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Introduction

A few years ago, when my wife and I were courting, we made two brave decisions. The first was to marry. The second was to renovate her little house completely so that it would fit the two of us and the life-style we anticipated. We thought it would be fairly simple: How hard could it be to turn a 750-square-foot two-bedroom ranch into a 1,600-square-foot Cape Cod?

Well, ten months and \$85,000 later, we discovered it was a lot more complicated than we had thought. Fortunately, it was worth all the trouble. Where we once had four rooms and a bath, we now have six rooms and two baths, and where we once squeezed to seat four at dinner, we easily accommodated fourteen last Thanksgiving. Where we once set up folding chairs in the backyard to view the pond and sunsets, we can now see them both from the new deck and from inside the house. And the early-morning view from the huge new windows in our kitchen is a great way to start the day.

It probably doesn't surprise you to hear that remodeling our house was not a completely joyful experience. Meeting the requirements of the local Historical Commission added two months to the start date; so instead of taking advantage of an unseasonably warm November, the builders took the roof off during a very seasonable January. The carpenter, in an effort to make room for me in the shower, raised the roof peak an extra 4 feet without checking with us or the contractor. One of the crew moved into the house with a cot and his dog. He said he was protecting the tools, but we learned later he had broken up with his girlfriend.

Our experiences, good and bad, over the ten months of planning and building gave me the idea for this book. My wife, Eileen, and I learned the hard way that remodeling takes longer and costs more than expected. We paid off a personal loan we had to take out because the banker miscalculated the amount of closing costs we needed. We survived what to me seemed endless hours spent in showrooms looking at carpeting, tile, fixtures, paint, furniture, and fabrics. And we eventually adjusted to the realization that we have different tastes. I also learned that what the builder and I thought were refinements, Eileen considered necessities. He and I thought the new snap-in mullions in the original picture windows in the old living room looked just like divided panes and were fine—we were wrong. My wife wanted the genuine article, which added a couple of thousand dollars to the cost.

Completing a remodeling project, I've learned, is like joining a secret fraternity whose members, when they learn that you can appreciate their problems, open up and share their experiences and frustrations with you. Unfortunately, all this

highly useful information came to us *after* we needed it. Like most other people who have remodeled a home, we learned by the end that if we were to take on another remodeling project, we would do it entirely differently. In fact, all of the homeowners I interviewed in the course of writing this book felt exactly the same way. When I asked them if they would do things differently if they were to do them again, the answer was invariably yes. When I asked them if they'd be willing to tackle another remodeling job, the answer was often an emphatic *no*.

"If I had known what I know now, I could have saved a bundle of money and weeks of frustration," one homeowner moaned. He went on to tell me about the trouble he created when he accepted the lowest bid for a new roof and had to go back to another contractor when the low bidder ran out of money and quit the job. Other homeowners I interviewed were just as generous with their hard-earned experiences. One man didn't know about getting lien waivers (see chapter 2) and had to pay for his job twice, once to his contractor and the second time to the subcontractors and suppliers the contractor failed to pay. Another couple learned that if cleanup isn't specified in the contract, plumbers and electricians will refuse to patch the holes they make or otherwise clean up after themselves (see chapter 4).

Using a basic questionnaire as a guide, I asked these homeowners and dozens of others just like them what went wrong during their remodeling projects, how they solved the problems, and what they would do to avoid these problems if they had the project to do over again. I also asked what they learned or devised during the remodeling experience that reduced costs, time, or mental distress. To include the professional's point of view, I interviewed dozens of contractors, architects, builders, and designers as well. The result is a gold mine of good ideas and approaches, often in my interviewee's own words, covering everything from evaluating a contractor's proposal to maintaining your sanity when your kitchen is out of commission for months. If you read this book carefully, you'll know enough about remodeling pitfalls and how to avoid them to approach your first remodeling project as if it were your second.

Why Remodel?

People remodel and add on to their homes for as many reasons as there are people and homes. Perhaps you need to create additional space for a growing family and you've discovered that the "starter home" you moved into a decade ago with the intention of moving on when babies came along is now worth a bundle. Rising real estate values during that same period have made a move-up next house unreachable, so you decide to remodel and add to the investment you already have.

