

Be your Own Contractor

A good general contractor is worth his weight in gold, which is why he charges upwards of 30% over the actual construction costs of home to compensate himself for his services.

That can increase the cost of your home substantially, leading some homeowners to wonder if they can save themselves a bunch of money by taking on the job themselves. Perhaps, yes.

If you're highly organized and a good businessperson, have the time and energy, and have at least a general idea of how houses go together, this is a viable option. But the job is a big one and also fraught with peril.

RECOMMENDATIONS FOR BEING YOUR OWN CONTRACTOR

To start, start small. Building Advisor suggested starting with one or two smaller jobs, such as remodeling a home before biting off on the job of building a new one. Run through all the steps as you would with a new home to get a feel for the work



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REAL ESTATE 101

Pro Tips for Hiring a Contractor

Not ready to be your own contractor? Tom Silva, of This Old House, shares how homeowners should evaluate a potential contractor before hiring him or her to work on a house. Check out his top eight pro tips to help you find a contractor from start to finish at bit.ly/2Uimoua.

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You must also be willing to put in the necessary time to come up to speed on permitting, estimating, scheduling, contracts, insurance and job-site management — and then put in a fair amount of time overseeing the job, or hire someone else to take on that role. In reality, your most criti-

cal role is in the planning stages: permitting, honing the plans and specs, selecting materials, budgeting, soliciting bids, lining up subs, negotiating with suppliers, scheduling the work. If you've done all that well, the building process itself should be pretty uneventful — which is of course what you want.

The easiest solution for an

inexperienced or overly busy owner-builder is to hire a construction manager to manage the subcontractors. You will still be contracting with the subs directly, and handling as much of the contractor's job as you want and can handle. This includes estimating, scheduling, permitting, inspections, ordering materials, reviewing bills and handling payments.

THE PROS AND CONS

Let's start with the pros. Yes, there is the possibility of saving a good deal of money. You'll also maintain full control of the project and have better chance getting exactly what you want. If you hire good subcontractors, the job quality will be good despite your inexperience.

Plus, you have the satisfaction of building your own home and showing off for your friends on Facebook.

There are very real risks, too.

Your real savings are usually less than expected because of your inexperience, including unanticipated expenses and cost overruns you didn't see coming. Also, the general contractor's cost will be lower than yours.

The Washington Post published on the subject: "Subcontractors are going to stick it to you. General contractors have established relationships with their subcontractors and tradespeople. The subs know what to expect on a project if they know the general contractor. They know if that general contractor is competent and fair. They don't know that about you."

The project will also almost certainly take more time and energy than you expected with problems arising that you have no experience handling.



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HOMEWISSE GLOSSARY

Extension: A written agreement between all parties on a contract allowing an additional specified period of time during which all parties are expected to perform their contractual obligations. SOURCE: MLS.com

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