

Protecting your remodeling investment guide

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Preface

Remodeling, if done right, can be one of the most imaginative, exciting and personally satisfying achievements you'll ever undertake. Now the all-important question is where to start? You'll find there's a lot of information about what to do and what not to do, much of it well intended but confusing and difficult to follow, just the same. Over the years we've found that many of the same questions and concerns arise, from whom should I trust as a builder to what style should I go with for my vanity cabinets.

We've taken those same questions and concerns and answered them in our **Protecting Your Remodeling Investment Guide**. It provides information in a step-by-step manner to help you approach your renovation with intelligence and self-confidence.

First, take advantage of this guide as an overview of the remodeling process. Then as you gain confidence and become more familiar with the procedure, examine in detail the finer elements of a successful remodel. It will help you avoid the hazards that sometime occur in a contractor/homeowner relationship.

Design Build Dwellings is pleased to provide this informational resource guide to you, we hope you'll find it informative and educational. If you have any questions about this guide or it's content, please feel free to call Lennie, at (303) 733-2106 or email your questions to Lennie@DBDwellings.com

Preparation

Is a remodel the best alternative?

How does your lifestyle fit your current home?

In general, people find that the quality of life far outweighs quantity. They want a community lifestyle with good neighbors, mature landscapes, and close proximity to shopping, schools and work. The option of relocating to newer outlying areas is often offset by the simple fact that the Denver area daily commute isn't getting any shorter and won't improve in the foreseeable future. The choice made by many homeowners today is to stay put and build up or out, making a renovation fit their already established lifestyle.

Will you be staying long?

If your plans include a possible move in the next five years, a major remodel may not be the right choice for you. A simple cosmetic face-lift in a traditional style might do just fine. Note that unconventional designs may limit the potential pool of buyers if your intent is to sell in the future. If your plan is to stay put, a more involved remodel with your choices and tastes in mind will benefit you in both satisfaction and added value to your home.

How much value will a remodeling project add to my home?

In general most remodels increase the resale value of a home, but much of that is contingent on the type of remodel, quality of workmanship and whether or not the neighborhood warrants a renovation. Typically kitchen, baths and additions show the most return on investment. As you've probably seen in the Colorado Market in recent years, kitchens and baths have added value equal to or surpassing the actual costs incurred. First and foremost, the quality of work, versus the type of work, has the greatest impact. Even with the best design, poorly done remodel work will detract from your home's value. The best remodeling decisions should be based on how it will enhance your lifestyle. A payoff of satisfaction is often more important than dollar value

What ideas do you have about your remodel?

Is there a specific challenge that you would like to address in your current house, such as, "How do I achieve a more open feel when I enter the home?" You may want to have a kitchen designed specifically for entertaining or a growing family.

You may want a master suite that allows you to have that special space alone, away from the rest of your busy life. Asking yourself these questions will help you define your needs and requirements, allowing you to determine whether or not a renovation is best for you.

Do you have what it takes for a remodel project?

Even though you're choosing to use a professional, there is still a significant amount of time and effort that you need to commit in order to realize your "dream project" There will be times during normal business hours that you'll need to set aside for reviewing budgets and making design decisions, material selections, and color choices. Your personal participation will be the main ingredient in helping your design/builder realize your dream. Remember that significant expenses are incurred while remodeling a home. Depending on how long you've been at your present location and the size of your new remodel, the cost of a new renovation could easily exceed what you originally paid for your home. Try to anticipate these expenses. Staying involved with your design/build contractor will help him keep your budgets inline and schedules on track. The more heart, soul and time you spend, the more your new addition will reward you with a look and feel that's unique to you, your family, and your lifestyle.

Do your surroundings support your dream?

Will your new addition fit with the surrounding architecture? Will your vision allow you to retain the architectural integrity of your home? Are there limitations that would prohibit certain types of structure? An example of this would be the Denver area's height and width construction restrictions. Is there an architectural review board in your neighborhood that you need permission from before beginning your work? Could you be improving beyond the values of your neighborhood properties? Would you recoup your investment should you have to relocate in the future?

Again, these are just questions to consider when deciding whether or not to improve your current surroundings. Many times the "rules" themselves help push the limits of design, with an end result that gives your home a signature style all it's own.

Collecting your thoughts and ideas

A place to put your ideas

An oversized three ring binder with loose-leaf pockets is a great place to store ideas that you gather from magazines, pictures that you have taken, and brochures. For example, you may want to mark individual pockets by room location or type of appliance. This way, you can consolidate the information

you've gathered in an orderly fashion. The more organized you can keep the various elements of your remodel the easier it will be to make selections, thus enabling you to convey what type of feel you are trying to achieve or ideas you might have to your design/build contractor.