Or maybe your older home just doesn't work with today's casual life-style—it has a formal dining room you never use but no family room, or there's no bathroom downstairs. Then again, you may be hoping to increase the potential sales value of your house by modernizing the kitchen or adding a bath. Or perhaps you're interested in remodeling simply because you want a nicer kitchen or a more glamorous bath and you can afford it.

One architect told me that in his experience, people often remodel because someone has left them some money or because they are earning more and have the money to spend. They want to adapt their kitchen for entertaining or add a library and sun room to while away their leisure hours.

Chances are you recognize yourself in one of these categories. But whichever category you fall into, be aware that before you scramble your first egg in your new kitchen, take your first soak in your new whirlpool tub, or curl up for the first time in front of the TV in your new family room, you are going to put yourself, your spouse (if you are married), and your kids and pets (if you have them) through one of the most frustrating, exasperating, costly, and confusing experiences most people will ever encounter.

The frustration and stress arise for several reasons. First, remodeling projects take a long time to get underway. The process begins with vague stirrings of discontent with your house that can go on for months or even years, but once you decide to do something about it, impatience grows as you begin to picture how much nicer your remodeled house will be. Second, remodeling involves *destruction* as well as *construction*. When you build a new house, you start with nothing and gradually create something. But when you remodel, you start with something, destroy all or part of it, and only then begin to create something. The destruction phase is a difficult period for most homeowners.

Remodeling is also a little like traveling in a foreign country without knowing the language. Contractors don't talk about walls; they talk about top plates, bottom plates, studs, weight bearing beams, and headers. They don't talk about windows; they talk about double hung, casement, snap-in grille, true divided panes, eight-over-twelves, muntins, and mullions. Plumbers don't talk about toilets and sinks; they talk about vanities, lavatories, water closets, vents, and waste pipes.

Communication can become a major problem unless you learn a whole new language—several, in fact. In the initial phases everyone may seem to be speaking English, but when you begin to read your builder's proposal and the list of specifications (a list you have to authorize, mind you), you'll realize that the project has been translated into constructionese. The cabinet unit you want in your kitchen is now a 36 LS—or is it? The windows have become code numbers, your appliances are now model numbers, the insulation is in R-factors, and the floor has become 2 x10s 16" OC with 1/2" CDX underlayment. So you sign with the knowledge that if there is a discrepancy between what you hope you're getting and the code numbers, the code numbers represent what you will get.

Now that you are firmly in a shaky frame of mind, shut off the water, move the stove and refrigerator into the living room, cover everything with a fine coat of plaster dust, and you have all the ingredients for a stressful situation. Welcome to the wonderful world of remodeling.

Remodeling 101

Some homeowners approach the organization of a remodeling project the way I take on a new computer program. I read just enough of the instruction manual to begin, get in up to my neck, then find an expert to get me out of the mess I've made. If you're that type, slow down a second and read this quick review of the steps—and the cast of characters—involved in a remodeling project.

The Steps

Who

1. The Dreaming Phase

Mulling and dreaming	You
Collecting information/clipping pictures	You
Recognition of need/ability to pay	You

2. The Planning Phase

Rough planning, making sketches, drawing floor plans	You, general contractor (GC), architect, designer
Selecting the final plan	You
Preparing working drawings	GC, architect, designer
Obtaining financing	You and your banker
Drawing up the specifications	You, GC, architect, designer
Getting estimates/competitive bids	Four different GCs
Drawing up a proposal/agreement/contract	GC

3. The Selection Phase (overlaps with the planning phase)

Locating/Investigating/Interviewing potential contractors, architects, or designers	You
Selecting contractor	You
Accepting and signing GC's proposal	You
Writing the first check	You

4. The Construction Phase

Setting date to begin remodeling job	You and GC
Obtaining necessary permits	GC
Learning to live with construction	You and family
Making hundreds of selections/decisions	You and family
Learning to compromise	You and spouse
Learning how to handle problems and changes	You and GC
Writing more checks	You
Going over final problems to be corrected	You and GC
Writing last check	You
Enjoying your new, improved space	You and family

You Are Not, Alone

Remember that you're not in this alone—architects, designers, contractors, lumberyards, and design specialty houses are all waiting in the wings to help you realize your remodeling project. In the following chapters you will learn whom to turn to for help at each stage. According to the homeowners I talked to, probably the most important decision you will make is the choice of an architect or general contractor (or both). In the next chapter you will learn what each of these professionals offers and how other homeowners have been able to make an informed choice between them. In subsequent chapters you will learn how to analyze and compare bids, how to read a contract, where to get financing, where all the money and time goes, what you can do to prepare for the builders, and, with the help of those homeowners who have gone before you, you will gain an appreciation of some of the problems you will encounter during construction.

