

The Homeowner's Guide to Successful Remodeling™



This guide is provided courtesy of:

House of Dreams, LLC.
4001 N Rice Street
Shoreview, MN 55126
651-484-5363
www.HouseofDreams.com



By Bob Earl

Certified Remodeler ®
Certified Graduate Remodeler ®
Graduate Master Builder ®
10 Time Remodeler of the Year
Past President of the Greater San Antonio Builders Association
Board Member of the National Association of Home Builders
Member of the National Association of the Remodeling Industry

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The Most Important Information You Can Read if You are Planning On Remodeling Your Home.

With hundreds of “remodelers” in the Twin Cities phone books, how can you tell the difference between the guy with a truck and cell phone who *might* do the job right and a professional remodeler who does quality work at accurate prices?

This guide is designed to help you, the homeowner, make informed decisions about remodeling based on objective information. It will help you identify critical information you need to know and the questions you need to ask when evaluating potential remodeling contractors. One of the biggest problems qualified professional remodelers have is overcoming the negative perception consumers have of the remodeling industry. There are too many so-called “professionals” who call themselves contractors or remodelers, but who really do not operate with the professional knowledge, experience, or ethics required protecting homeowners from unnecessary risks. And all too often they cannot deliver the quality work, which results in homeowner dissatisfaction. This guide is organized in sections to reflect the actual phases of a remodeling project. This will help you understand what to expect during each phase of the process.

For over 13 years, House of Dreams has been successfully remodeling homes in St. Paul and the northern suburbs, so we know, specifically, what it takes to turn your dream into reality. We believe we have set new and higher standards for our industry that protect homeowners and make it easier for them to select a qualified and competent remodeler. With over 600 successful remodeling projects under our belt, we have developed proven procedures that virtually eliminate the headaches and hassles so often associated with remodeling. Our ultimate goal is to provide our clients with a service that exceeds their expectations... every time.

There are six critical phases of any remodeling project. They are:

1. Designing and Planning the Project
2. Selecting the Right Remodeler
3. Comparing Designs and Proposals
4. Understanding the Contract
5. Project Management
6. Enjoying the Finished Project

Understanding these six critical phases of remodeling will give you the confidence to select the best remodeler for your specific project and ensure your satisfaction.

Phase One: Designing and Planning Your Remodeling Project

The first question to ask is whether your primary objective is to increase the monetary value of your home, or to improve your personal living space. This simple determination will help structure the scope of the project and avoid making common and costly mistakes.

Are you making a financial investment, an investment in lifestyle, or both?

Financial Investment:

If you are thinking about remodeling your home in order to improve its value for resale, you should consider a few things. Here are some questions you need to ask yourself before you make a commitment to remodeling:

- **How much am I willing to spend on improvements in order to sell the house?**

The cost of remodeling should be appropriate for the expected value of your house. You do not want to get into a project that costs more than the return you wish to achieve.

- **Will my investment in remodeling actually increase the market value?**

To sell your house quickly you need to focus on designs that appeal to the average buyer. A competent remodeler can help you with an appropriate design based on his experience, which will increase the overall value of your home.

- **How long before I want to sell?**

A realistic schedule for completion is mandatory. The last thing you need if you are selling your house is an ongoing remodeling project. Be sure your remodeler can give you a written schedule with a realistic time frame for completion.

Investment in Lifestyle

If increasing the market value is not a primary interest, then you are probably interested in improving your home's appearance and functionality for your own enjoyment. This is a much easier project to plan because an appropriate design can be anything you want and are willing to pay for. Involving a talented and competent design/build remodeler is invaluable at this point to ensure your project is designed to meet your aesthetic and functional demands.

Knowing What You Want

Once you have decided on the type of project, it is time to determine exactly what you are looking for in the end result. You need to consider colors, textures, and styles, as well as traffic flow and functionality. If you do not already have a good idea, then start by gathering pictures of homes and rooms that appeal to you. A design session with the right remodeler can go a long way towards helping you with

a plausible functional design. Looking through magazines and websites can give you some great ideas, and will help your remodeler picture what you want.

