

Top 10 Tips for Homeowners When Considering a Contractor

Your home is probably your most valuable asset. Properly maintaining your home is a key factor in the retention and growth of its value. This factor is one reason why it is important to hire highly qualified contractors when making major repairs or renovations to your home. The following 10 key rules should be followed when selecting a contractor to work on your home.

1. Be wary of contractors who solicit business door-to-door or via cold calls. In addition, avoid contractors who quote you a price that will automatically go up the next day or week if you don't accept it immediately.
2. Obtain recommendations from friends, family members, and neighbors about experienced and reputable contractors who have performed excellent work for them.
3. Ask for a written estimate from the contractor that includes any oral agreements the contractor makes in this process. The estimate should contain a line-by-line breakdown of costs, including materials and labor. In addition, ask if there is a charge for an estimate. If there is, avoid dealing with this contractor.
4. Obtain at least three estimates along with the names and phone numbers of two former customers of the contractor. Contact these customers and ask about the work performed.
5. Do not automatically select the lowest bidder. Their work may be lacking in quality.
6. Verify that the contractor is licensed, bonded, and properly insured. Ask for certificates of insurance for workers compensation and general liability policies.
7. Contact the Better Business Bureau to see if complaints have been filed against the contractor. This can be performed via the Bureau's Web site at www.bbb.org.
8. Avoid dealing with a contractor who asks you to pay for the entire job before the work begins. The standard practice is to pay 33 percent of the job up front.
9. Get a copy of the proposed contract. Ideally, it should include a hold harmless clause in your favor, particularly for major work such as when heavy equipment will be used in constructing a swimming pool. A hold harmless clause specifies that the contractor will indemnify you with respect to your liability to members of the public who are injured or whose property is damaged during the course of the contractor's operations. The contract should also explicitly specify the work to be performed, the start and end dates, payment agreements, and warranty information.
10. Ask a knowledgeable friend, relative, or attorney to review the home repair contract before you sign.