

Remodeling Guide 2007

By Kimyla Guice Stegall

Next to buying a home, remodeling is one of the biggest investments you will likely make in your lifetime.

Here is what you need to know before you get started.

Help for Hire

The ins and outs of selecting a quality contractor

Once you have decided to remodel your home, the most crucial step is choosing a contractor. This can be a tough choice, and one that will ultimately determine the success and enjoyment of the project. There are several measures you can take to ensure a successful remodel and avoid potential home-improvement scams. The key is to do your homework.

“First things first, always ask your contractor if he is registered with TRCC (Texas Residential Construction Commission),” says Lynn Rogers, executive director for National Association of the Remodeling Industry (NARI) Greater Dallas. “The contractor is supposed to be registered; it’s illegal if he’s not.” In fact, any job that is \$20,000 or more is to be registered if it is within the interior of a home, she adds.

“If they are not registered, that is a red-flag,” says Doug Traver of Traver Construction. “It is a sign that the remodeler is not in line with what’s current in the industry.” One way remodeling experts stay up to date on such matters is to be part of a professional association like NARI or the Home Builders Association of Greater Dallas, the local chapter of the National Association of Home Builders (NAHB).

John Todd of Elite Remodeling is a member of both. “Being a member of an association shows that they believe in the business, they believe in having ethical guidelines and following them.” In addition, “they have gone through some amount of prescreening in order to be a part of one of these groups,” he says.

“It can be a great starting point,” says Joyce Schiska of Joyce Schiska Designs, Allied member ASID (American Society of Interior Designers). “I have been a member of NARI for 12 years. Every contractor that comes through NARI has to have certain qualifications or they cannot be member. It’s the same with the ASID,” she adds.

Regardless of where you find potential remodeling professionals, Jack von Gillern of von Gillern Construction warns that it’s crucial to check multiple references.

“You have to find three to five that you believe are credible,” he says. “I hand out a three-page reference list and I tell them (the homeowner) that they can call any of them.”

Todd suggests you also ask for references that are older. “Ask for both current and references from a year ago,” he says. “Then you can see how the remodeler supported their work.” In almost every job, Todd says there’s likely to be some kind of hiccup. “You will find out a lot about your contractor when that happens.”

That is advice that is echoed from all of the experts. “Not checking them out, not checking with places like the BBB (Better Business Bureau) and not checking references could lead to big trouble,” says Jeannette Kopko of the Better Business Bureau of Metropolitan Dallas, Inc.

Next, von Gillern suggests looking for someone who is established. “You don’t want to get some guy that does roofing around the country after storms and is now in Dallas doing

remodeling,” he advises.

It’s also important to choose the right professional for the job. “Remodeling is difficult,” Schiska says. “You have to tear into an existing structure. An experienced remodeler knows how to do it, and that is really important.” She says the same is true of architects and designers. Different people may have different specialties.

Ray Dettmer of Skillful Improvements & Restoration agrees. “Ask about their expertise, look for certifications, ask about their years of experience, ask about what education they have, any specialties they handle, if they have designer capabilities or are they just order-takers,” he says.

There are many firms that provide services from concept to conception. If it’s important to have one person overseeing your entire project, make sure

you look for a contractor or company who can fulfill that need. Otherwise, some projects may require that you bring in a designer, architect or engineer in addition to your general contractor.

If that is the path you choose, Schiska says, “the most important thing is to get everyone together upfront before the project starts.” By opening up the communication between all parties from the beginning, it makes the job go quick and easy because everyone knows what they’re supposed to do.

No matter which professionals you work with, one thing everyone recommends is to select someone you can easily communicate with. “People should meet with different contractors and get a feel for who they are comfortable with,” says Dettmer.

Take your time. “Don’t rush your pre-contract meetings,” says von Gillern. “Take the time to develop a gut feeling about the contractor and think about whether you can work with him, because they are going to be living with you for a lengthy period.” When any issues come up, you should feel that your remodeler will be open and willing to resolve problems.

From there, Traver says, “Make sure they have liability coverage insurance.” It covers accidents and unforeseen circumstances on the job site.

“That would disqualify a lot of people out there,” Dettmer says. “If they are being straightforward, they will let a homeowner contact their broker.” There have been instances where contractors say they have it and even have proof on paper, but that doesn’t mean the coverage is current. “The way to make sure is to contact the broker. You can even ask the agent to notify you if they drop their coverage,” he suggests.

