

TOP 10 REMODELING MISTAKES

—Remodeling Guide—



More of What You Need to Know to Successfully
Plan for a Home Remodel

Top 10 Remodeling Mistakes

What You Need to Know to Successfully Plan for a Home Remodel

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Contents

Key Terms.....	2
Top 10 Remodeling Mistakes.....	3, 4, 5

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Key Terms



FIXED PRICE CONTRACT: This is a legal document that guarantees a fixed price project, that covers a thoughtfully designed and planned out scope of work. Typically it includes detailed plans and a comprehensive specs that includes most if not all selections completed.

FREE ESTIMATE: This is a number some remodelers will give you that as a “contract price” used to win the job. After the job starts they will use Change Orders to reflect the real costs of allowances and “items not included” in the document, but it will be too late as the work has already begun. We never ask our clients to commit to a “Free Estimate.”

BALL PARK RANGE: This is not a single number, but a spread or a cost range we usually share with homeowners at the end of the initial “Discovery” meeting so they have some idea of what the project typically requires in terms of budget.

BUDGET: A summary scope and list of items to establish a preliminary cost for a project.

COST PER SQUARE FOOT: This is more useful in new construction and has limited usefulness with certain remodeling such as decks or additions. It is the total cost of a project divided by the number of square feet of the project. Useful for some budgeting exercises. (Example: \$150/sq. ft., vs. \$300/sq. ft.)

EQUITY: The value of your home less what you owe on it.

FINISHES: The hardware and materials applied to your home in the end phases of a building or remodeling project. Examples include countertops, light fixtures, floor covering, cabinets, and appliances. (The term stems from “finishing touches.”)

SCOPE OF WORK: A document that specifies the exact work to be accomplished, including the finishes and other materials. It is part of the building contract and is used as a guide for the people doing the work.

SPECS: Also part of the building contract and contains specifications for the materials used in the build. Used as a reference for producing a budget.

TURN KEY: When a remodel is completed and handed over to a customer com-



Top 10 Remodeling Mistakes

Design exceeds budget—It is common to make a design without thinking about cost. This usually results in disappointment when you realize you cannot afford all of what you want. Working with a company who does both the design and the build should help to develop the design to meet a realistic and attainable budget.

Assuming it is cheaper if you do it yourself—This is a big one. Skilled tradespeople are the most efficient workers for their job. Although you have to pay them more than the local “handyman” or of course more than you pay yourself, the job ultimately takes less time and is usually very high quality. Nearly all trade contractors and vendors charge homeowners 10-30% more than established construction companies. They value long term repeat business and understand that partnering with other knowledgeable professionals saves them time estimating and answering questions, and lessens their liability in getting paid and with potential warranty issues.

Not knowing who is responsible for what—Does the builder supply or do I? Who was supposed to get those permits? Were you supposed to meet with the inspector yesterday? It can get confusing. Make sure you are clear on who is responsible for what before work begins. Most full service companies assume responsibility for everything that is not is not clearly laid out in the contract or in design and production meetings during the process.

Not having a warranty—Without a warranty on the builder’s work, you are out of luck if something breaks or isn’t done right. Make sure there is a warranty in the contract. Secondly, the warranty is only as good as a company’s ability to back it up. Companies with a long track record are much more reliable than new companies who often fail in the first 5-7 years.



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No lien waivers—Without lien waivers, your home can still get lienied after you pay your builder if the builder doesn't pay the vendors. You should know who are the suppliers and trade contractors that provide goods and serviced on your project so that you can get lien waivers that represent every significant vendor.

Overbuilding for the neighborhood—If you start with a \$350,000 home and add a \$200,000 addition, you will end up with a \$550,000 home and if you are in a \$350,000 neighborhood. There are of course intangibles such as “we never plan to move” or “we will be here for at least 10 years and the house won't work as is.” It is also important to remember that all costs associated with remodeling project should associated to the return on investment equation. Things like roofing, windows, doors, painting and flooring are maintenance items and by not keeping them working or worn out, you will lose additional money when it comes time to sell your home.

No plan—If you build without a plan you will end up paying more to fix mistakes than you would have spent on the initial planning. Not only is having a plan crucial, but it is also vital that it is complete, accurate and detailed. Things that are not clearly communicated to suppliers and trades people nearly always cost more later due to items not called out that are not included, locations of items installed wrong and then needing to be reworked. Wrong quantities and wrong material orders, Returns and restocking fees, extra trip charges, and so on and so on.

Poor communication—Remodeling is complicated, thus effective communication between you and your builder is key to reducing screw-ups. Always discuss the preferred method, be it phone or by email or text, and be consistent in responding as quickly as you can. Remember silence isn't really golden. It is deadly to trust.



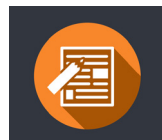
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Procrastination—Putting things off will cost you time and money. For a smooth renovation, it is best to get what you need done at the beginning. An experienced company makes sure that as many selections and decisions are, as can be made before project starts. This is important if a reasonable schedule has a chance to be kept and if the client wants to be able to make selections from today's incredibly wide choice of material options. Not having those decisions completed will often mean picking from a much smaller list or worse, having to remake your selections due to long lead times or items being special order.

Not checking out the contractor—You want an honest, fair, quality remodeler who pays his bills on time and has good credit, BBB score, one builders license, a good Google score and a long history of work. Do they publish their values? There's along list of qualifications to check and we've put that together for you at mbros.com. If you don't check this out you could end up with a fraud that does poor-quality work and charges a fortune.

If you have ideas or questions about your specific project that were not addressed here, we advise you to schedule a personal consultation with a Murphy Bros. Design/Build Consultant.



Questions? Call us at
763-780-3262 or use
this contact form.