



## GENERAL TERMS AND CONDITIONS

Even with the best, most organized remodeler, home remodeling will be an emotional roller coaster. Unlike new construction, where the exact same sequence can be repeated on each home, every remodel is a *one-of-a-kind* set of problem-solving adventures. Every home is different.

Small, one-trade projects, like installing new windows or adding a deck, are not too stressful. They involve only one crew, and the work mostly takes place outside, so it doesn't feel like your home has been turned upside down and shaken like a big tin can. Larger projects like kitchen and bathroom redos, whole-house renovations and room addition construction, however, are a different can of worms. These are challenging for any family to live through, even with the very best contractor. The process will seem to go slower than you want, cost more than you want, and you will yearn for it to end.

### **“THE BEST LAID PLANS OF MICE AND MEN.”**

Things will go wrong during the project, just like you see on HGTV. Count on it. Things might get broken. Pieces and parts may get thrown away by mistake. It is a rough-and-tumble process. The electricians may damage something the plumbers just installed. Demolition is noisy, dusty, and chaotic. Work may take place in what seems to be the wrong order for you. A good contractor will manage the work – and you – through these ups and downs. A skilled Project Manager will handle the bumps and guide you through the process.

Every client we work with has different expectations, tolerance, and patience level. Some go with the flow. Some are very upset if they see a dusty footprint on the floor. If you are a neat-freak, let your contractor know before they finalize the estimate. Extra steps can be built into the process to help you, but they may slow down the pace and cost more for the extra time expended. An example of this might be to add bringing in the professional cleaning crew more often during the process instead of just the typical two cleanings: 1.) the “Rough-Clean” just before painting, and 2.) the “Final Clean” at the end. Be aware that even with added measures there will still be dust, noise, and fumes.



## TO STAY OR NOT TO STAY?

When can you stay in your home and when should you move out during construction? Here are some guidelines:

1. For your own peace of mind, you should move out:
  - a. When the project involves more than 50% of the interior square footage of the home.
  - b. When the project involves cutting off the electricity or water (or even just hot water) for more than a day or two.
  - c. When whole-house flooring is going on, especially new wood floors.
  - d. When any family member(s) has respiratory sensitivities like allergies, COPD, or asthma. There *will be* dust and paint fumes.
  - e. When there is only one bathroom and it is being gutted as part of the project.
  
2. If the project takes place on one side of the home only, and the Work Zone can be isolated with plastic walls (like in the kitchen or bath remodel), then you can live there while work is going on.

## WHY THE PROCESS IS SO STRESSFUL

We believe it is about control - or the lack of it, with remodeling. This is a real fear for most homeowners. You are used to your familiar sanctuary looking the same every day when you come home. You are used to your daily routines at the start of the day, during the day, and at the end of the day. Remodeling can disrupt all of these. Many are astonished when they come home one day and find their kitchen gutted. It is a shock to your psyche to eat breakfast in your kitchen one morning, then come home that afternoon to find it all stripped to the studs. That is a tough thing to see. Cooking meals in a microwave on a TV tray in the garage is not fun. But, you must have faith that it will all be restored. Your unceasing mantra must be: ***“I know I will love it when it is done”***. ***“I know I will love it when it is done”....***

## REMODELING \*CAN\* TAKE LONGER THAN PLANNED – WHY?

Construction is a “linear process”. This means that it has to go in a certain linear order. For example, we cannot order your countertops until the cabinets they sit on are fully installed. We cannot measure or order your shower glass until all of the tile is installed. We can't install your appliances too soon, or they might get damaged.



**Trade efficiency.** This one drives our clients crazy, but it is something you have to realize is a real factor. Our trades, especially our plumbers, electrician, and HVAC mechanics, are set up to do all their work in logical, complete intervals. Here is an example: your project has two bathrooms being remodeled. Bath #1 gets to a stage where the toilet and faucets could go in, Bath #2 is not quite ready. The plumber is not going to come to install the hardware until both bathrooms are ready, so he can do that stage in *one trip*. He has calculated his time and what he charges by a limited number of trips. If we ask him to make an additional trip every time a small piece of his work “could be” done, he will charge a lot more. Sometimes our customers will insist that these extra trips be made, and we will do some of this; IF: 1) the plumber can fit it into his schedule, and 2) the homeowner pays a change order for the extra trip charge and additional project management required. It is frustrating because there may be no work going on that week while we are waiting for a fabricated item to arrive, so why can we put the appliances in early? Why can’t something else be going on to move the ball forward? Skilled project managers will advance the progress on the job as much as they can but get into trouble if they do steps out of sequence. For example, the homeowner insists the wood floor be installed early on in the project and covered up with sheets of paneling. Later in the project, the plumber installs a faulty cutoff valve under the sink and it leaks water into the home over the weekend when no one is there. The new floors are ruined in that kitchen. When the protective paneling is removed at the end of the project, it is discovered that a worker dropped a toolbox in the dining room, or the corner of a heavy exterior door unit on the floor entry hall. The new wood floors are damaged despite good floor protection. So, who pays for the new floors to be repaired if they were installed early against the contractor’s advice? The point is, doing things out of sequence; just to push the timeline can have expensive consequences and cause even more delays than following the normal sequence.