This is your dream and your house, so you get to make the decisions. A *lot* of decisions. Many of them will be about things you didn't know you or your spouse had opinions about. In addition to preparing you for the chaos of construction, this book is intended to give you a good idea of the kind of decisions you'll confront and a little help in learning to compromise. As you read through it, you'll begin to understand what causes costs to go up and completion dates to be postponed, and you will learn how to anticipate and possibly to avoid problems. And in the (likely) event that you, your contractor, and the suppliers are not perfect, you will learn what to do when things go wrong.

If I have scared you a tiny bit with this introduction, good. You're already ahead of the game. Many homeowners believe that a rapidly declining bank balance is the only inconvenience they'll suffer during a remodel. Not so. In fact, your life is likely to be turned upside down for weeks, if not months. Fortunately, reading this book can help by allowing you to learn from other people's experience and mistakes.

Contracts and How to Read Them

The days of plans drawn on the backs of envelopes, a handshake, and a promise to “work out the money part later” are gone, if they ever existed. Now, many states require a properly executed remodeling contract, or the contractor runs the risk of not being able to collect any payments.

What Is a Contract?

In the simplest terms a contract is really just an agreement between you and your contractor (or architect) in which you describe what you want done and your contractor describes what he will do, who and what he will use to do it, how much it will cost, and the terms of payment—a comparatively straightforward, simple statement of understanding between two people. But, as one builder observed, “It starts out as an agreement and it only becomes a contract when something goes wrong and the lawyers get hold of it.”

Who Should Write the Contract?

The answer to this question isn’t necessarily “the contractor.” After all, the one who writes the contract gets to put in what he or she wants to put in and leave out what he or she wants. This is an advantage.

Some states mandate the inclusion of certain things in a remodeling contract. But usually the requirements are so basic that homeowners still have to look out for their own interests.

Instead of simply accepting your contractor’s standard contract, you might try your hand at writing your own contract. There is plenty of help available from forms supplied by the AIA (see below).

What Parts Should a Contract Contain?

From my talks with contractors and from a review of a proposal for a standard remodeling contract still being considered, I would recommend that a remodeling contract contain the following:

An agreement page in which the contractor, architect, or homeowner outlines the work to be done in sufficient detail that the scope of the project and builder responsibilities are clear. It should include a procedure for making changes. One good way to judge the competence of a contractor is by how complete, accurate, and timely his Change Order Forms are. Well-documented change orders are a sign of a GC who is in control, organized, and knows what is going on.

Designer/Builder: *The original contracts or agreements are usually pretty clear, but as a job progresses and changes come up, the paperwork tends to get a little sloppy. It is change orders and additional work that create most of the friction in any remodeling project.*

The agreement page, or pages, if needed, should end with a clear statement of those things that are *not included*.

A specification page in which the quality level or brand names and model numbers of all the materials and products called for in the agreement are listed. If they have not yet been selected, this page should clearly state that the items are still to be selected (TBS) by the homeowner.

The GC should prepare a list of the choices you must make, from window styles to kitchen cabinets to light fixtures. If you accepted a firm bid from your contractor (as opposed to working on a time-and-materials basis), he should tell you how much he allocated for each item. Keep those allocated amounts in mind so you don't go crazy in the bath-fixture showroom or in any of the fifty other places where you'll have an irresistible opportunity to inflate the final cost of your project.

The point at which you choose your fixtures and so forth is the point at which you will begin to realize how good or bad your contractor's original bid was. Two thousand dollars may seem like a lot of money for kitchen cabinets until you walk into the showroom and discover that it buys you bottom-of-the-line cabinets with none of the special features you wanted. Maybe the contractor who estimated \$8,000 for your kitchen cabinets knew what he was talking about after all.

I hope he is still on your list of possible winners.

A drawing page or attachment with the final working drawings for the project. Hide all the preliminary sketches and any other rejected floor plans, and make any future alterations on this "official" set of plans.