Brainstorm about what you want.

Go with what feels best. Don't try to understand why, just look for anything that has that "feel" that speaks to you. Don't be afraid to note what appeals to you and what doesn't. You can narrow down specifics later. Concentrate on getting a "snapshot" of what you like and what makes you feel good. Armed with your ideas, your design/builder will be able to lead you to the design that's right for you.

Assess how you live now, and how you would like to live.

List the existing and potential rooms in your home and how they would function. Below is an example of how to structure your list.

Existing/proposed rooms	How you would use them	Priorities of use from 1-5
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You may find that adding space for a home office/study room is a priority, but that adding desks to the kids rooms and utilizing a smaller space in a newly laid out kitchen may achieve the same effect at a lower cost. The higher priority items on your list will help to clarify areas to concentrate on when developing a design that responds to your needs and lifestyle.

Ask questions of yourself about how you use the particular rooms that you're thinking of remodeling or adding on to. Do I need a larger kitchen to accommodate a growing family? Is the way I currently use this room the best use of space? Is there a way to make it more "livable" or brighter? Defining your needs and wants will help your designer focus on a design that reflects your taste.

Want to have list /Need to have list

Creating this list will help you understand what is most important to you in your design solution. Below is an example of how to structure your list.

Want to have

A second sink for food prep
A granite island

Need to have

more storage space
A place for a family of 6 to eat

Design complexity

Be aware that the complexity of your design plans and specifications is directly proportional to the complexity of your project. Too often, homeowners mistakenly try to get by with a minimal set of plans, only to find out later that incomplete plans leave the door open for costly change orders needed to bring

the final job inline with your design vision. Remember, the more accurate your plans are from the start, the closer your actual costs will be to your original budget allowance. Taking time to design on the front end of your project will save you a costly surprise on the back end.

Getting to know your budget

The myth of square foot pricing.

Many consumers confuse remodeling costs with per-square foot new construction costs. While the assumption is understandable, costs of installing materials in an existing structure incur much more labor and logistics than a "built from the ground up" job. Existing structures have to be coupled to and possibly reinforced to support the new structure. Portions of the existing structure may need to be demolished to fit with the new design. Other considerations could include deteriorated or unknown conditions hidden behind existing walls, floors and ceilings. Additional situations that require logistical calculations are material storage, site access, and the all-important comfort level of the homeowner during the construction phase.

The size and type of construction also plays a role in determining costs. A 10'x10' bath room will be significantly more expensive than a 10'x10' study because of plumbing fixtures, tile, and cabinets. A good design/build firm knows this and will do a comprehensive analysis of your home, providing you with potential design options, specifications and pricing. Be reasonable in your expectations; your house has appreciated significantly in recent years, for a good reason. The facts and figures used to come up with a current appraisal for your home are based on labor and material cost to rebuild it to its present condition.

How much will all this cost me?

Before asking a builder how much a certain project will cost you should first research your finances and find how much you can truly afford.

Revisit your personal finances, investment goals, and potential lines of credit to establish your available finances. Advice from your accountant or financial adviser would be highly recommended. Another good place to look for advice is from a real-estate consultant who is familiar with your area. They should be able to evaluate what a proposed addition would add to the market value of your home.

Can we see your budget?

Know your budget; stick with it, and above all share it with your design/builder. If you've done your homework in choosing the right design/builder then let them

use their expertise to devise solutions to manage your budget while creating and constructing your dream.

Keep an open mind for options

Don't be afraid to ask for help from your design/builder if you feel a budget might be getting out of hand. These people are the experts. They are most likely aware of options that never occurred to you. Don't get discouraged; allow them the chance to help you. Many times a simple modifications or change in the scope of work may be all that's needed to bring the budget inline with your remodeling goals.

Also, keep in mind that it may be necessary to break your large project into various smaller projects, in order to maintain your remodeling goals. This necessity may be due to finances, scheduling or your ability to remain in the house during construction. Whatever the case may be, a patient assessment of your options is always your best alternative.

Investigate

Decide on how you're going to build, and the alliance you will choose

The firm you select for your renovation will most likely be the single most important decision you will make on your entire project! Make sure your choice is not based on cost alone. This company should have innovative design ideas, accurate costs and budgets, a qualified construction team that will guarantee a timeline for your project, with an understanding of how to work in an occupied home, and, above all, a commitment to you long after the project is completed.

