

How To Hire A Contractor – makeitright.ca

Here are a few tips to help you when looking for that perfect contractor.

So you've saved up your hard earned money, figured out which part of your house needs the **MOST** work and set your budget. Now what? Well, it's time to find the perfect contractor - hard working, punctual, communicative, reasonably priced and a superior craftsman. Impossible? Close, but here are a few tips to help you when looking for that diamond in the rough.

Licenses and Insurance

Each contractor who comes onto your property should have a valid license. Make sure you ask to see it and inspect it closely. Licenses are offered by the Government and expire yearly, so make sure you check to see if their license is valid. The government supplies permits for renovation, electrical, plumbing and heating and cooling. The license doesn't insure quality but it is the first step in investigating your contractor. It is also your right as a homeowner to demand that your contractor carry valid insurance, which covers you in case of any accidents on the job site (i.e. someone dropping an expensive vase or scratching an original oil painting). If a contractor doesn't have valid insurance, they can obtain temporary insurance to cover the work on your property. Some contractors may threaten to not do work on your property if you demand insurance but do you want someone like that working on your property?

References

If your contractor is a good one, they will have a list of references detailing different and varied clients with up-to-date contact information including: name, address, phone number(s), and info on the work done including quote. How many should they supply? I have at least 20 I give out on request. Once the contractor has supplied such a list, call a number of them. Ask the homeowners important questions like: Did the contractor start/finish on time? How much down did they ask for? Did you have any problems on the job? Was the contractor pleasant to work with? Did they surprise you with extra prices you did not expect? Furthermore, try to go see at least three other properties that have had similar work done. This is important. You don't want a fence expert doing a stucco job on your \$30,000 addition.

Contracts

Before you agree to have the contractor do work on your property, it is the contractor's responsibility to provide a contract containing all their contact information and detailing the work which will be completed on your property, supplies they will be using, sub contractors (if any) who will be coming onto the property and a detailed payment schedule. It should also be stated in the contract that you will not pay any costs above the quote unless agreed to in writing.

Terms

It isn't a bad idea to put some terms on your contract, i.e. times the property is open to them and that the contractor agrees to clean up at the end of each work day. Some contractors ask for an outrageous amount of money before they even lay a hand on your property. I know one couple who were taken for over \$100,000 when they hired a contractor to renovate their entire house. They are the subject of my Father's Day one-hour special - The Whole House Disaster. The contractor asked for \$20,000 upon signing and \$20,000 the first day of work. That's \$40,000 (or 40%) up front. That's crazy! A good landmark to use depending on the size of your job, is an average "good faith" down payment of \$2,500, which is basically booking a contractor's time. When they arrive at the job site with their tools ready to work, you can give them another 10%. Never agree to a payment schedule based on time. Agree to a payment schedule based on work completed. For instance, if someone is renovating a spare room in your home, agree to pay just 10% on their first day or work, 25% when electrical is completed, 25% when insulation, vapor barrier and dry wall is installed, and 25% when priming and painting is completed. I recommend a 10 to 15% hold back for up to 30 days after completion. If any problems arise in this time, this will ensure they get fixed. This also gives you time to make sure you are completely happy with the work. Never give the balance of the quote before the contractor has finished all of the work. Make sure you never pay in cash. Always pay by cheque or certified cheque. It is important to keep a paper trail in case you ever have to go to court. It is always important to get a receipt for every payment you pay the contractor, signed and dated by the contractor.

CAUTION- Most importantly, **BE CAREFUL WHAT YOU SIGN.** A good contract should be typed, legible and easy to read. There should be no fine print. And remember - Always trust your instincts. If it doesn't feel right, it probably isn't.