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Your Home Remodeling Contract – What You Should Know

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The home remodeling contractor you have selected is perfect – skilled, knowledgeable, experienced, good references and ready to begin construction. You like the design and have the funds available. Let's go for it! Right?! Well, maybe. Before any project work begins, you should review, approve and sign a written agreement or contract that specifies the what, where, when, how and cost of your project.

A well-written home remodeling contract should include the following (*):

- **Project Scope** – A brief description of what the project includes and perhaps what it does not include. For example: "...demolition and complete remodel of master bath including floor, wall and ceiling covering plus all fixtures and cabinetry..."
- **Homeowner's Name and Work Site Address** – The work site address could be different than the current residence, billing or mailing address.
- **Contractor's Contact Information** - Name, address, contact number and license number (if applicable).
- **Proof of Legality** -- Written statement, or copies of proof, indicating that the contractor has a valid construction license, pays worker's compensation and has acquired adequate general liability insurance.
- **Drawings and Designs** – As-built drawings, conceptual designs, blueprints, floor plans and/or sketches that depict what work will be done and where.
- **Project Work and Fee Schedule** – The project start date and estimated substantial completion date. The total price and associated payment schedule must be stated.
- **Product and Material Specifications** – Descriptions of all products and materials should clearly describe each item. For example, the description should include the brand name, model number, grade, color, and/or size. Allowances for materials to be selected later may also be included here. A description of the allowance, who will choose the item and the allowance amount should be specified.
- **Permits, Zoning and Other Approvals** – Responsibility for obtaining and paying for permits, zoning requirements and other approvals (e.g. Home Owner's Association restrictions, etc.) should be specified.
- **Change Order Process** – The procedure for managing additional work outside the stated project scope and resulting change orders.
- **Lien Releases** - Ensure that you are not held liable for any third-party claims of nonpayment.
- **Warranties** -- Manufacturer's warranties, and limited warranties for workmanship should both be addressed.

Your Home Remodeling Contract – What You Should Know (continued)

- **Right to Cancel and Dispute Resolution** - Federal law requires a contractor to give you written notice of your right to, without penalty, cancel a contract within three business days of signing it. This is provided it was solicited at some place other than the contractor's place of business or an appropriate trade premises such as your home. Provisions for conflict resolution in the event of a contract dispute after work has begun may be included.

At a minimum, a well-written contract or agreement should contain the above items. After carefully reading your home remodeling contract, make a list of all your questions or desired clarifications. Then review it with your contractor. If you still have questions, it is recommended that you discuss them with your attorney. After all questions and clarifications have been satisfied, the contract should be ready to be signed.

* The above information is not intended to be legal advice or inclusive of all potential contract items. Please consult your attorney for legal advice.