

# Spring HOME IMPROVEMENT

## Tips for choosing the right contractor

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Crossroads Chronicle

Whether you're ready to build a brand new mountain home, or simply want to remodel an existing structure, choosing the right contractor is pivotal from both a financial and quality standpoint.

Zac Koenig, AMB, CGP, President of Koenig Homebuilders, gave the following examples of questions customers should ask before choosing a contractor:

1. General business questions (are they licensed to do the work, do they carry liability insurance, do they have workmen's comp insurance, do they have a professional association membership, etc.)
2. What permits are required for the work and will you obtain the permits?
3. Who will be supervising the project and who will the owner's primary interaction be with?
4. How long will the project take?
5. What is expected of the owner before, during and after construction?
6. Remodel/Addition: How will the work interfere with my existing home, and will I be able to use the home during construction?
7. What is the builder's warranty, and how are warranty calls handled?

8. The most important thing may not be a question but rather a feeling of confidence and mutual trust with your prospective contractor. You need a good working relationship with your contractor in order to feel happy with your project once it is completed.

"One of the biggest problems with not asking the right questions of your contractor will be misunderstandings and the increased potential of not being happy through the building process and possibly not happy with the finished product," Koenig said. "If expectations (from both parties) are set and agreed upon up front everyone will be happier throughout the entire process."

According to Koenig, in North Carolina a general contractor must be licensed to do work. Additionally, many of the specialty trades (electrician, HVAC, Plumber, etc) must also be licensed.

"Don't be bashful about requesting verification of a contractor's license," Koenig said. "Also be sure that the license covers the project that you are proposing to have done. (There are different dollar limits for work general contractors are licensed to perform.) There are additional certifications required for certain other areas of work."

Koenig said examples of this are the new EPA rules that require a contractor to take

training and be certified with the EPA in regard to lead paint if they are working on any home built before 1978. This certification is totally separate from a general contractor's license.

"Additionally, there are certifications and accreditations that contractors can obtain through their trade associations," Koenig said. "Ask your potential contractor if they regularly take any continuing education classes and what accreditations they may have.

"I think it is important to get references from a contractor as well as seeing examples of their work," he added. "However, these should be used in addition to your overall 'gut feel' of the contractor. It's important to know what others think about the work and process of building with your potential contractor, but keep in mind that no contractor is going to give you the name of someone that they know will be a bad reference."

Koenig suggested when talking with a reference be sure to ask questions about how it went working with the contractor during the initial construction and also about how happy they are with the warranty process.

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In almost every situation, the customer's decision is going to come down to quality and price issues.

"If an owner is torn between a high price with high quality and a lower price with moderate quality, they need to evaluate a few things," Koenig advised. "The main thing I think they should evaluate is the value for the services that are to be provided. What is the budget that you have for the project and can you possibly spend more in certain areas but use lesser-priced items in other areas that may not be as important to your overall goals.

"However, always try to keep in mind the longevity of the products or services that are being provided," he added. "Moderate quality at a lower price may not really be a savings if you have to replace or repair the product in a shorter time that what you may need to with the higher quality item or service. A reputable contractor will most always be

open to discussing the pros and cons of various quality levels in regard to materials, equipment and labor provided.

Mitchell Betty, a contractor and president of Sweetwater Builders Inc., in Cashiers agreed with a lot of Koenig's suggestions.

"What most people ask when building a new home or renovating an existing home is, 'How long will it take, and how much will it cost,'" said Betty. "What they should ask of a potential contractor is a list of his/her previous customers with contact information.

Betty said big problems often occur when customers insist on quotes from five or six contractors and automatically go with the lowest quote.

"Often times, this low quote is only to get the contract, knowing full well the job cannot be completed for the dollars bid," said Betty. "Halfway through the job, there will be a big increase in the cost, and most customers feel they must stay with the on-the-job contractor. Again, previous customer contact eliminates this problem."

Betty emphasized the fact that checking out a contractor's license capabilities is very important.

"Any property in excess of \$30,000 must have a licensed contractor," Betty said. "Customers should require copies of the contractor's license because if the contractor has no license, or his license is too small for the size of the project, severe problems can arise."

There are three levels of residential licenses:

1. Limited, only able to accept projects less than \$500,000.
2. Intermediate, no projects in excess of \$1,000,000.
3. Unlimited, no project limit on project cost.

Betty gave the following examples of what can go wrong by using an unlicensed contractor or one that is under-licensed for a project:

1. If the house falls down around the new owners, the owner has no recourse because they used an illegal, unlicensed contractor.

2. If the owner pays the illegal contractor for work done, and the

contractor chooses not to pay the subcontractors who actually performed the work, the owner has no recourse because they used an illegal contractor. The subcontractors would then lien the owner's property so they wind up paying twice for the job.

3. Most unlicensed contractors also have no insurance (workers compensation or general liability insurance). If an accident occurs, the owner will be the target of lawsuits because they used an illegal contractor.

"To obtain and maintain a contractor's license in N.C. is a difficult and costly requirement," said Betty. "Extensive knowledge of building systems and code regulations is obtained through much training and many years of experience.

"In addition, large sums of cash dollars are required for unlimited contractors to maintain in accounts to keep their license updated yearly," Betty added. "Again, the illegal contractor will not have this staying power."

Betty gave the following examples of questions to ask references:

1. Did they maintain a clean job site?
2. Did the contractor pay all subcontractors on time?
3. Was job finished on time taking weather into consideration?
4. Did the contractor complete the work as drawn by the architect or discussed with the owner?
5. Were increases in cost, if any, fully explained to the owner?
6. Would the owner use the same contractor again?

Juggling quality vs. price, Betty said, "Paying more money for the same level of quality makes no sense. Take time to go look at completed jobs by the contractor and look at the quality. Interview two or three contractors. Don't waste your time involving everyone in town. Find a contractor you are comfortable with and go for it. There are many excellent contractors in the Cashiers area. A new home or major improvement to your existing home should be a very positive experience."

Sean Ross, president of Apt-

con Professional Construction Services in Cashiers, said renovations are probably more popular among contractors in Cashiers than new home construction.

"You just need to make sure they are licensed within the capabilities of that renovation," said Ross. "And make sure they have worker's compensation. And of course, get references."

Ross said a warning sign customers should look for is if the contractor asks the customer to get the building permit.

"I would always recommend that you have the contractor pull the building permit," said Ross. "That way, he's responsible."

Ross said asking building inspectors about contractors is a good reference contact.

"I would just get three references for three different contractors. It really is like a job application," said Ross. "Of those three prices, they should be very similar, like within 10 percent of each other. If they are not, that's a warning sign or red flag. The ones that are closest together are probably closer to what it's really going to cost."

Ross suggested getting fixed numbers and a hard contract if possible. Most contractors do cost-plus when contract time comes.

"Never let your contractor get ahead of you," said Ross of making payments. "Most contractors will have multiple accounts at Jennings or Lowe's or wherever. I would say no to deposits."

Susanne Moore of Moore Construction Services and President of the Jackson County Homebuilders Association said local building inspection offices could tell customers if their contractor pulled the permit for a particular job.

"You can call our local building department at (828) 743-6850 or the Jackson County Home Builders Association at (828) 743-0278 to inquire about a person's license status," Moore said. "A contractor listed in our directory, that you can pick up at the Jackson County Chamber of Commerce or visit our Web site at [www.jchba.org](http://www.jchba.org), has been confirmed as a licensed contractor and their license number is given."