



Choosing Professionals for Your Remodeling Project

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According to *Practical Homeowner*, Americans are spending billions of dollars on the remodeling and renovation of their homes. It is estimated that homeowners spend \$110 billion annually on home improvements.*

In order to save money, some people choose to do some, or all, of the remodeling work themselves. If you should decide to take on part, or all, of the project yourself, it will be important for you to make a critical inventory of personal skills, knowledge, tools, and time available to carry out a remodeling project. Without proper knowledge and skills, a do-it-yourself project may be unsatisfactory or dangerous, and may cost more than having a professional do it and may result in poor workmanship.

Remember that the job may be particularly time consuming, especially after a long day or week of routine work. This may place heavy demands on the marginal skills of the inexperienced person. Additionally, without enough time, the project may drag on for months and end up being finished by a contractor.

Do it Yourself — or Not?

Some work should not be do-it-yourself projects for the unskilled homeowner. For safety, for example, to prevent fires, and for compliance with legal code restrictions, heating, plumbing, wiring and structural framing should be left to the experts. The local building code should be checked to see what must be done by a licensed professional and what must be inspected and approved prior to and after completion.

It is particularly important that the do-it-yourselfer be aware of the necessity and degree of building code compliance and the consequences of neglecting to obtain a building permit on any type

of remodeling or renovation construction. If a building inspector discovers work underway without a permit, the owner may be fined or perhaps required to tear out all of the newly remodeled work.

The homeowner can make non-constructed renovations such as wallpapering, painting, and floor coverings and can add insulation to buildings. The most practical work for the inexperienced owner is general labor (tearing out old work, carting off debris and adding cosmetic work or finishing touches).

Before you begin, make sure that your time and skills meet your ambitions. You might be wiser consulting and/or hiring a professional for part, or all, of the job. One alternative is to make your plans and then contract for those jobs you cannot do or do not want to do yourself. The use of educational resources will help you clarify your needs. It will also make you aware of all aspects of the project. Devoting time to the decision-making process will help you develop a plan satisfactory to all family members.

Jobs for Professionals

If you determine that do-it-yourself remodeling is not for you, you may want to secure the services of an interior designer, architect, or contractor to do the project. Although professionals can be expensive, they can help reduce the cost of a project by standardizing materials and dimensions and saving you from poor workmanship due to your lack of experience. If finances are not available to pay for the entire remodeling project and professional services, consider eliminating some luxury changes, substituting less costly finish materials or putting off some changes until the budget permits. If a portion or all of the remodeling is to be done by a professional, carefully consider the following information concerning selection, working relationships, contracts, and payments.

Selecting an Interior Designer

The work of interior designers affects the health, safety, and welfare of the public. The work of

* May, K. G. 1991. Practical homeowner survey: 1991 top 10 remodelings. *Practical Homeowner* 6 (5):39-46, 76.

interior designers is wide ranging and may include space analysis, interior architecture, lighting design, budget development, and selection of color, fabric, and furnishings.

There is a distinction between decorators and designers. Decorators generally have informal training and are often representatives of retail home furnishings stores. Professional designers, however, must have a formal 4-year college degree, may have completed an internship or work experience, and are often members of the American Society of Interior Designers (ASID). If an interior designer's name is followed by ASID, it tells you that he/she has passed the national qualifying exam for the profession. This distinction serves as an added measure of quality. Advertisements and telephone listings may indicate if an interior designer is a member of ASID.

For names and telephone numbers of interior designers in your area, contact:

American Society of Interior Designers
1430 Broadway
New York, NY 10018
(212) 944-9220

Before making a final decision on a designer, make certain you

- ask contractors and/or acquaintances for recommendations,
- visit with the designers and some of their past clients,
- look at some of the designer's completed work,
- visit with other professionals who have worked with the designer.

Interior Designers' Fees

There are several methods of determining job pricing. Considerations for costs include 1) the scope of the job, 2) the services rendered, 3) the staff required, and 4) the schedule. The range of compensation is broad and therefore requires a clear understanding of the interior designer's fee structure. Basic methods of compensation include one or several of the following:

- an hourly rate
- flat fee
- per square foot charge
- retail sales basis
- percentage of total cost

Selecting an Architect

Architects deal with construction and planning principles, building materials, and technical plans. They are also aware of local ordinances and zoning laws that might affect the remodeling project. To select an architect, you can ask contractors and/or acquaintances for their recommendations,

or you can check with the American Institute of Architects at:

1735 New York Avenue, N.W.
Suite 700
Washington, DC 20006
(202) 627-7300

In addition, architects listed in the phone book yellow pages often indicate that they are registered, that is, licensed by the state to practice architecture. Their competency has been established through an examination procedure, and they are legally responsible for the health, safety, and welfare of the people who use the facilities they deal with. As with designers, before making a final selection you should

- visit with the architect,
- visit with the architect's past clients,
- look at his/her completed work,
- visit with contractors who have done business with the architect,
- get bids for the work to be done, and
- talk over ideas, plans, and costs.

It is important for you to have confidence in your designer or architect. Choose one you like and with whom you can get along. Make sure it is someone with whom you can communicate.

Architect's Fees

Costs and contracts will vary from architect to architect and from place to place. Architects may charge an hourly fee, a flat fee or a percentage of the cost of the completed project, a multiple of their direct expenses, or they may have another means of establishing charges. Discuss payment terms with the architect and make sure the method and amount of payment is included and clearly stated in the contract.

