Guide to Remodeling a Home

There are many reasons why you may want to remodel your home. Aspects of the home may look outdated, you may need more space, or you may want to improve the look and functionality of your home. This guide will help you with the many steps necessary to take a home improvement project from idea to completion.

Top Home Improvements

Some home improvements not only make your home more functional, but they also increase the value of your home. When you remodel your kitchen, for example, you are likely to get almost all of your investment back in the increased value of your home. The most common improvements include:

- Kitchen remodel (including cabinet refinishing and installing new countertop’s)
- Bathroom remodel
- Finishing basement
- Adding a room to the home
- Enclosing a porch or sunroom
- New flooring or painting

Kitchen and bathroom remodels may be necessary to make your home more modern. The kitchen is the “heart of the home”, and can be a big selling point. You may want to include updated fixtures, appliances, flooring or painting, and cabinetry to make it up-to-date and more functional.

Finished basements can double the livable space in your home. Many homes are built with an unfinished basement to save money. The basement can be made into one or more rooms, including bedrooms, family rooms, home office space, home gyms, and bathrooms.

Moving to a new home is not your only choice when extra space is needed. You can build onto your home either outwards or upwards, or take walls out to achieve the desired floor plan. You may be able to convert a sunroom or porch into an internal room of the home.

New flooring can make a home look “fresh” again. When carpet becomes worn and soiled, it’s nice to be able to replace it with new carpet, tile or wood flooring. Improving the flooring to something long-lasting and appealing can add value to your home.
Budgeting For Remodeling Projects

Determining your budget is one of the most important factors in home remodeling. When setting your budget for the project, it is necessary to ensure that you have at least 10% to 15% additional funds set aside for unexpected expenses. Inevitably, home remodeling projects tend to run over budget as the project moves ahead. When setting a budget, consider both materials and labor.

If you are considering a large remodeling project, you may need to take out a loan. Check with your mortgage lender or bank to see if you qualify for a home equity loan. This type of loan provides money based on the equity you already have in your home. Before you obtain a loan, make sure you know the exact amount of money you need to borrow because you will not be able to go back for more.

Planning a Remodel

In the initial planning stages of a remodel you want to gather information and ideas. You may find ideas online, in magazines, from friends, or from visiting home improvement store showrooms. Determine which project is the most important and fits into your available budget.

You probably have a vision of what you would like your completed project to look like. Make notes and keep a folder with ideas and information. Obtain product information from local stores or showrooms and learn about the various materials, finishes, colors, and options for your available choices. It is best to research prices as you look at materials so that you have some idea of the cost of your remodeling project.

Hiring a Contractor versus an Installation Professional

Since remodeling projects can range in size and scope, you need to decide whether to hire a contractor or installation professionals. Your comfort level with overseeing any portion of the project will help you determine what you need.

A general contractor is a professional who manages a construction or remodeling project. A contractor is the liaison between the homeowner and the trade workers on the job, and manages the project for you. General contractors are important for large jobs where many different steps and professionals are involved in completing a project. If you will have builders/ framers, plumbers, electricians, drywall installers, painters, etc., you may want to have a general contractor oversee your project. A general contractor understands the process and timing of each phase of work, and can keep the project on track.

You can expect a general contractor to:

- Create a budget for the project
- Create a project timeline
- Evaluate daily requirements
- Supervise subcontractors (such as plumbers, electricians, etc.)
- Obtain building permits
• Keep the homeowners informed
• Schedule inspections
• Manage entire project

In some situations, you may need the services of an architect. An architect designs and plans renovations and additions that require structural changes to your home. The architect is the first step in a major remodeling project. You can locate an architect by searching "architect (your city and state or zip code)". Also, general contractors typically have architects that they like to work with, so they can often make a recommendation and work with them on your behalf. If permits are necessary to complete larger projects, a general contractor can obtain those for you with the plans the architect provides.

Smaller remodeling jobs and those that do not impact the structure may not need such detailed plans from an architect, or even a general contractor to run the project. If you are simply replacing specific items, you can often get a bid and hire installation professionals yourself. Cabinet, appliance, flooring, and fixture stores often have design teams and installers available. These individuals are very helpful in providing just the right amount of help you need, without the need of a general contractor. For example, if you want to install new cabinets, you can hire a cabinet company to work with you and handle the entire job. Several large home improvement stores offer installation for an additional charge when you purchase your merchandise from them. In this example, you could probably oversee the cabinet installation professionals.