The Design/Build advantage

Although the term may be new to you, design/build construction has been proven as the ideal way to complete complex projects such as kitchen renovations, master suite expansions, pop-top additions, or whole house remodels. The process of design/build integrates both the residential designer and contractor within one team or company, working with the homeowner from a project's inception through its completion. This unification creates continuity

between the vision of design and the reality of construction, allowing for careful management of both schedules and budgets.

Value is achieved through technical expertise, creative solutions, maximized resources, and unsurpassed quality. This can be measured by:

- Improved resale value
- Improved design control during construction
- Innovative design solutions
- Tighter controls over budgets and schedules
- Single point accountability for problem resolution

The standard choice of using an architect and builder separately

The idea of using an architect and builder separately might be more familiar for you, but it's a system that has its disadvantages. Typically, you begin by working with an architect who helps you design your project and then you try and find a general contractor to build from the architect's plans. Often times, the contractor of choice is the company with the lowest price.

Aside from the fact that going with the lowest bidder is not always the best decision, another pitfall with using separate architecture and construction firms is that the builder enters the project after the completion of plans, meaning the plans could have been designed without current building costs taken into account. Architects have a general knowledge of square foot pricing, but lack the building knowledge of a contractor. This could leave you with a distorted view of your budget. If this becomes the case, costly design revisions may occur that will affect your budget.

There are two ways to shop for contractors: 1) by paying a fee to the architect to help decide on a contractor, or, 2) by shopping for a contractor yourself. Either option places the final decision in your hands. This decision becomes more difficult when you factor in the many methods and alternatives to building. Many homeowners don't have the time or expertise to make sure that all bids have been prepared in an equitable manor. There are times during the bid process when the contractor has to make assumptions about what the architect requires to finish the job. Again, this leaves the homeowner with the task of evaluating whether or not a builder will be able to follow the architect's original vision. Once the contractor has been selected, it becomes the homeowner's job to make sure the contractor adheres to the plans and specifications prepared by the architect. After all, the contract to build is between you and the builder; the architect relationship is totally separate from the builder/owner relationship.

Coordinating these relationships is usually beyond the expertise and experience of most homeowners.

Can I act as my own general contractor?

There are times to act as your own general contractor on jobs. Jobs best suited for this are the smaller projects where you'll only have a few subcontractors to schedule and supervise. This is a great time to save money and familiarize yourself with the construction process.

Acting as your own general contractor on larger projects is definitely not advisable. Knowledge of what materials to use, which qualified subcontractor to utilize, and what sequence to follow requires technical expertise far beyond most homeowners' knowledge. This is no time to be learning on the job. Mistakes made here will cost you more than what you would have paid a professional. Let them handle the headaches - it's their job.

What to look for in choosing a design/builder

The service you receive from a design/build firm can be measured in five distinct areas:

- Guaranteed duration of project
- Guaranteed cost
- A fresh and compelling approach to design & construction
- Minimized disruptions in your life
- A certified Quality Assurance System of standards

In selecting a design/build firm, it is necessary to do research, find recommendations, and ask necessary questions. A responsible design/build company will gladly furnish references and address all your concerns.

How they manage their company

The way a company manages has a direct reflection on you and your project. You'll need to find out if a company:

- Maintains a permanent mailing address, phone number, and answering system. is able to be reached quickly?
- Has necessary insurance protecting against property damage or injuries. (Ask for a copy of the insurance certificates.)
- Has an established and respected community presence. (Your design/build firm should offer references.)
- Carries a designation such as Certified Graduate Remodelor™ (CGR), Certified Bath Designer (CBD), or Certified Kitchen Designer (CKD).
- Holds a current contractors license to do work in your area.

Ask about their Expertise

There are many types of contractors available. Make sure you are dealing with a design/build company that has building expertise. Make sure the firm you choose:

- Has a track record of successful projects similar to yours.
- Has a structural and architectural knowledge of the many types and ages of homes in your area.
- Knows products and materials that would likely be necessary for your project.
- Offers a range of product options.
- Specializes in particular types of projects.
- Obtains the building permit. (Whoever arranges for the building permit is the contractor on record and therefore liable for the work.)
- Offers a warranty. (What does it cover and for how long?)

How do they plan on addressing my concerns & satisfying me?

Your satisfaction is not only measured by the end product but throughout the entire design and construction process. You'll need to find out if the design/builder:

- Openly communicates with you on scheduling timetables and your scheduling issues.
- Responds promptly to your inquiries.
- Has taken the time to understand your taste and style.
- Has an enthusiasm for your project.
- Emphasizes customer service.
- Listens to and discusses your needs and wants.
- Has a specific plan established for addressing your concerns.