## REMODELING COSTS MORE THAN EXPECTED – WHY?

Unfortunately, this is a very common problem. Never start a remodeling project, of any size, without a “contingency” in your budget. By “contingency” we mean a 10% to 15% buffer fund above and beyond your stated budget, to cover unplanned expenses.

Here are the most common reasons the cost goes up during construction:

1. **“Scope creep.”** This means that, as the homeowner sees the project taking shape, they add work. “Just go ahead and paint the rest of the house while we are at it.”
2. **Selection upgrades.** “We are going to be living with these new appliances for many years. Let’s upgrade to the top-of-the-line ones we really want.” “I know that mosaic glass tile is way over our allowance in the estimate, but I just love it.”



It's only in one bathroom. I have to have it." "The inside of the house is looking so fantastic. We should add an outdoor kitchen – and a pool while we are at it!"

3. **Rising materials costs.** Over the last year, most materials have gone up almost 20%. That impacts your project costs. The longer you wait the more expensive it will become.
4. **Hidden defects.** As mentioned above, things that are discovered "behind/inside the walls" have to be fixed before the contractor can proceed and can add cost along the way. These are called "change orders of necessity".

Notice that none of these examples came from the *contractor* adding cost. He is just responding to the conditions in the home or following changing homeowner requests. The perception when it is all done however, is that "the contractor made the project go way over budget." This is rarely the case. In fact, changes that interrupt the schedule cause headaches and lost profit for the contractor.

It is a very wise practice to add 10% to 15% "contingency" to your project budget. This is *especially* important if you are borrowing money to build the project and have little in the way of cash reserves.

### THE REMODELING SCHEDULE IS UNPREDICTABLE - WHY?

Here are some examples of things that could delay progress that are beyond your contractor's control:

1. **Weather.** Obviously, damp, wet weather will prevent work progress outside, but did you know it also affects work inside your home? Drywall mud can take *days* to dry instead of the usual 1 day, even in an air-conditioned home. Paints dry slower so we cannot put on as many coats in a day. The delivery of moisture-sensitive materials is often delayed. Things like drywall, cabinet plywood, pre-made cabinets, interior doors, and moldings can only be delivered in dry weather. A week or two of daily rains can cause significant delays on the job.
2. **Delayed and damaged deliveries.** Items that were promised to be delivered on a certain date arrive late. Sometimes *days* late. The production line at the cabinet factory has a key machine breakdown and all orders are delayed. The order is lost by the vendor and the contractor is not informed. The shower door glass that took ten days to fabricate arrives with scratches in the glass from the factory and has to be remade. *Three times!* The cabinets that took six weeks to arrive show up with several that got crushed during shipping.
3. **Fabrication times and re-dos.** For example, once the tile is installed in your bathroom, the contractor can get the glass company out to measure and "template" the shower glass. This typically takes 7-10 days to make and install.



However, if the patterned glass you chose is back-ordered, it would take 3 to 4 weeks. More commonly, the mirror and glass will come back from the tempering plant with a scratch in it, requiring it to be made all over again, adding 10 more days to the schedule and pushing out the completion date.

4. Surprises inside the walls and ceilings. Our customers fear this is the most common delay source (and cost-booster), but it is not. The older the home is, the more likely you could run into hidden defects. On rare occasions during tear-out, we might find:
  - a. termite damage, water rot in the walls around a shower,
  - b. rotted roof decking or structurally unsafe attic framing,
  - c. dangerous homeowner wiring from past projects,
  - d. horribly out of level floors or out of square walls
  - e. defective plumbing, installed wrong or rusting out, and about to start producing pin-hole leaks.
  - f. Critter-chewed wires

### **THE LAW OF “REMODELING KARMA” – DON’T JINX YOUR OWN JOB**

***FACT***.....Your attitude, as the homeowner, can make the process go well or plunge the project into a black hole of bad luck. A positive attitude that the project will go well for both you and the contractor *actually influences* things to go well, communication is better, fewer things go wrong, the job finishes on time.

