

HIRING A CONTRACTOR

By Ken Phillips

The inside guide to what you need to know

Building a new home, remodeling or adding on to your property is a big emotional and financial investment—one that should never be taken lightly, especially when it comes to selecting a contractor to do the job. Thankfully, there are some points to note that can soothe the nerves and ease the decision making of choosing a good contractor.

We've all heard the horror stories about building projects being delayed for interminable periods of times, total disruption of homeowner lifestyles during construction and contractors walking away from jobs only half finished. According to Natalie Wagnine, founder and owner of NES Property Services, Inc. in Calabasas, California, some due diligence is a must to help protect against potential contractor problems. So we have compiled some of the top considerations when selecting a contractor.

1

Always check to see if the contractor is licensed, bonded and insured. The California Contractors State License Board (CSLB) can verify the licensing. If something goes wrong on the job site, the contractor's insurance/bond should cover any damage issues regarding your property. Also important to note: If you are considering hiring an unlicensed handyman to complete your project, the legal limit of any job they can take on is \$500.

2

Obtain three to five quotes on any job. The quotes should be fairly close. If one of the estimates is significantly lower, it could signal potential cutting of corners or that a job may be left unfinished due to running out of funds down the road.

3

Steer clear of anyone who says building permits are not necessary or that even though the job is not according to code or illegal, they will do it anyway because they like you. Each city has its own ordinances as well as a building and safety department so that you can verify requirements for permits, property usage, and the like. Remember, too, anything constructed without a permit and/or not built to code may cause a homeowner problems in the future, if it ever comes time to sell the property and any unauthorized construction project is not able to be included on the certificate of occupancy.

4

Do not sign a contract on the spot, even if it means losing out on a special offer only good for that time. Still, if you can't resist, know that you have the legal right to rescind the agreement within three days.

5

Only sign a legal contract that details the job, including job cost, construction timeframe, and payment schedule. Never pay the full amount up front. By law, your deposit will be 10 percent of the cost of the job or \$1,000, whichever is less. Your contract should specify when payments are to be made, following various stages of construction.

"You have to be comfortable with your contractor as his expertise will be a special part of your home."

Ms. Wagnine, who graduated with a college degree in psychology, entered the construction industry in 1994, starting her own business in 2008. She says, "Even if everything checks out, go with your gut. You have to be at ease with your contractor and everything must feel right. Any significant construction project can be stressful with strange people in your house all day, stirring up dust and generally inconveniencing you. You have to be comfortable with your contractor in attaining the best possible results." After all, his or her expertise will be a special part of your home.