Obtain Bids

Once you have decided on the details of the project and your budget, you are ready to get a few bids. A bid is a written estimate for the job that should include everything necessary to complete the job. Plan to get bids from at least three separate professionals. Bids should include:

• Details of the work to be done
• Costs for materials
• Costs for labor
• Length of time the project will take
• Whether permits are required
• Licensing and bonding information

When you get estimates, try to request the same information from each company. This will enable you to better compare different bids. Keep in mind that price is not the only factor to consider. Many other criteria go into the decision-making process.

Choosing a Remodeling Professional

Whether you prefer a licensed general contractor or licensed subcontractor, you will need to choose the best company for the job. Evaluate each choice using some of the following criteria:

• References from past customers
• Licensed, bonded and insured
• Experience
• Quality
• Professionalism
• Reliability and Timeliness

When evaluating licensed contractors it is a good idea to visit several of their previously completed jobs, if possible. This will give you an idea of the finished product and what the provider is capable of doing. You may also be able to ask the homeowner questions regarding how they felt their job went and whether they recommend the remodeler.

You should request the contractor’s license number and check the information they give you online to make sure that they are a legitimate contractor in good standing. You can search for “verify contractor’s license (your city and state, or zip code)” to find the entity that regulates licensing, such as your state’s Registrar of Contractors. You can verify that the contractor is currently licensed and find out if they have any registered complaints. You should also ask for a certificate of insurance to verify that the contractor has current liability insurance coverage.

**Sign the Contract**

The contract is the written legal agreement that specifies the details of the transaction. No matter what was discussed verbally, usually only items specified in the contract are binding. The contract should specify:

• Scope of the project
• Start and completion dates
• Standard work hours
• Payment schedule
• How permits and inspections are handled
• Detailed list of materials
• Detailed project plans
• Warranty information
• Specific responsibilities of the contractor
• How changes are handled

Take time to read the contract completely and make any changes that you feel are necessary. In the case of large remodeling jobs, it is a good idea to have the contract reviewed by a reputable attorney if there is anything you don’t understand.

**Payment Options**

Remodeling projects will require a down payment before the work can begin. The down payment usually covers the purchase of materials and a portion of the labor. Do not pay for the entire project up front. You should be offered a payment schedule which includes a number of installment payments, depending on the size and length of the project. With any payment plan, make sure that the last payment is not made until after the project is completed and you have approved all the work.
An example of a payment plan on a large project might be 20% down upon signing the contract, 30% due upon 50% completion, 40% due upon 90% completion, and 10% due upon final completion of the project.

Walk through and Punch List

The remodeling job is not complete until you say it is. Once the job is done, you should conduct a walk through with the contractor or vendor to review the work. Plan enough time for a thorough review, and do so during the day when the light is best. If you notice anything that is not completed or is done wrong, put it on a “punch list”. A punch list is a list of work that must be completed or fixed before the job is truly done. Once the items on the list have been resolved, you can accept the work and the remodeling project is complete.

Final Payment

Once the project is completed to your satisfaction, you can make the final payment. Remember that you should not be pressured into making the last payment or signing anything stating that the project is complete until you are certain that there is no more work to be done or changes to be made. The area both inside and outside should be completely cleaned up and all garbage removed. The final payment is usually an indication of job completion. Makes sure all lien releases are filed before issuing the final payment. Holding back the final payment is often the only way to get resolution to problems or mistakes.

Avoid Scams

Unfortunately, remodeling scams are common. Take precautions to avoid being cheated. Be extremely wary of people who call you or come to your door to sell remodeling work. For example, a person may come to your door and offer you a good deal on installing a new roof because he says he noticed that you are in need of one. Don’t sign anything when someone approaches you at your door, or commit to anything. Take some time to review the estimate and contract and investigate the company. You should also obtain more than one estimate and verify that you need the work they are selling. Do not give anyone a down payment when they request it immediately. Never sign any loan agreements that may be offered until you have had a chance to properly review them and the company. Finally, if the person is persistent and pushy or you feel that something is not right, end the conversation.

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