

Seven Things to Know Before Hiring a General Contractor

Introduction

The kitchen is outdated and looks like something your grandparents grew up with. The bathroom's tub and tiles look like they belong in a museum. And the back porch is so rotted out that you're afraid to even let your miniature poodle step on it.

I get it - houses need renovations. But considering how busy we are and the fact that most of us have NO idea how to do these things, we tend to hire out the work. This only makes sense, as trying to do everything ourselves is a good path to messing something up.

The problem is that even if we're okay with letting the pros do it... we don't want to waste our money on someone that won't do a good job. In this economy, we need to make sure that every penny counts, right?

Hence the need to hire a quality, knowledgeable contractor. Worth their weight in gold, they ensure that everything is done on a timely and cost-effective basis. Just hand over the job to them and they'll take care of it.

So how do you find said contractor? That's what this short report is all about. We'll look at a few different aspects, but let's start by talking about different types of contractors.

1) Are there Different Types of Contractors?

Just like engineers, accountants, scientists and just about any other career you can think of, there are a few different kinds of general contractors. That said, most of the work around your home will only require the first kind.

General Building Contractors

These are the companies most people use when they're having work done around the house. They are able to do anything and everything, from wiring electrical conduits to knocking down walls or building porches.

Note that many times these companies will subcontract out the work. They usually only employ enough people that they can keep employed full-time, and considering the nature of the work, they aren't always able to keep certain disciplines busy 40 hours a week.

Freelance Contractors

These are basically just "handymen" that are jack-of-all-trades. They may be very knowledgeable and have a lot of experience, but their work will be slower because they probably work alone.

The advantage to these contractors is that they may be less expensive than going with a full-time general contractor. The disadvantage is that you have to be very careful to make sure they offer a workmanship guarantee and are properly insured in case something happens.

Specialty Contractors

These contractors typically specialize in a certain discipline. Often a general building contractor will subcontract part of the work to specialty contractors.

Specialty contractors include well-known brands like Terminix or TruGreen. They will have a few different services, but they're all focused around one area such as pests, lawn care, etc.

One final note. Some general building contractors work strictly with businesses, while others specialize in residential work. Don't waste your time calling or researching the wrong one!

2) How do I Find a Contractor to Meet my Needs?

The first step in selecting the best contractor for your needs is to figure what your needs are. For example, are you doing a major renovation on a newly purchased home to make it into a rental property? Maybe you're just renovating the kitchen or finishing the basement?

Just like selecting a tool from a toolbox, you can't choose the right one until you know what the job is.

As mentioned earlier, there are a few different kinds of contractors out there. If you have a lot of work to do around the home, you probably want a general building contractor. If you need to save some money or just have a few things done (like maintaining the lawn), consider a freelance or specialty contractor.

The most important thing to keep in mind is to hire a contractor that has experience with the type of job you're doing. A company that has finished hundreds of kitchens may not have a clue about basements, or vice versa. While you're doing your research and interviewing different contractors, the first few questions you ask should be about the specific type of project you're doing.

So how do you find the right ones? Here are a few places to start:

- Referrals from friends, family and coworkers
- Online review sites like Angie's List
- Search engines like Google or Bing
- The Yellow Pages (if you don't have a physical copy, visit yp.com)

Between those 4 places, you'll find more contractors than you'll know what to do with! That's where the rest of this report comes in.

3) Things You Should Expect from a Contractor

When you hand off a project to a general contractor, that job is now completely theirs. They're ultimately responsible for how it comes out, whether they have their own employees work on it or completely subcontract out the work.

Either way, here is just a short list of things to expect from them:

- Draft a written contract between you and themselves explaining the work to be done, a cost and an expected timeline/schedule
- Provide some kind of written workmanship guarantee or warranty
- Provide documentation of credentials such as a general contracting license and insurance coverage
- Review plans and schematics
- Assists in the preparation of the work areas
- Updates the project schedule and costs as the work progresses
- Monitors the work to ensure it's on time, on budget and good quality
- Mediates between different subcontractors
- Hold a small meeting before starting work with you to explain what will happen
- Close out the project with another meeting with you to verify you're happy with the work, explain the final costs, etc.

The bottom line is that they're responsible for the entire project. If you have any issues, comments or questions, you should be able to go to your general contractor.

4) How do I Check the Reputation of a Contractor?

One of the amazing things about the internet is its ability to help consumers make wise purchasing decisions. Even though it isn't always 100% reliable, we can be much better informed than homeowners in years past.

Websites like Angie's List are treasure troves of information regarding different contractors. Within just a few seconds, you can find a list of highly rated contractors in the area to come out and work on your project.