Addendum and conditions pages. These will include any specific conditions expressed by the contractor plus applicable standard addendum forms from the list available from the AIA. (See the section on AIA contract forms at the end of this chapter.) These will define the terms used in the agreement and will also furnish provisions for settling disputes.

A Look At an Actual Contract

If you're not up to supplying your own contract (and most homeowners aren't), you'll probably end up signing a contract supplied by your contractor. These vary, of course, but the proposal reproduced on the following pages—an actual proposal by a reputable design/remodeling firm—is a good example of the form and wording you can expect to see for a fixed-price project.

Sample Kitchen Remodeling Proposal: an Item-by-item Review (see page 56)

Let's go through the sample proposal line by line and see what each item could mean to the homeowner. (Letters in parentheses indicate sections of contract.)

(A) Name, address, etc.

This section is pretty straightforward, but it does contain some of the basic essentials such as the name, address, and telephone number of the company you're dealing with. If you don't see your contractor's license number here, make sure it appears elsewhere in the contract. (This particular contractor has put it under the start date on page 2.)

(B) We propose

A very brief description of what the remodeler agrees to provide: materials and labor. Also the quoted price, which, as we shall see, is not what the job is going to cost.

(C) Payment schedule

You'll notice that this contract calls for 15 percent of the total at the time of signing and an additional 25 percent when work commences. This comes to 40 percent of the total as a down payment.

This amount of "up front" money is not uncommon in a kitchen or bathroom remodeling job because so much of the job involves the purchase of expensive cabinets and fixtures. Other payments are due when "rough carpentry" is complete (25 percent) and when the fixtures are "set" (25 percent).

Unless you are putting on an addition, remodeling of existing space does not usually involve heavy materials costs. Thus, the payments will be more evenly spread throughout the job.

(D) Standard fine-print paragraph

This statement offers the homeowner some standard guarantees for the quality of the work done and materials used. Ideally, terms such as *workmanlike manner* and *standard practices* ought to be defined in the attached addendum, but even if they're not, you can be sure that they mean something to an arbitrator or judge.

Notice the statement "Any alteration or deviation from the specifications below involving extra cost., will become extra costs over and above the estimate." Here the contractor is protecting himself from surprises and changes requested by the owner. He is also taking the businesslike approach of stating that all such changes must be in writing. He further protects himself by saying he is not responsible for on-time completion as stipulated by the specific date in the contract or additional costs due to circumstances beyond his control.

The insurance question is handled by having the homeowners insure their home and the contractor cover his own workers.

SAMPLE KITCHEN REMODELING PROPOSAL

Building Company Name
Address/Telephone Number

A PROPOSAL SUBMITTED TO: _____ PHONE: _____ DATE: _____
STREET: _____ JOB NAME: _____
CITY, STATE, ZIP: _____ JOB LOCATION: _____
ARCHITECT: Builder's design DATE OF PLANS: _____ JOB PHONE: _____

B We Propose hereby to furnish material and labor—complete in accordance with specifications below, for the sum:

(Written Total) Sixteen thousand nine hundred and five Dollars (\$16,905).

C Payment to be made as follows:

15% down payment, 25% when work commences, 25% when roughs are completed, 25% when fixtures are set, balance upon substantial completion.

D *All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications below involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by workmen's compensation Insurance.*

Signature of builder.

E Note: This proposal may be withdrawn by us if not accepted within _____ 5 _____ days.

We hereby submit specifications and estimates for:

"Kitchen Remodeling"

F **TO INCLUDE:**
Plans/Permit—Permit not included. Simple kitchen layout plans included.
Demolition/Cleanups—provide plastic at door openings and drop-cloth runners on finish floors. Cleanups as work progresses. Remove existing underlayment and finish floor.
Cabinets/Counters/Removals—remove and discard existing cabinets, counters as directed by owner. Existing refrigerator moved to another adjacent room for temporary use during project. Old appliances discarded by homeowner unless specified otherwise.
Structural—relocate walls at pantry for new layout. Create new stub wall with Sheetrock corner-bead edges. Walls and floor patched and repaired.
Underlayment—builder to install APA plywood underlayment per manufacturer's specs with screws and ring nails.
Walls/Ceiling—½" Sheetrock applied to new walls and repaired ceiling area. Taped/spackled three coats and sanded smooth. Ceiling to be sprayed with medium-density spray after scraping and using stain-kill paint sealer. Wallpaper removal, if required, is not included.