Getting the Design You Want

The outcome of a successful remodeling project depends on how well the project is designed and planned. Ideally, you should bring your remodeler into the design phase. You need to get professional drawings with a corresponding detailed cost projection. This can be a very involved process and usually requires professional assistance to design something that matches your aesthetic criteria with your budget.

There are four basic ways a contractor can handle the design:

- 1) No design** – You get nothing other than a price quote and hope they understand what you want and that they can actually build it. This is extremely risky for the homeowner and should be avoided completely.
- 2) Sub-contract or out-source design and drawings** – In this situation, it is likely the designer never sees your home. The designer works from notes and descriptions they get second hand from the contractor. The probability of a clean aesthetic blending of the new structure with the old is greatly reduced and the result is often a very noticeable “add-on” look that does not really match your existing structure and decor. During the construction phase, any changes have to be re-worked by the designer, and that most often results in significant delays.
- 3) Design to Bid** – In this situation, you pay to have a designer or architect create the design and drawings. You then have the project bid based on those drawings. This situation is better than the previous two, but problems often develop because of poor communication between the architect and the contractor once the drawings are complete. It is the responsibility of the contractor to interpret the drawings and then build the project. Misinterpretations of the original design can be frequent and pronounced, forcing you to manage and coordinate communications between both architect and contractor. If you choose this approach, be sure there is a good working relationship between the architect and the contractor. It will have a significant impact on your project.
- 4) Design / Build** – In this approach, the same firm will design and build the project. This virtually eliminates the problems associated with the other approaches and streamlines the process, and is the preferred method. All professional risk stays with one firm, and you will not have to mediate between the designer and the contractor. There is no need for you to be the “go-between” to address any issues. This is the best process for ensuring that the project is completed as it is designed.

Estimating the Cost

It is almost impossible to accurately estimate the cost of a project without first having a detailed plan. The cost of any remodeling project can vary dramatically depending on its complexity and the quality and types of materials you choose. The only way to know that you are getting the best value for your money is to be sure your remodeler uses a thorough estimating process which can accurately cost out the design as specified. This

will reduce or eliminate the “fudge factor” or the change orders that usually occur with most remodeling projects.

Phase Two: Selecting the Right Contractor to Help You (Your most important decision)

Hiring the wrong contractor can be a nightmare of expensive change orders, sloppy work, and projects that are not done right or never seem to end. Each year there are well over 1,000,000 complaints and lawsuits filed by unhappy homeowners against contractors. By choosing the right remodeler, you can eliminate those “money pit nightmares” so commonly associated with remodeling. Nevertheless, with thousands of “contractors” in the Twin Cities, how can you find the ONE who is right for you?

Here are 16 questions you need to ask any contractor before you ever get a bid:

1. Where are you licensed and do you pull all necessary permits?

A license means they are properly registered with the state and meet all legal requirements. If they ask you to get your own permits, or suggest permits are not necessary, then you need to move on to the next firm.

Our Minnesota License Number is 20027692 and we pull all necessary permits for every project we do.

2. Can I visit your establishment?

Don't invite someone into your home until you have visited theirs. Visit their office and meet their staff. Make sure you are completely comfortable with the people who will be working in your home. Plus, it will make you feel more comfortable knowing that your contractor has a physical place of business.

The House of Dreams has a 5400 sq ft design center in Shoreview. Stop by 6 days a week and tour our newly remodeled showroom featuring several kitchen and bath vignettes, cabinetry, countertops, and more.

3. Do you carry at least \$1,000,000 in liability insurance? What happens if a contractor damages your yard, home or furnishings? If he is inadequately insured, (or worse, not insured at all), you have to foot the bill for repair or replacement. Be sure your remodeler is fully insured for at least \$1,000,000. Do not accept self-insurance as a replacement for quality liability insurance. Demand updated proof of insurance!

The House of Dreams has a \$2,000,000 liability policy. We take extra precautions to protect your home, yard and furnishings (we will be happy to explain exactly how we'll do that for your home), but if an accident does occur, we have the insurance to cover the damages.