Last but not least, look at the potential cost of each remodeler. Our experts suggest that before you call out a professional, you need to have an idea of what you can spend, what you need from the remodel and be able and willing to communicate both.

“You want to compare two or three,” says Kopko, “and get a feel for the overall estimate, but you have to look at how it is to work with this person.” Traver concurs, “If you’re looking only at the cost-driving factor, you are going to be in trouble. You are looking for the best value, not the best cost.”

Others warn that you should be cautious of the lowest bid. “There is usually a reason why the low bidder is low,” says von Gillern. “When you check references, ask about how they did budget-wise versus actual cost.”

While you can always go out and find someone who will do a job for less, Todd says you have to ask yourself a couple questions. “Will he be there in two years? Is he going to be supportive when you need help?” he asks.

“By doing a little work up front,” Traver says, “it’s possible to get a professional job done and do so with the least amount of pain.”

Where to Start

When you are ready to remodel there are several associations where you can turn for both information and references.

National Association Remodeling Industry (NARI) of Greater Dallas
(214) 547-8475 - www.naridallas.org

Home Builders Association of Greater Dallas (HBA)
(972) 931-4840
www.dallasbuilders.com

National Association of Home Builders (NAHB)
(800) 368-5242 - www.nahb.org

National Kitchen and Bath Association (NKBA)
(800) 843-6522 - www.nkba.org

American Society of Interior Designers (ASID)
(214) 799-4432
www.asidtx.org or www.aisd.org

American Institute of Architects (AIA)
(800) AIA-3837 - www.iai.org

International Interior Design Association (IIDA)
(888) 799-4432 - ww.iida.org

Better Business Bureau of Metropolitan Dallas, Inc. (BBB)
(214) 220-2000 - www.dallas.bbb.org

Constructing a Contract

The ins and outs of a project agreement

Signing on the dotted line for any pricey proposal can be daunting, especially when it is something as personal and precious as your home. However, it is yet another critical step of the remodeling process.

It is the binding documentation that ensures that all involved parties have the same vision and understanding of the project as a whole. Before you put pen to paper, it is crucial that it include detailed information and that you understand every element of the agreement.

First, the contract should be comprised of the basics, both your information and the contractor's information. "The contract should also show the start date and what's to be done," says Jeannette Kopko of the Better Business Bureau of Metropolitan Dallas, Inc.

"Every contractor will have a different way of presenting his contract," says Joyce Schiska of Joyce Schiska Designs, "but contracts between homeowners and contractors have gotten larger

and larger. If you get a one-page contract... that isn't good. There are too many variables."

That's something that Doug Traver of Traver Constuction discovered over the years. "Initially, I used a two-page contract, because I wanted to keep it simple," he says. Then, he heard an attorney speak and discovered it was better for both parties to include every detail. In addition, there are elements and disclosures required by the state.

For example, von Gillern says, "There has to be a disclosure statement... that advises the customer of their rights. It makes them aware of all of the issues of Texas real estate law."

In addition, the TRCC (Texas Residential Construction Commission) requires contractors to provide at least the state minimum warranties and building standards. They include:

- A one-year workmanship and materials warranty
- A two-year mechanical and delivery system warranty
- A 10-year structural warranty
- A a 10-year warranty of habitability

For additional protection, Kopko suggests looking at the contract to see if there's a clause that calls for disputes to be resolved through arbitration or another dispute-resolution service. "If so, you may want to make sure you know the terms of that dispute-resolution program," she warns. There can be fees associated with those services.

Next, the contract should address money matters. "How will the homeowner know at what points more money will be due?"

Ray Dettmer of Skillful Improvements asks. Every contractor will have his or her own way of setting up a payment system. Some take what is referred to as draws based upon increments of time. Others take a draw at different stages of the project.

"I recommend having a draw schedule that says when the concrete is poured there is a draw. When there are green tags from the city a draw is due... that is clear," Dettmer says. "In addition, one thing that my company does... we will give the homeowner a written schedule, week-by-week, of what is going to happen," he added. That is something Dettmer says you can request.

"There should also be a change-order procedure," von Gillern says. "There should be a process in place for having that change written up and signed off by both parties." He also recommends that you check the contract for written assurance that the contractor has general liability insurance.

