

# Hiring a Contractor

By ANNA CHANG-YEN | Green Shoot Media

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.

All this pressure means you have to do your due diligence when choosing the contractor in whom you will place your trust. Take steps to be sure you are choosing a contractor who's willing and capable of completing the job.

## 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 he 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 materi-

als 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, which prevent subcontractors from coming after you for payment if the contractor doesn't pay them.

The more detailed the contract, the better 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.

## REAL ESTATE 101

### 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

Check to 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, then 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.





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## HOMESWISE GLOSSARY

- Involuntary lien:** a lien imposed against property without consent of an owner, such as taxes, special assessments, federal income tax liens, etc.
- Junior mortgage:** A mortgage recorded subsequently to another mortgage on the same property or made subordinate by agreement to a later-recorded mortgage.

SOURCE: California Bureau of Real Estate

# AD SPACE