Plumbing—disconnect existing equipment (assumes all valves are operational and waste and supply lines are adequate). Connect new fixtures and appliances (appliances by owner). Sink and faucet allowance to be \$200.00. ISE garbage disposer included. Ice maker hookup included.

Electrical—disconnect existing appliances and fixtures. Relocate table hanging light. Add new recess light (supplied by builder) in sink soffit. Existing plugs updated with GFI plugs as per code. Add four recess lights (Brand and model numbers) off existing switch (change to dimmer) in kitchen.

Heating—none included.

Cooking Ventilation—no duct work included. Recirculating hood fan planned.

Flooring—new sheet goods vinyl flooring (to be selected—TBS) installed after installation of new underlayment. Figure \$18/s.y. retail cost plus tax for flooring allowance. Provide and install vinyl cove base under cabinet toe spaces and behind the refrigerator. Metal edges may be necessary at junction of other floor materials.

Cabinets—Cabinets to be chosen. Kraftmaid pickled maple cabinets budgeted. (\$4,000 allowed). Installation cost included.

Counters—built up edge plastic laminate counters with 4" splash included. Owner to wallpaper above the splash.

General Carpentry—baseboard replaced and install new materials similar to existing. Other trim to remain unless specified otherwise. Assumes that window and door trims are not cut or notched from previous kitchen layout and thus can be reused as is.

F

NOT INCLUDED:

Appliances—supplied/delivered by others/owner. Set by builder.

Paint/decorate—by owner.

Electrical Fixtures—by owner unless specified otherwise.

G

H

TOTAL BUDGET = \$16,905.00

I

Approx start date = xx/xx/xx
Approx completing date = xx/xx/xx

J

Connecticut Home Improvement Registration # 000000

K

Contract Addendum has been read by customer and is part of this agreement.

L

TERMS: All unpaid balances after 30 days will run at 1½% per month on the unpaid balance, 18% per annum. All costs of collection including a reasonable attorney's fee will be charged to customer in the event this matter is placed for collection. You have three days to cancel this contract.

M

Acceptance of Proposal - The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

N

Date of Acceptance: _____

Signature _____

Signature _____

(E) Time limit on bid

The remodeler has set a five-day time limit for the homeowners' acceptance of the bid. It is not uncommon for clients to sit on proposals for weeks, months, or even years and then expect the amount quoted to be the same.

(F) To include:

Plans/Permit—The fact that the permit is not included means the homeowners must apply for their own permit. This bothers me because the issuing agency will hold the person requesting the permit responsible for conforming to the local regulations. In fact, the builder should apply for the permit, and the clause should be revised to read, “*Builder will apply for all permits. Owner will be billed for any fees involved.*”

Demolition/Cleanups—Many contracts don't cover this subject. I would like to see the phrase *broom clean at end of each day*. It should also specify who is responsible for getting rid of the trash, as disposal of building refuse can be an expensive and time-consuming part of any remodeling project.

Cabinets/Counters/Removals—Notice that this clause makes provisions for the homeowners to have the use of the refrigerator—albeit in the living room—for the duration of the project. It also requires them to dispose of the old appliances, a point they may want to negotiate.

Walls/Ceiling—The remodeler offers a clear picture of what will be done to the walls and ceiling, but he is also protecting himself against the unknown. If the owners decide the wallpaper must be removed, it will be at extra cost. This could mean one of two things: either removing the wallpaper is a remote possibility or the contractor has left out the cost in order to offer a lower bid.

Plumbing—The contractor further protects himself by clearly stating his assumption that “all valves are operational and waste and supply lines are adequate.” If they are not “operational and adequate,” their replacement would mean considerable additional cost to the homeowner. Like the wallpaper above, the need may be remote or it could be a hidden cost.

A \$200 allowance for the sink and faucet may well be too little. To avoid unpleasant surprises, homeowners are wise to select and price their fixtures ahead of time so they'll know the actual cost.

Electrical—Everything seems to be covered. When you find terms like *GFI*, ask for a definition. Don't try to pretend you know.

Heating—Since the space is staying the same, the existing heating should be sufficient.

Cooking Ventilation—New duct work is not needed with the type of hood fan called for.