### **THINGS THAT ARE A BIG DEAL – OR NOT, REALLY**

Your contractor knows you don’t do this every day, and that there may be a tendency to overreact to bumps along the way. How to react when these things occur should be discussed in advance. Keep in mind that the remodeler deals with problem-solving every day. It is the nature of remodeling. For example, let’s say a workman in the attic steps through the sheetrock in a room that was not involved in the renovations. This may seem like the end of the world to you. You become very angry. Your mind races. “How could he be so clumsy? Sheetrock pieces and insulation fell on my coffee table and carpet! Who is going to clean this all up?! I am *NOT* paying to fix that ceiling!!!

Don’t panic. Your contractor will apologize, clean up and repair the damage like it never happened, and at his expense. Every remodeler regularly deals with problems like this that arise unexpectedly.

How *should* you react? “Let’s say you come home from work, and see that the accent tile in your backsplash was installed 2’ higher than you wanted it to be installed.



It was done incorrectly. Notify your contractor or project manager as soon as possible and send a photo of the problem. Give the company a reasonable time to respond. It can be looked at the next day, torn out and redone in the next couple of days.

With a reputable contractor, when things do go wrong, they get it fixed quickly and without much ado or stress. Remember, overreacting and assuming the worst will make *more* things go wrong, and “jinx” your job.

## **INDUSTRY STANDARDS GOVERN WORK QUALITY**

Each one of us has different expectations as to the expected level of perfection in things around us. We are all a product of our upbringing and life experiences. Some people are laid back about their standards and some are super-picky. Builders and remodelers cannot anticipate everyone’s idiosyncrasies and certainly cannot promise perfection. A home has over 10,000 separate components, mostly hand-crafted. Laying tile and texturing sheetrock is never perfect. The legal test of what is acceptable workmanship is “what is typical for homes in that market and price-point, unless a specific set of standards is referred to in the contract, or standards are articulated in a third-party warranty program that some builders subscribe to.

To set reasonable standards that are acceptable to reasonable people, “performance standards” have been created and are usually incorporated into the remodeling contract. There is a nationally recognized set of standards we include in our contract called “Construction Performance Guidelines for Professional Builders & Remodelers” put out by the NAHB. Building Codes cover mechanical and structural things – plumbing, electrical, HVAC, and framing installations for example, but not cosmetic issues.

Performance standards cover things like how straight walls need to be, when is a tile floor “too uneven” or how wide can a gap be between moldings, and “when is a crack in new concrete OK and when is it a “defect”?”

## **MORE WAYS TO AVOID PROBLEMS AND MISUNDERSTANDINGS**

Many disagreements that crop up can be avoided with good business practices like these:

1. Spend some money on the front end to capture your vision with plans, elevations, and detailed 3-D drawings, when necessary. Everyone on the job will be able to see what the finished project should look like ahead of time. If your contractor cannot do them, he should know someone who does.



2. Make sure the contractor has included “allowances” in the contract for all items not finalized yet, such as tile, countertop stone, cabinets, appliances, plumbing & lighting fixtures, and hardware.
3. Set up in-home meetings to pin down details at critical times in the work.
  - a. For example: do an electrical and lighting walk-through. After all, framing is done, meet with your contractor and the electrician to decide exactly where switches, recessed and decorative lights will go. Decide on which lights will be controlled by dimmers. All the lights on our projects are LED now, but there are choices as to “look” and the “color temperature” of the lights to pin down.
  - b. For example: with tile samples in hand, do a tile meeting just before installation with the tile installer and your contractor. Lay the tiles out the way you want them for floors, backsplashes, shower walls, etc. Next, do sketches of those layouts, and sign them, showing you communicated how you want the installation to look.
  - c. For example: meet with the shower glass and mirror provider and your contractor to make the important decisions. The estimate may say you want a “frameless glass” shower door, but what style door handle do you want? How high will the glass go? Which way will the door swing? Will the hinges and handle be brushed nickel finish? Polished chrome? Are there towel bars or robe hooks to be made into the glass? Will the mirror have beveled glass or plain? Again, make sure a drawing is done and sign off on it.

Practices like these will avoid work having to be re-done, and assure that everything will be constructed the way you envision it.

### **IN CONCLUSION....**

1. Expect the unexpected during your remodeling project.
2. Remember the “Law of Remodeling Karma”
3. Understand that things may come up that make it take longer than expected, and cost more.
4. Be prepared to “live with’ some imperfections.
5. Do walk-through meetings at critical times in the process.