

Avoiding Home Improvement Headaches

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By following the tips in this legal guide, you can avoid most of the common pitfalls experienced by home owners in hiring contractors to do work in their home.

Know what you want before you hire a contractor.

Before you beginning a project, you should think about the design you want and the materials you want to use, and decide on a budget. Visit home improvement centers, talk to others who have completed similar work and consult a designer or architect, if necessary.

Hiring a contractor.

Once you have a clear idea about the improvements you want to make, interview and solicit estimates from at least three qualified contractors. You may want to consult a professional building association for some names. Make sure you obtain a written, detailed estimate from each contractor that fully describes the work and materials to be provided and the cost of the project. Also find out who will be on site to supervise the work, whether any part of the work will be subcontracted out and how many other jobs the contractor has going on at the same time. Request references from each contractor. Given that a contractor will likely only provide favorable references, be wary of the contractor who refuses to provide you with any references. Take the time to confirm the references and inquire about the quality of the work, reliability of the contractor and whether the reference has any criticism of the contractor.

Make sure your contractor is licensed, bonded and insured.

Many types of home improvement contractors are required to be licensed in the county, town or village where they intend to perform work if the project is to cost more than a certain amount of money. Each county, town, city and village may have unique licensing requirements. There may be additional requirements for the licensing of electricians and plumbers. All of these requirements are intended to protect consumers. By visiting the local government office responsible for licensing home improvement contractors, you can confirm a contractor's registration and check to see if any complaints have been made against it. If the contractor is properly licensed and a dispute arises, that office might have a complaint and dispute resolution that will assist you since the contractor may risk losing its license. Many such offices let you check for licenses and complaints online. Also run the name of the contractor on the Better Business Bureau website (<http://welcome.bbb.org>).

Obtain a written contracting spelling out what is included and what is excluded.

The contract should be in writing, detailed and signed by you and the contractor. It should describe the work and materials included in detail. The contract should state the total price, the start date and anticipated end date, and provide a schedule for payments. The contract should set forth any warranty on the work and material being given by the contractor and clearly state what is excluded. Make sure the contract addresses the removal of debris and painting so there are no misunderstandings after the fact. If the contractor is to furnish any big ticket items, identify the item by model name, style, number and color so that there is no confusion later. It is not uncommon for the nature and scope of the work to change as a job proceeds. If you agree or decide to make any changes to the original work, put all changes in writing, as any change is a modification to your original contract. As with the contract, the "change order" should detail the change(s) and added cost.

Paying your contractor.

Some people think "cash is king", but paying cash to your contractor can be risky. Setting aside any tax consequences of paying cash, a dispute concerning payment could arise between you and your contractor. You also take the risk a contractor can take the cash and not return to do the work. By using a check or money order, you will have proof of payment to your contractor should you have to sue later and avoid having the contractor claim it was not paid. Before making the final payment, be sure the work meets with your expectations and the terms of your contract. Prepare a punch list of items that need to be corrected or adjustments that need to be made to the contract price and make sure you have been provided with the permit or certificate of occupancy required for the completion of the improvement first. Be certain you are completely satisfied before making the final payment because it is difficult to persuade a contractor to return to your home afterwards

What do I do if I have a problem?

If possible and if your relationship with your contractor has not degraded to the point where you no longer trust it (e.g. one of its employees stole from you), consider providing the contractor with an opportunity to correct or finish the work. This is the least costly solution for everyone involved. Document your concerns and complaints in the form of letters, memos or notes, since later on it will be hard to prove who said what during a conversation. Keep copies of your written communications and consider creating a log of your efforts to communicate with the contractor about your concerns. You may also want to explore the dispute resolution process through your local contractor licensing agency or consumer affairs office prior to litigation. As contractors are generally prohibited from performing home improvements if unlicensed in a particular community, the risk of losing its license or having it suspended should give the contractor an incentive to explore a resolution.

What if I cannot work things out with my contractor?

Consider suing the contractor in state court. Depending on the amount of your damages, you may be able to sue on your own in small claims court. In anticipation of the law suit, you should obtain a few written estimates from other licensed contractors to repair or finish the work of the contractor you hired, so you can quantify your damages. You should also gather the contract, any written changes and proof of payment (e.g., the front and back of checks, bank statements, money orders). If you think you have been the victim of a consumer fraud, consider filing a complaint with the local contractor licensing agency, consumer affairs office and your state's office of the attorney general. Finally, many states have a fund from which you can recover for losses that result from poor work or non-performance by your contractor. You will likely have to file a claim or apply to benefit from such a fund.

Disclaimer

The foregoing is provided for informational purposes and does not create an attorney-client relationship. Any party confronted with the issues presented above should consult qualified counsel admitted in their local jurisdiction.