4. Do you carry worker's compensation? If an employee of a contractor (or subcontractor) is injured on your property, did you know that YOU can be held liable if the contractor does not carry worker's compensation? It is crazy, but true. Protect

yourself by demanding proof, in writing, of **current** worker's compensation insurance coverage!

We carry Workers' Compensation Insurance to protect you!

5. Do you charge for your design?

Many remodeling companies offer free estimates. Unless you are doing something simple, such as a new countertop or bath vanity, it is very important that a well thought out design is completed for your project. You want to know exactly what your completed project will look like and what the investment will be. Having three contractors stop by and give you a price for a kitchen remodel, with no plans, will give you 3 prices, but for what exactly? This can be a dangerous way of remodeling!

In most cases involving detailed projects, the House of Dreams and the homeowner enter in to a design agreement. Your investment is very reasonable and our design team will be spending several hours designing and meeting with you to make sure your design is just right.

6. Do you have a written policy for managing change orders?

Unexpected change orders can drive the cost of a project far beyond your acceptable budget. In fact, the industry average for change orders is 20% more than what was bid!

We have specific, written guidelines for all change orders. Your written approval is required before change orders are implemented. With our thorough design and estimating phase, change orders are greatly minimized. Typically the only times there is a change order is when you have decided to add or subtract to the project or there is an unforeseen. Although we do a thorough inspection of the area we will be working in, sometimes there are items that need to be repaired that were hidden, such as rotten underlayment.

7. Will I receive a written contract?

Always ask for a written contract that clearly defines the scope of work, the cost, and the period for completion. Surprises in the remodeling business can be extremely expensive. Avoid problems by getting a written contract and be sure to review the contents in detail. For a more thorough discussion of contracts and what to look for, see "Phase Four" of this booklet.

The House of Dreams uses a very thorough contract that was written by the Builder's Association of the Twin Cities. Great care was taken to insure that both the contractor and the homeowner are protected and all details are covered.

8. Will you use an in-house designer and will they actually come to my house before creating the drawings?

This is a critical question. So much depends on how the design is done. The best approach is to have the actual designer involved in the project on a daily basis. A detailed discussion on the different design options are discussed in the section entitled Phase One –Designing and Planning Your Remodeling Project.

House of Dreams is a Design/Build firm and we take it a step further. Your designer is

also your project manager and they are involved from start to finish. You can work with them in your home. If you want to make a design change, they can do it in a matter of hours, not days or weeks. This eliminates any confusion and "translation" problems that so often occur with other contractors.

9. Will you provide detailed drawings and budget estimates before I commit?

To absolutely know what you are getting and what it will cost, you must have a set of drawings and a thorough budget.

Our design and drawing teams spend several hours preparing detailed drawings with a corresponding budget estimate before you even see a bid. We also do a walk through with our subs so they know exactly what work is entailed and can bid their work accordingly. This goes a long way in eliminating "surprises"!

10. Will I be able to see my project come to life in 3D?

It is very important during the design process that you are able to visualize what your new project will look like. Just viewing your plan on a piece of paper makes this rather difficult.

At the House of Dreams, our designers are very skilled in the use of Chief Architect & 20/20. After visiting your home, our design team will get to work coming up with some great designs for your new project. You can then sit back and enjoy seeing your new space come to life on the big screen. With the click of the mouse, walls, cabinets, & appliances can be moved around until we get the design just right!

11. How do I know I'm getting the best value?

The cost to remodel can be substantial. With the amount of money you are about to invest, you want to feel comfortable knowing that you are getting a well thought out design, high quality materials, skilled labor - all at a fair price.

At the House of Dreams, our Designer/Project Managers possess several years of experience and product knowledge. House of Dreams has the expertise to design each project for the best value. Our unique dealer status enables us to purchase products from the finest manufactures, such as Crystal Cabinetry, Cambria, & Kohler, for much less than other remodelers. What we save, we pass on to you!