Last but certainly not least, look at the details. "Make sure that it is clear what the contractor is going to do, product the project includes and the consumer understands what they are going to get; that it is in writing and it is spelled out," Traver advises. "It protects the contractor as much as it does the consumer. You want a contract that is favorable to both sides. A contract is a two-way street."

Building Your Budget

How to properly plan and prepare for changes

Your budget contains the building blocks for your entire remodeling project. In many households, coming up with a number is one of the most difficult steps in the renovation process.

How much can you spend? How much should you spend compared to your neighbors? And how much will you get back if you decide to sell? These are always the top questions to be answered as you begin to piece your budget together.

Not sure where to start? You're not alone. "Almost every client does not know how much to budget for their project," says Joyce Schiska of Joyce Schiska Designs. "They have a figure in mind, but it is usually really low."

Doug Traver of Traver Construction says the first thing a consumer can do is head out to

showrooms and stores. “They need to educate themselves as to what things cost,” he says. “It can help to prepare them for sticker shock.”

He warns that searching online isn’t always realistic. Many times people think they have found bargains on the Internet only to find out that the model is discontinued, the item is refurbished or the company that made the item is no longer in business.

“Who do you turn to if something goes wrong? Can you get parts or not?” he asks. “That is one of the problems. They need to go out into the real world to get a real idea of prices. Most customers want to be hands-on. They want to go to the showroom, see things and know there is a good warranty.”

By doing a little homework upfront, Jack von Gillern of von Gillern Construction says you can then be realistic about what you can and cannot afford. “They should establish a budget before they ever talk to a contractor, should be clear about that budget and the budget should be shared with whoever they are inviting to bid on the project.”

Beyond what you can afford, Traver says it’s important to look around your neighborhood. “Most customers have an idea that they can’t overspend for their neighborhood, so they kind of want to get an idea of what their neighbors are spending,” he says.

You can ask your neighbors or call a local realtor and ask them to pull up comparisons in your neighborhood. Most, wanting to establish a relationship, are happy to assist you.

However, if you plan to stay in your newly remodeled home, Traver says you can do anything you want. “Most have an eye toward, ‘Can I get my value back if I do this project?’ The end result: this is your castle. So, the longer you stay, the more likely you are going to recoup your investment,” Traver states.

When nailing down numbers, some try to do it by the square foot. “It is not an effective way to budget,” warns Schiska. “You can on new construction, but a remodel is more expensive, because you are tearing into an existing building. You don’t know what is hidden.”

When in doubt, she advises discussing your ideas with a remodeler or designer. Ray Dettmer of Skillful Improvements agrees. “I would encourage them to interview two or three contractors and to have them give general bids,” he says. One thing Dettmer suggests you take to heart, “If all come back higher than what you had in mind, you probably want to readjust your budget.”

All of the experts warn to be wary of the low bid. “If you are inclined to go with the lowest bid you have to expect you may have some problems,” says Dettmer. It’s surgery for your house — would you choose the lowest priced doctor?

“Here’s the other question, why is he (the bidding contractor), say, 30 percent lower?” he asks. “It’s a red flag either way.” Dettmer warns that if you spend too little, you might end up losing the whole project.

Another warning to the wise, beware of budget-breakers. They can range from unforeseen problems to customer change orders. “Budgetary wise, some people will put in a contingency amount in their general conditions,” says Traver. “They may put in 1 percent or 2 percent.”

Contractors and customers can also include an unforeseen-conditions clause. “There is really no way to assess the dollar amount of what it is going to be until you find it,” Traver says.

Change orders are a different story. Many consumers get upset when the cost of the project grows, but a majority of that is often driven by the homeowner. “It is because they want to change the job or they want to add things to it,” he says.

“The consumer thinks we do it. Nu-uh. It is because you changed your mind. That is why I say plan things out as much as you can,” Traver advises. “If you don’t and you change things, the cost is going to change.”

Should Your Remodeler be Certified?

While certification is not a requirement in Texas, it can help you establish a contractor's qualifications.