Working with an Architect or Interior Designer

After you have selected an architect or interior designer, you need to discuss what you want done. Talk about the kind of atmosphere/style you desire, your furniture needs and arrangement, the size and make up of your family, your family's lifestyle, your storage needs, and how much you can spend on the remodeling project. The architect will need a deed showing the location of the house on the lot. A set of original plans would be helpful. Be frank with the architect and/or the interior designer about your budget and financial situation.

Selecting a General Contractor

There are three types of contractors with whom you might work. A general contractor builds new

homes and also does remodeling. He/she is responsible for total project supervision. This individual assumes responsibility for ordering and scheduling materials, hiring, coordinating, and paying subcontractors, and inspecting work. A remodeling contractor not only does remodeling work, but also functions as a general contractor. A specialty contractor, otherwise known as a subcontractor completes such specialized work as masonry, electrical system, plumbing or painting.

The general contractor is responsible for buying all materials and paying for the work of all laborers, including subcontractors. Unless the contractor is associated with the architect, you will need to pay the architect directly for work according to the terms of the contract between you and the architect.

The current increase in home remodeling has resulted in the appearance of numerous home improvement companies whose skills and integrity leave much to be desired. Generally identified by telephone promotions and "door-to-door" selling procedures, these companies should be checked carefully if you are considering them for remodeling work. Avoid contractors who may be financially unsound. Inquire about their bonding status. A contractor who cannot pay for labor and/or materials can stop progress on your project. This could result in liens against your property for materials included in the contract.

To secure names of reputable contractors or home remodeling businesses, check with the Better Business Bureau, the National Association of the Remodeling Industry (NARI), and the National Association of Home Builders (NAHB). Local banks, building and loan associations, and other financial institutions are also good sources of information. Architects and interior designers may also have suggestions.

Before choosing a contractor, you will want to do the following:

- Visit with the contractors,
- Visit with some of the contractor's past clients and inspect the contractor's work,
- Investigate the contractor's reputation with local building inspectors,
- Visit with architects who have worked with the contractor,
- Check with local lending institutions to determine if the contractor is reputable and financially solvent,
- Check to see if the contractor is a member of a professional trade association,
- Get at least three competitive bids. Supply each contractor with identical information on which to base the bid.

If you want to do business with a particular contractor, you may try negotiating the costs. However, always evaluate the contractor and subcontractors you have selected or compare contractors and their bids by checking to see if they

- Are licensed by the state,
- Provide a final set of working plans and specifications for your approval before construction begins,
- Allow changes during construction if the changes are in a written form, with any additional costs subject to the approval of both parties,
- Obtain necessary permits and insure compliance with building and zoning codes,
- Maintain workman's compensation, property damage, and personal liability insurance,
- Provide a full waiver of liens before being paid, which insures that you will not be sued if the contractor fails to pay bills incurred with your contract,
- Provide a written guarantee of all work for one year or more,
- Provide written contracts and other documents that include all the above items as well as any oral promises,
- Permit you to make partial payments at the end of various stages of construction and final payment after accepting the completed job.

Working with a Contractor

To avoid misunderstandings, make sure your requirements have been clearly stated to the contractor and included in your contract. It is important that the contractor knows exactly what you want. Written agreements and drawings avoid the major problems that miscommunication causes. You can, and should, request comprehensive drawings and specifications of your project from the contractor. Remember that large jobs may require an architect, particularly any job requiring structural work.

Working Contract

You and the professionals you choose should have a contract. Everything should be in writing and signed by all parties involved. Read the contract thoroughly and be sure you understand it. It is advisable for you to have the contract reviewed by an attorney before you sign. The contract is your protection against bad workmanship and materials and incomplete work. The contract should contain

- starting and completion dates,
- insurance coverage,
- a lien waiver clause,
- comprehensive drawings and floor plans,

- warranties and guarantees on work and materials,
- specifications of materials, including brand names, quality, and dimensions,
- payment schedule, termination agreements,
- notation of all charges and costs including materials, fixtures, and labor,
- cleanup provisions.

Any changes and/or extra costs that occur during the remodeling process should be written as an addition to the contract and signed by all parties.

Payments to the Contractor

It is important that you do not pay the contractor the whole fee in advance. Other than possibly paying a fair retainer fee, you should pay only after phased work is completed, as stipulated in the contract. If you have a designer or architect you are working with, they will inspect the work of the contractor. A designer or architect will use a "punch list" to make certain that all work has been completed according to the plans and specifications of the project. A "punch list" is a listing of all of the work that is to be done during the remodeling process. Do not sign the "work complete" certificate before you get proof that the contractor has paid all bills owed on your project, and work is completed, or you have a previously signed lien waiver before you make the final payment.

In the past, when a contractor failed to pay his subcontractor, suppliers, and laborers, the homeowner was left liable for these bills — or for "double payment." These were bills the homeowner had already paid, in effect, through the contractor. Further, if the property owner did not make the double payments, liens—or "rights of financial holdings"—could legally be placed on a property by those who contributed the supplies and labor. However, the lien waiver law provides property owners who make use of the provisions of the lien law with two things, the right to avoid having a lien placed on their property and protection against having to pay the same bill twice.

The law provides greater protection to homeowners. Most significantly, it provides a mechanism for going after the unscrupulous contractor who accepts payment with no intention of ever paying suppliers, laborers, and subcontractors. The vast majority of business people and contractors are reputable and honest. The fact that there are no problems in most instances makes it easier for the financially unstable or disreputable home improvement contractor to cause serious problems for the unsuspecting homeowner.

Summary

No matter what choice you make, remember these points:

- Make sure that the person doing the remodeling understands what you want and how much you can spend.
- Make sure that all parties agree to and sign a binding legal contract that contains cost, plans, specifications, etc. Everything should be in writing.
- Any changes should be agreed to, added to the contract, and signed by all parties.

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