Call those references

Be sure to contact references. If possible, try to arrange to speak with them in their homes so you can see the finished product. Questions to ask include:

- Would you hire this company again?
- Do you feel your design created solutions that fulfilled your needs?
- Was the design work imaginative and unique to your situation?
- Could you imagine yourself with this person in a social setting outside of work?
- Did the remodeler maintain a neat and safe work site?

- Did the crew show up on time? Were you pleased with their work style?
- Was your project completed on time and within the budget?
- Was the remodeler approachable?
- Did the remodeler keep you updated on the job's progress?
- What work did the design/build firm do for you?
- What was the level of collaboration during the design/build process?
- Were you prepared for "the construction process"?
- Was there communication between you and the design/build firm?
- Were the members of the design and construction team likeable and trustworthy?
- Are you pleased with the quality of the design and construction?
- Was the project delivered on time and completed within your budget?
- Was there anything that concerned you about working with this design/build firm?
- Do you feel the quality of design and construction justified the project cost?
- Did you enjoy the design and construction process?
- Do you feel you were treated with respect throughout the entire process?
- Is there anything about the design/build firm that we did not cover?

Interview questions to ask your design/builder

- Will my job be handled by subcontractors or by your own employees?
- Will you be working on other jobs during my project?
- Who is in charge of my job and will this person be there on a daily basis?
- How will you know what kind of design will work best for me?
- Do you have a way for me to get a hold of you in case of emergency ?
- How does the office communicate my project to the persons in the field?
- How often will I see you on my project?
- I assume you work with subcontractors. How long have you been working with them?
- How will you communicate with me?
- What if I don't like the designs?
- Do you do a lot of renovation projects like mine?
- How do you get to your designs?

Time to build!

Safety tips for you and your home

Get everything in writing

Having thorough plans, specifications, contract, schedules, pricing and change orders written down protect you and your design/builder. The information in these documents should detail your project and what's expected from both parties. You'll find most construction disputes arise from lack of written directions. Also remember that there will be many details discussed throughout the design and budget process. There will be additions as well as subtractions to get your budget inline. Just because you discussed an issue does not necessarily mean that it will be part of your project. Final contract documents take precedence over jotted notes or verbal communication. **Make sure everything you want is included in your contracts.** Don't be afraid of paper work. A reputable design/ build firm will have an array of preprinted documents that allow written communication to take place in an efficient and timely manor.

Detail the scope of work to be done and NOT to be done

You'll need to be as specific as possible when defining your scope of work. Your contract should define location of work, materials to be used and how they will be applied. There may be areas in your house that are not under renovation but that the builder might need access to for carrying out other work to be performed. Don't be surprised if you lose access to your garage during the construction phase. There are many parts and pieces that go into putting your project together and they will need to be stored prior to installation.

Pre-construction meeting

After signing a contract you can expect a time delay while the contractor waits for material and specialty items to arrive. This time can be rather significant depending on the size and scope of your project. Holding a pre-construction meeting prior to the start date of your job is a good way to review the scope of work for your job. Take this time to review the project schedule. Familiarize yourself with the phases of work to be done and how you plan to live around the work area. This is also a good time to discuss your security system if you have one. Most security providers have temporary key codes available for this type of situation.

Have your payment terms defined

Your contract should clearly define payment terms. Expect to put down a deposit upon signing of your contract. Other payments are usually scheduled to coincide with project milestones. Be aware of these milestones and make provision to have funds available.

What if we have to make changes?

Even the most complete and concise plans and specifications cannot anticipate every situation that arises on a job, especially when dealing with a remodel. Change orders are inevitable and costly. Even the smallest change may have to go through multiple channels to get completed, and that takes time - time that people have to get paid for. A good contractor will try to keep changes to minimum. Even so, you need to know how much changes will cost and how they effect the duration of your project. Ask your contractor how changes are dealt with and how they figure into the budget.

How do you live with construction?

Breaking your project up into smaller phases may allow you to live in your house during the construction process. Your job superintendent will be able to define these phases and what living spaces will be affected. This is also a good time to discuss the timeline for when utilities may be off and when it might be necessary to relocate for a period of time.

Children & pets

Let your builder know if you have children and/or pets. You may need the builder to make provisions for safety or even temporary fencing.

Moving furniture and valuables

In today's insurance climate, many companies will not cover damage done by builders while moving furniture, plants, or other valuables. It's a good practice to have this done by professionals prior to the start of your project.