The only downside to these sites is that you generally have to pay to become a member.

If that's not worth it to you, there are a few other things you can do to check a contractor's reputation.

The first is to just ask your friends or family if they've worked with the contractor. Just keep in mind that we tend to trust the opinions of people we know and like, but that doesn't necessarily mean it is 100% credible. For example, your Mom may say that a company was great, but in reality she may not know if they did a high quality job or were just very nice!

A better option is to see what information you can find around the web. Now that Google, Bing and other search engines allow you to place customer reviews, you may be able to find a few reviews from customers with a simple search for the company's name. Yelp, Kudzu, HomeAdvisor and other similar sites allow you to find company reviews easily.

5) Understanding Estimates and Negotiation

Some people are nervous about negotiating with a contractor. That's perfectly understandable, but I also encourage you to remember that it's in your best interest. You work hard for your money, so don't let it go to waste because you didn't want to negotiate a little!

When a contractor comes to you with an estimate, remember that they're putting in some padding. This padding is where their profit comes from, so they may be able to lower the price if you aren't comfortable with it. In this economy, many contractors would rather get the job and make a little less profit than lose the whole project to a competitor.

The estimate should be broken down into several areas. If they come to you with just lump sum, ask them to break it out. You want to know how much you're paying for materials and labor, as well as by type of project.

For example, if your kitchen is being renovated, see if they can give you the material and labor costs for each component. Installing cabinets should be different from installing a new floor.

This may seem like a lot of tedious work for the contractor, but if you're paying good money for this service, you deserve to know where your money is going. This is especially important in case something goes wrong and money needs to be reallocated.

You should also make sure that the estimate includes setup and cleanup costs. Some people don't ask, and then the contractor ends up leaving a huge mess after the work is done. If it wasn't on the estimate or contract that cleanup is included, you have no leg to stand on to make the contractor clean up.

Finally, be open with the contractors you're talking to. If you really like one but their price is a little high, explain that their competitor came in at a lower price and see if they can match it. They may not be able to, but at least they have the chance since they now have the information.

6) Making Sure Everything is Planned Well and Goes Smoothly

Since you aren't a professional, you will have to rely heavily on the general contractor's experience and planning skills. After all, that's why you're hiring them in the first place!

But don't mistake lack of specific knowledge for pure ignorance. You can still do a few things during planning to make sure that you understand and agree with everything going on.

Here are a few different things to look at and double-check before the contractor hammers a single nail.

- Materials- are they what you wanted? Are they the right quality, color, etc.?
- Setup - is there anything they need you to do? Moving furniture, locking up pets, turning off the air conditioning, etc.?
- Access - do they need to come inside the house? If so, do they need someone to be home? Obviously most people don't like to have a contractor come in without someone home, but then again some people are perfectly okay with it- it's up to you. But you should at least know what is required.
- Schedule - how long will this take? Do you need to make alternative sleeping arrangements until the work is done?
- Electricity - will the power get shut off? If so, for how long? Having it off for too long will make all of the food in your fridge go bad.
- Insurance - what kind of coverage does the contractor have? Does it cover subcontractors, or do they have to cover themselves?

Ask anything and everything you can to make sure you understand what the contractor is doing. If there's anything that doesn't seem to make sense, talk to the contractor to ensure you're on the same page.

7) Other Important Questions to Ask a Contractor

We've already covered a number of questions to ask. Still, here are a few more to consider when you start interviewing different contractors:

- How long have you been in business in this area?
- Is your bid an estimate or a fixed price?
- Where do you get your materials?
- Can I meet the job foreman?
- Can you provide a list of references I can contact about your services?
- Can you provide me a copy of your insurance coverage?
- Can I have a copy of your credentials to work in the area?
- Can I pay your supplier directly? If not, can you provide written documentation showing that I paid you for the supplies in full?
- Do you subcontract out the work, or do it in-house?
- How much experience do your employees or subcontractors have with this kind of project?
- What kind of guarantee can you give me?
- Who will be on the site monitoring the work?
- When do the workers start and end each day?
- How much do I need to put down for the deposit?
- Who does the check go to?
- What's your rating from the Better Business Bureau?

Conclusion

Getting work done around your home doesn't have to be scary. General contractors are there to make your job easier, as they can handle the majority of the responsibility.

The key is to select a good one from the get-go. Once you've selected a good company and you've ensured that everything was planned well, you're pretty much done!

That doesn't necessarily mean you shouldn't check on the work, but as long as the contractor had a workmanship guarantee, they should provide any fixes or repairs necessary in case things didn't go as you expected and outlined in the contract.

If you have any other questions, please let us know- we're here to help! Contact us today!

Thanks, and we look forward to hearing from you!