12. Are your construction crews employees or subcontractors? The finished product is what you will see the rest of the time you live in your home. Attention to detail and the quality are of paramount importance in finished work.

The House of Dreams works closely with a great group of subs and suppliers to build your project, most of who we have worked with for years. We take great care in working with subs and suppliers who respect your home and are proud of the work they do. Even though they may not be employees of ours, they are definitely a part of our team!

13. How do I know you are as good as you say you are? The reputation of any Remodeler is very important. The best source of information you have is references of past clients. Always ask for references before you get a bid, and follow up with them. You can also get information about your prospective contractor by contacting the Attorney General's Office, the local building inspector for the city you live in, and the Twin Cities Builders Association. You can also visit the Minnesota Department of Labor & Industry for a listing of contractors who have had enforcement actions taken against them. <http://www.dli.mn.gov/CCLD/RBCEnforcement09.asp>

We always maintain a list of references at any given time from our list of satisfied clients. This is one of the first things we give you. You are also welcome to check with the Better Business Bureau where we have an A rating with zero complaints!

14. What Remodeling related Certifications do you have?

Some contractors will tell you that certifications do not make a difference. Do not believe that for a minute! Earning a certification requires extensive study, experience, and a commitment to excellence.

We have 2 Associate Kitchen & Bath Designers (AKBD), a designation earned through the National Kitchen & Bath Association. One of these designers also is a Certified Aging in Place Specialists (CAPS) earned through the National Association of Home Builders. All of our staff has several years of experience in the remodeling industry with many areas of expertise. In recognition of our "Team Work" and business practices, we were recognized by Remodeling magazine as one of the Big50 – a very prestigious award!

15. Do you have a pre-construction logistics walk through?

Making sure the flow of people and equipment is well thought out might minimize disruptions to you and your neighbors.

Our plan is so specific we know where the dumpster and the "port-a-potty" go before we ever start the project.

16. What specific precautions will you take to protect my floors, furnishings, and landscape?

Thousands of dollars of damage can be done to your home if proper precautions are not taken to protect it.

At House of Dreams, we have specific procedures and specifications designed to protect your home, yard and furnishings.

Phase Three: Comparing Designs and Proposals

Once you have used the questions from the previous section to help narrow the field, you will have an opportunity to consider different proposals.

Design Considerations

Start with the end in mind. What do you want your project to be when it is completed? How do you want to use it and when do you want it done? Do the drawings reflect what

you want to end up with? Does the design blend seamlessly with the existing structure? Do the rooflines match and are they of the same style as your existing roof? Will the exterior walls have the same finish and will the stones or brick match? You cannot be expected to make this decision without detailed drawings and you should not assume that what you see in your mind is what a contractor sees in theirs. If you are making an addition, you do not want it to look like an addition. You want it all to flow and match.

Cost of Project Considerations

Too often consumers select a contractor-using price as their main selection criteria. They get three bids from various contractors and then choose one using an arbitrary formula like going with the middle, or taking the lowest bid. We have seen it all. This happens when price is the only understandable information they have. Using price as the primary selection criteria can have a lot of risk. Too often we have been called in to clean up after someone else's "low" bid because they did not have the expertise to do it correctly the first time. Unfortunately, the consumer ends up paying substantially more than the original bid to get it done right. Sometimes it is out right incompetence, and sometimes its poor bidding practices that do not factor in all the details of a project. Using price alone to select a contractor is a very risky proposition. Use the questions in the section on selecting a Remodeler to help you get enough information to identify a remodeler you can trust to give you an accurate bid, and how to tell the difference between one bid and another using all the pertinent data, not just price.

Phase Four: Understanding the Contract

Before you let anyone loose in your home to start a remodeling project, you should have a written contract that clearly defines the scope of the project and the cost. There are four major sections you should see in any remodeling contract:

1. Specifications:

The specifications are the detailed, written descriptions of what will occur and what materials will be used for every aspect of the project. This protects you from getting inferior products or workmanship. You will want to review these to make sure they match the plans and that everything is included in both the plans and the specifications. This could include the brands and part numbers for the fixtures, or the appliances to be used. Other examples would be the grade of lumber or the paint code numbers for the brands and colors of paints you want.

