

IMPORTANT ITEMS TO CONSIDER PRIOR TO MAKING HOME IMPROVEMENTS



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Whether you're renovating your entire house, or just updating your kitchen or bathrooms, planning ahead and getting into the details can be of critical importance. While your project may appear to be quick and easy, before starting try and get answers to the following questions:

- What is the goal of the project: If you want to increase the resale value of your home, make sure that you don't add so many expensive improvements that you can't recoup the cost.

- Will you need a permit or specialist to help? Even do-it-yourselfers often need the help of professionals such as electricians or plumbers, and seemingly small projects may require permits as well.

Find the right contractor. One of the best ways to find a contractor you can trust is to ask family or friends for a personal recommendation – and then check for customer reviews on websites like the Better Business Bureau or Angie's List for complaints. When interviewing a contractor to determine if he is right for the job, ask these important questions:

- Ask for customer references
- If subcontractors are used, how are they chosen?
- Ask for a Certificate of Liability insurance. Make sure that the stated liability limit on the certificate is as high as the value of the job. If you are doing a \$2M remodel, then a standard issue \$1M liability certificate would obviously not be enough to cover the exposure

- Ask for proof of Worker's Compensation insurance for all workers involved in the renovation
- Ask what type of projects the contractor specializes in
- Ask if the contractor is bonded to complete the project on time

After vetting your contractor, next you will want to review and fully understand the remodeling contract presented prior to proceeding. It is highly advisable to have an attorney review the contract to make sure that it reflects your understanding of what you are signing, and that the stated wording is not slanted in the contractor's favor. Make sure your contract does not contain a section on "waiving your right to subrogation." If the contractor is negligent, and you had signed a waiver like this, you might not be able to recover your losses from a third party in the event of a lawsuit.

At a minimum, a contract should include 1) start and end dates 2) detailed information about permits, licenses and inspections – and who will be responsible for obtaining them 3) payment



amounts and due dates, warranties and guarantees. Experts recommend never paying more than one-third of the total project cost up front. Check with your state or local municipality for their regulations.

Home improvements are expensive, even more so when you want to add value to your home. If you're still unsure about whether the improvements you want to make will provide the best return on your investment, you may want to consider asking a real estate professional to check out your home.

Realtors are a great resource as they know what's selling in your neighborhood and can recommend the best course of action to take.

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