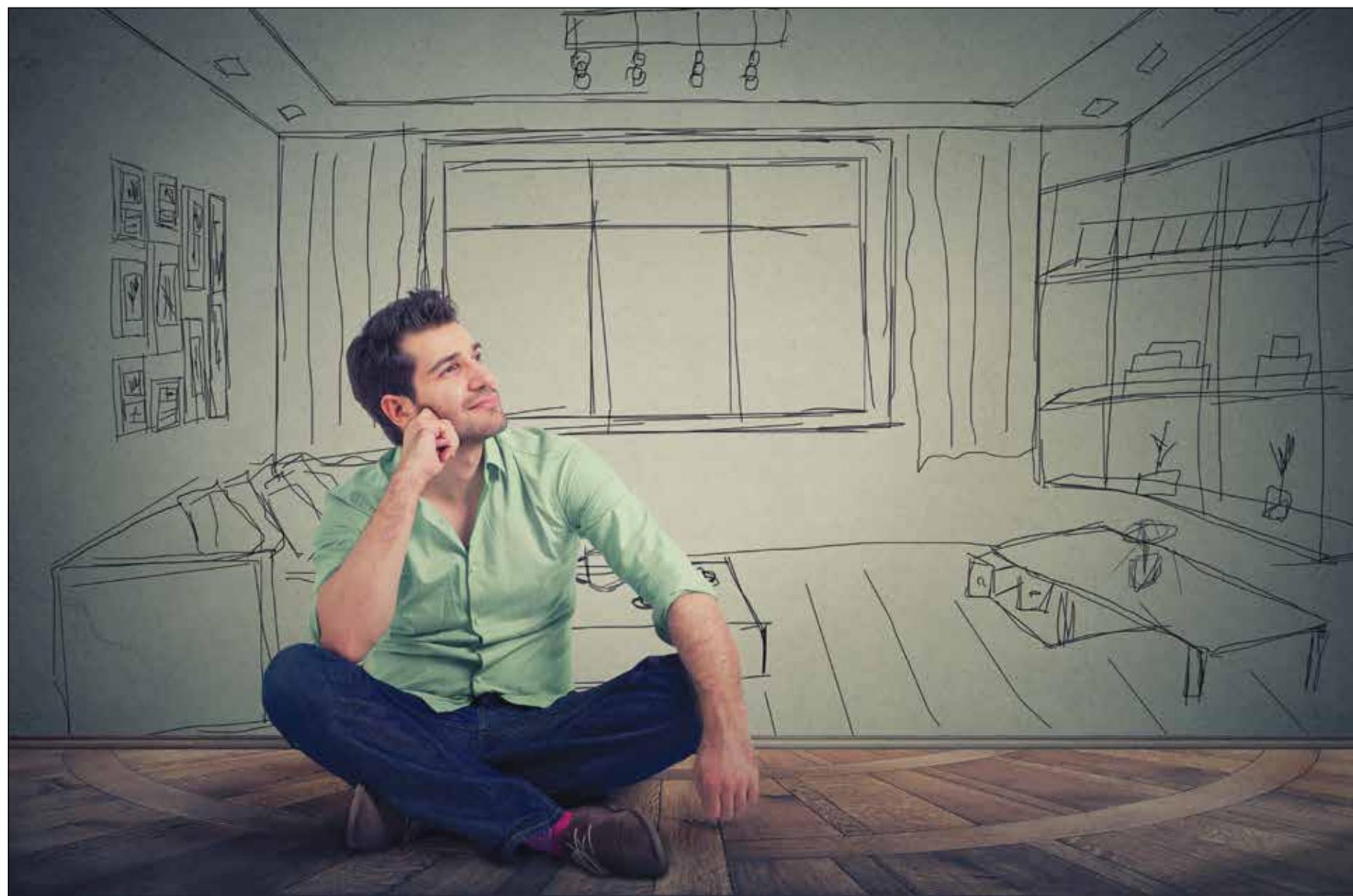
Have a clear idea of what you want your home to look like when it's finished. You need to know measurements, the specifics of carpeting, wiring and other features and how technical the work is likely to be to achieve the results you want. If you're doing a large project, consider having an architect or designer work on the plans.

BUILDING AND CODE LAWS

Depending on the size of the project, you may need a building permit, which ensures your project is designed and constructed according to city building codes. Also know if you're going to need a professional inspection when the work is complete.

DO YOU HAVE THE SKILLS?

Consider the entirety of the work. Painting or installing hardwood floors often doesn't require much expertise; building a deck or another room is more complicated. Be realistic about what you can do. If you're updating plumbing, electrical work or doing other



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specialized projects, make sure you have the skill to safely make the changes or hire a subcontractor.

DO YOU HAVE THE TOOLS?

Depending on the size of your project, tools can get spe-

cialized. Figure out what types of tools you need, what you have and what you can borrow from friends. Some home improvement stores offer tool rentals, which is a less expensive option. Just make sure all of your savings isn't taken up paying for tools.

MATERIAL COST

Contractors often buy in bulk, which means they pay less for materials. Price out what you need.

KEEP AN EYE ON THE REAL VALUE

A good remodel or addition

can increase the value of your property and likely make resale easier. A bad remodel could decrease the value or require you to hire a contractor to fix problems. Always consult a professional if you're unsure of which direction to take.