Job security

Most builders use lock boxes on the job to store access keys. This lock box is usually only used by the contractor and trusted subcontractors. You will need to make provisions for optional keys if you are allowing others to enter your property. Another area of concern is how openings in walls will be secured. Are there provisions for plywood covers? Will exposed areas of the house be properly covered to keep out inclement weather?

Utility use and working conditions

Define working times on your job and ask to be notified if this is subject to change. Define all parts of the house that are off-limits and designate entrances, bathrooms, and phones that may be used. You may have to provide for portable utilities if the scope of the project requires larger crews.

Cleaning

Discuss your definition of cleanliness with your job supervisor to help them understand your expectations. You should expect some dust - after all, it is a jobsite - but this should be kept at a minimum. Ask if there will be dumpsters on site and where will they be placed. The job should be shop vacuumed at the end of each day.

Prepare for change

After the initial excitement of starting a remodeling project wears off, you will find that your project involves much more than design and construction. It requires patience to tolerate a sometimes-radical change in lifestyle and loss of privacy. No matter how well you've prepared yourself and your family, there will be stressful situations to deal with. Included below are some helpful hints to help you cope.

Safety first

Keep children and pets out of designated work areas and make sure all involved are aware of off-limits areas. Don't rely on your builder to watch children or pets. His job is to concentrate on getting your job done as efficiently as possible. Be aware that there will be noise. You may have to make offsite provisions for pets and younger children during working times.

Communication, Communication, Communication

This is your house so stay involved. Track the schedule with your builder. Set up designated times for daily discussion with your builder or job supervisor, even if it's a simple phone call (but be sure to document the call.) Take notes - it's a good way to keep everyone, including you, accountable. If there are areas of concern, be sure to address them as soon as possible. Most of the time your concerns can be resolved with minimal trouble. Your relationship with your builder is like any other relationship in your life - it needs to be open and honest.

Have meetings scheduled at major milestones of the project. These meetings are usually predetermined by the builder to assess construction progress or for simple clarification of items, like dimmers switches. These meetings can even coincide with progress payments.

Maintain your flexibility

Being flexible and open minded is the key to a successful renovation. Be realistic in your expectations. Going into a project with expectations of perfection will only leave you disappointed. When dealing with natural products such as wood, granite and human nature, perfection does not exist. Keeping a positive outlook will go a long way in making a stressful process more enjoyable.

Keep a journal

This has professional applications but on a personal level this tool can help you document memories. If there is one thing most of our clients wish they'd had, it's pictures taken throughout the construction process. Watching your own house go through it various transformations is a fascinating process. Once the project is complete you won't believe the transformation. Most people cite buying a house as one of life's most memorable moments; we think you'll find a major renovation ranks right up there with a new purchase! You'll want memories of this milestone...they make for great stories and some good laughs.

The job is almost done

Quality control checklist

A quality control checklist is a list put together by you and builder toward the final days of your project. This list should include minor items that need finishing or repairing in order to complete your job. Make sure you get a copy of this list and check off each item as it's completed. This list is to be put together once and only once so you need to be thorough with the content. Warranty issues are usually not included in this list. Your builder should have provisions for your warranty in a totally separate package. Completion of the quality control checklist constitutes a finished job, at which time your final progress payment is due.

Users guide and warranties

Your builder should have provisions explaining your warranty in your original contract. The actual warranty will be given to you once you make your final payment. Be sure to go over your warranty with your builder and ask how it applies to your specific project. Note what items are included in the warranty service. Typically, items missed at the quality control checklist will be covered under the builder's warranty. Warranty times can vary for specific items. Be sure to note the duration of the builder's warranty. Most builders will set up times for warranty calls. The typical times are 30 days, 90 days and 6 months. Extra work will be billed as an extra.

Taking your home back!

You've survived, compliment yourself on a job well done! It's time to say goodbye to your design/build firm. All your efforts have finally paid off and it's time to welcome your new space by jumping in and using it. You may feel a little awkward at first as everything may seem foreign, but before long you'll feel right at home. Some helpful hints to make you feel at ease include:

- Getting family and friends to help you move in. Take advantage of their labor to try different space plan layouts. It'll be fun and what better time to show off your new remodel.
- Have a party. It's time to celebrate all your hard work and efforts.
- Bring out your photos and journal, everyone loves before and after shots.
- If possible keep small color samples in your wallet or pocket book. These will come in handy when you're out on those random shopping sprees to put the finishing touches on your new home.
- Or better yet, you might just sit back and take in all the beauty of your new space. Enjoy.

I hope you found "Protecting Your Remodeling Investment" guide informative and helpful. If you have any further questions feel free to contact Lennie@DBDwellings.com or call Lennie at 303-733-2106