NARI (National Association of the Remodeling Industry) has a certification program designed to establish professional standards for the remodeling industry and improve the products and services to customers. Certification provides special recognition to those contractors who have demonstrated a high level of competency and ethical standards. Some of the certifications include:

- CR (Certified Remodeler) is for general construction work, both residential and/or commercial.
- CRA (Certified Remodeler Associate) is for all other specialty trades. It is for individuals who support the remodeling industry such as architects, designers, manufacturers, etc.
- CLC (Certified Lead Carpenter) is designed exclusively for lead carpenters. To receive the CLC, carpenters must demonstrate skill and knowledge in project management, supervision and customer service.
- CRC (Certified Remodeling Carpenter) is for every level of carpenters employed in the remodeling industry.
- CKBR (Certified Kitchen and Bath Remodeler) provide remodeling services specific to kitchens and bathrooms.

Home Builders Association of Greater Dallas, the local chapter of NAHB (National Association of Home Builders) also provides special certification. The NAHB's Remodelers™ Council offers the Certified Graduate Remodeler (CGR) designation to remodelers, taking on average more than two years to complete. This remodeling graduate school teaches extensive technical, business and customer skills well beyond the average contractor.

NKBA Certification in Kitchen and Bath Design is based on stringent written examinations and extensive industry experience. More than 2,700 individuals are certified by the NKBA. Some certifications include:

- Associate Kitchen & Bath Designer (AKBD)
- Certified Kitchen Designer (CKD)
- Certified Bathroom Designer (CBD)
- Certified Kitchen and Bath Installer (CKBI)
- Certified Bathroom Educator (CBE)
- Certified Master Kitchen and Bath Designer (CMKBD)

The Planning Process

How to design your next remodeling project

Once you have selected a contractor and set your budget, the next step is the planning phase. At this point, you will need to think your entire project through from start to finish.

"I tell the customer to decide about what they want, as much as they can. I mean specifics, from tile to cabinets, fixtures, everything," Doug Traver of Traver Construction says.

By taking the time to plan up front and get a firm cost. It will help you piece together the details

of your new space.

“That’s the big thing,” says Joyce Schiska of Joyce Schiska Designs. “They need to have an idea of what they really want to do, especially on a remodel,” she says. “What has worked for them? What hasn’t worked for them? What is their goal at the end of the project?” she asks.

Ray Dettmer of Skillful Improvements says this is where you need a contractor who listens and really hears what it is you need and want. “I like to hear a person dream,” he says.

One way people can help communicate their needs and desires is to create a project folder with examples and ideas. “If you look through magazines, pull out things you like,” Schiska says. “Don’t get crazy about it; just things that are important.”

However, if you know you need something done but you don’t know what it is, she adds that you shouldn’t be afraid to say it. “If you don’t know... a designer, contractor or architect can help fill that out,” Schiska adds.

By this stage, if you don’t have a clear vision you can articulate, Jack von Gillern of von Gillern Construction says you may need a designer or architect. “Not everyone in my opinion needs a designer,” he says. “In fact, about 80 percent of my jobs I don’t need a designer, but that’s because many of my customers know exactly what they want. If you are trying to change a contemporary house to a modern home I wouldn’t try to do that without a designer.”

That is advice repeated by several experts. “Spend the money on a designer, architect or engineer upfront, if your project warrants it. These are valuable things,” Traver says.

Once you have a clear vision and have provided specific information, it will be time to put everything on paper. “If it’s completely understood, you can have a draftsman draw it up, that is the most inexpensive way,” von Gillern says. “If you need a little more creativity or ideas, you can have an architect draw it.”

Dettmer says he typically comes back to a client with three or four different options. “Normally what happens is, they will pick out elements in each one and from that you boil down what they like into a final floor plan.” He then creates a three-dimensional design. “Most people struggle when they look at the floor plans, but with the 3-D they can visually get a better feel.”

“In addition to plans being drawn up, there is typically a project description that is very detailed,” Schiska says. “There are selections and specifications and they need to expect that.” She adds that it is important for you to not only review, but scrutinize every detail. “That is part of their job,” Schiska adds. In addition, she recommends the entire family be involved on some level. “It’s important that everyone... participate and be aware of what’s happening.”

Once the details have been finalized with the owner, von Gillern says the final step is to get permits and post them where they’re visual from the street and the work can begin.

“Whatever you do, don’t hurry through the process. This is your home,” Traver emphasizes. “In most people’s lives this is one of their biggest investments, so why would you hurry through this?”