2. Plans: The plans are a visual or graphical representation of what exists now and what it is supposed to be when the project is completed. The plans should match the specifications detail by detail. You do not want to leave anything up to interpretation.

3. Terms & Conditions: The Terms & Conditions are specified by the contractor and establish the agreed to conditions that govern the agreement you are making. Payments and change order management should be included as specific line items. Review all the terms and conditions carefully and ask specific questions about anything you do not understand. Always read contracts carefully before signing. Your remodeler should be willing to review the document line by line and explain any part of the contract. At the House of Dreams we have a progress payment plan so that payments

are made as the job progresses. Be wary of contractors that ask for most of the money up front!

Phase Five: Project Management

So now you have a remodeler you are comfortable with, your design is exactly what you want, you know what you will be spending, and the contract is signed. Now what can you expect? Here are some critical issues to consider:

Communication

Communication between you and the Designer/Project Manager becomes essential so you can stay informed throughout the process. Hopefully, you and your Remodeler will have already designated a communication center on site where you will be able to find any pertinent, up to date schedules, changes or other bits of critical information. Cell numbers, pagers and office numbers of your project manager and other critical contacts should be clearly posted. You should also supply your project manager with your appropriate contact information. Try to exchange email addresses as well.

Safety and Security

Be sure to get keyed locks or lockboxes for safe and easy access. You want to be sure the contractor only allows approved personnel in your house during the agreed upon times. Workers should show-up on time and they should not show up when they are not supposed to.

Protecting your landscape and furnishings

Make sure the remodeler is aware of valuable furnishings or plants you want protected. Demand they take special precautions as necessary. Make sure all flooring, drapes and other coverings are adequately protected or removed. If possible, remove any items from the area to a safe place not affected by construction. This should be part of a pre-construction walk through.

Site cleanliness and neatness

Require that the site be cleaned daily. Workers should sweep the site and remove waste and materials whenever possible. At each major stage of the project, there should be an overall site clean up.

Scheduling

The project manager should be visiting your site on a daily basis to ensure things are going as scheduled so there should be minimal, unexpected schedule changes. Ask for regular written updates on scheduling so you can prevent any un-necessary surprises.

Inspections

Ask your project manager to let you participate in all inspections. You will know what you are getting and learn what to expect during the next stage. At House of Dreams, we use a very detailed plan and process for managing all aspects of your project. We think of it as our on going quality assurance documentation.

Phase Six: Enjoying Your Finished Project

Whether you wanted a new kitchen, bathroom, game room, bedroom or an entire second floor addition, the final result is what really matters. Taking your vision and building it into a finished reality is what a Certified Graduate Remodeler lives for. If you have followed our recommendations, you should not be surprised at the end result. It should be exactly what you wanted, on time and on budget. But before you make your last commitment and sign off on the project, have the project manager take you through the entire project for final review and approval. This is your last chance to catch anything out of order or not to specification. Make sure every little detail is considered. If you have taken the time to review this document, you should be well on your way to getting exactly what you want, with minimal headaches and hassles. If you like the approach you have seen in this document, then House of Dreams might be the right remodeler for you. We invite you to visit us on the web, call, or come by our show room. We trust this information will help you in making the very best decision for you.

If we can be of service to you or anyone you know, please give us a call. We would love to add you to our list of references after we complete another successful project.

Helpful Resources

Builders Association of the Twin Cities: 651-697-1954 www.paradeofhomes.org

National Association of Home Builders: 202-266-8200 www.nahb.org

Minnesota Attorney General Office: 651-296-3353 www.ag.state.mn.us

National Association of the Remodeling Industry: 800-611-6274 www.nari.org

Minnesota Department of Labor & Industry: 651-284-5005 www.dli.mn.gov/main.asp

Minnesota Better Business Bureau: 651-699-1111 <http://minnesota.bbb.org/home>

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