



PROJECTS DONE RIGHT:

HIRING A PROFESSIONAL CONTRACTOR

If you're renovating your home, or building a custom new home, you want your project to go right.

You want to work with a reputable contractor – one that treats you fairly and honestly, puts their promises in writing, and backs up their work.

You should not deal with anyone who offers a special price if you pay cash and nothing gets written down. A cash deal means a lot more risk for you, and far less control over how your project turns out. And that's no deal at all.

How can you be sure everything is being done properly and above-board?

Step 1: Get informed

Step 2: Hire a professional



Step 3: Get control.

Get it in Writing!





STEP 1

GET INFORMED

Knowledge can protect you from risks

Home renovation and construction is a complex process. As a consumer, you need to know where you stand, and that your interests are protected. Some things you need to be aware of, and that should be addressed in a written contract, include:

Building codes and permits.

Most projects, even minor ones, require a building permit and must adhere to code requirements. As the homeowner, you are responsible for ensuring this happens. Your contractor can usually look after this on your behalf.

Liens.

Each province has requirements for holding back a portion of all payments to your contractor for a set period of time. Doing this protects you from claims if the contractor fails to pay suppliers and subcontractors.

Warranties.

Professional renovators provide a clear written warranty on their work. Custom new home builders should provide a third-party new home warranty.

Insurance.

Does your homeowners' insurance cover construction-related risks? Call your agent to confirm. Also, your contractor needs to have business liability insurance to protect you from their mistakes.

Workers' Compensation.

Those employed to work on your property may require coverage under provincial Workers' Compensation programs. Without it, you could be liable in the event of a workplace injury.

INSURANCE



HIRE A RENOMARK MEMBER

STEP 2

HIRE A PROFESSIONAL

Know who you're dealing with

How can you find a good professional contractor?

Ask around. Some of the best recommendations come from friends, family, co-workers and neighbours who have had positive experiences.

Other sources of information include:

- Home builders' or trade associations
- Building materials stores
- Utility companies
- Better Business Bureaus

How do you know they are on the level?

Professionals provide the following, often as part of your written contract:

- ✓ Full contact information, including name, address and phone number
- ✓ Confirmation of business liability insurance that protects you or third parties, such as neighbours
- ✓ Proof of Workers' Compensation coverages
- ✓ Their government issued Business Number or GST/HST number, and proof of any business licence required by the municipality
- ✓ A clear written warranty specifying what is covered and for how long





STEP 3

GET CONTROL

Get it in Writing!

Professional contractors always work with a proper, written contract. A contract spells out a clear project plan and what you and your contractor have agreed to.

It is the best way to protect yourself and ensure things go as planned – and a valuable part of what a professional contractor provides.

A written contract should include the following:

- ✓ A full description of the work, including the materials and products to be used
- ✓ Dates when the work will start and be completed
- ✓ A clear payment schedule that lays out when and how much you will be charged, and what lien holdbacks are required
- ✓ The contractor's warranty detailing what is covered and for how long



Confirmation that the contractor has business liability coverage for your project, and that required Workers' Compensation coverage is in place

Don't sign a contract unless you are satisfied that it includes all the necessary information and accurately and fully represents what you have agreed to.





PROJECT CHECKLIST

Use this handy list to remind yourself about important milestones:

- ✓ Ask around about contractors
- ✓ Interview contractors
- ✓ Follow up on contractor references
- ✓ Select contractors to supply quotes and provide them with the same information
- ✓ Obtain building permit if required by municipality, or have your contractor do this for you
- ✓ Check with provincial government about applicable lien regulations and requirements
- ✓ Call insurance company to ensure your coverage includes construction related risks
- ✓ Verify contractor's business liability insurance

- ✓ Verify that required Workers' Compensation coverage is in place
- ✓ Insist on a written contract – don't do business with anyone who won't provide one
- ✓ Read the contract details to make certain it represents what you have agreed to
- ✓ Make sure the contract includes a clear warranty
- ✓ Sign it and have your contractor sign it
- ✓ Keep written receipts for all payments
- ✓ Get any changes to the signed contract in writing
- ✓ Follow up on any warranty issues in a timely manner