

WHERE TO START

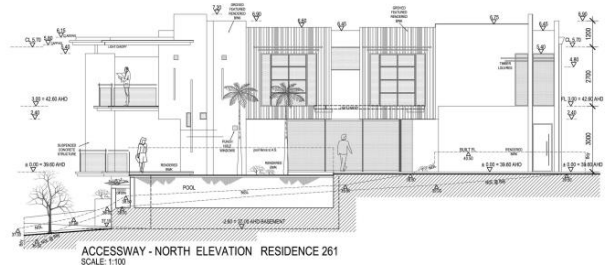
WHAT TO ASK

HOW TO ACQUIRE TENDERS

HOW TO SEAL THE DEAL

How to Hire a Builder

CONSUMERS GUIDE: HOW TO HIRE A BUILDER



WHERE TO START

“We shape our buildings; thereafter they shape us.”

- Winston Churchill

Welcome.

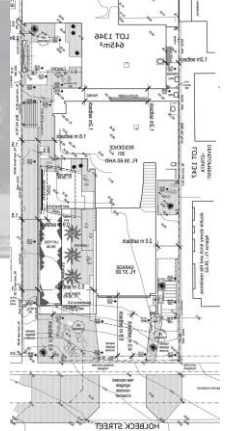
I prepared this guide after seeing so many people struggle with understanding how and when to hire a builder. This process can seem like a complex and frightening roadblock for those who haven't been through it before. This guide will help to simplify the process.

Hiring the best builder for your project is an extremely important decision. That choice will determine the quality of craftsmanship and the timely completion, within budget, of the project. It will also minimize emotional stress and surprise extra costs.

All projects vary in complexity, cost and duration. A simple renovation may require only interviewing one or two builders. For an expensive high-end commercial building or luxury home, it would be beneficial to research a larger number of reputable firms specializing in that level of work. Remember it is important to bring in a builder early in the design process to ensure your project is buildable and quantity surveyor/estimator to establish cost control. This is to ensure you won't be building more than you can afford. Depend on your architect for advice during this process.

The following are considerations and questions for interviewing and hiring a reputable professional builder in your area.

CONSUMERS GUIDE: HOW TO HIRE A BUILDER



WHERE TO START

1. How to find builders

Ask for referrals from people you know and trust. Your architect is an obvious source, but so are family, friends, neighbors, lawyer, real estate agent and others who have built projects similar to yours. Local building suppliers, design firms and other trade-related businesses can offer referrals too. Are there recently completed or projects under construction in your area? Ask the owner about their builder and the working relationship. When you have a good number of referrals, begin your research.

- Start with a company's website. Review their portfolios. (The lack of an online presence says a lot about the contractor too). How long have they been in business? How big is the company? Where are they located in reference to your project?
- What does the local business bureau have to say about the builder? Local construction groups and organizations are a good resource or you can also visit other consumer rating websites.

2. License and registration, please

Verify that your contractor candidates are licensed and in good standing with your city or country's respective license board. Ask to see the builders license, a picture I.D. and certificate of insurance. Not only does proper licensing demonstrate a company's best practices management, but hiring



WHAT TO ASK

Licensed builder protects you. For example, Workers Compensation insurance may be a builder's responsibility by law in your city and not that of a property owner's. However, that will not hold true if a contractor is not licensed or does not carry proper insurance and instead the liability may fall on you should anything happen with a worker while working on site.

3. Questions for the candidates

After the preliminary online research and license check, narrow your candidate pool to three to five contractors. The process is called tendering. Set up an interview at their office, which will verify their business location. Consider asking the following questions.

- What does their place of business tell you about their organization and quality of product and service?
- Is it a small one-person company working from home or a larger firm with multiple employees?
- What is their pipeline of jobs? Will they be able to start work on your project in a timely manner?
- Ask how your project will be completed should something happen to the owner of the company.



WHAT TO ASK

4. View recent work

Request to visit three projects that are similar in size and style to yours. Check out something recently completed, one under construction and a third project completed five to 10 years earlier. Speak with the owners.

- Does the work carry a warranty and are problems corrected?
- How does the construction site look?
- Does a finished project stand the test of time?

5. Check references and then some

Ask for a referral list. In private, discuss with previous clients their experiences working with the builder.

- Was it a pleasant working relationship?
- Was it easy to communicate with the contractor?
- Was the contractor fair and honest?
- Was the project completed on schedule and within budget?
- Were there extra costs or surprises?
- How were problems handled?
- How was the quality of craftsmanship and follow-up?



WHAT TO ASK

6. Cementing a relationship

Narrow your list of builders to two or three. Invite them to your project site to meet with your architect.

- Review your site and preliminary architectural plans.
- Ask about a range of general construction costs. Is it within your budget and quality expectations?
- Where can you save money?
- Does their schedule suit your time frame?
- Can you trust and communicate with this person easily?
- Are your questions answered clearly and satisfactorily?
- How often will the principal contractor be at the job site?
- Who will be the day-to-day job foreman/supervisor? How long has that person been with the company?
- Ask to meet the foreman. Determine your compatibility.
- Ask for a preliminary, itemized written estimate. - **Elemental Costing**.

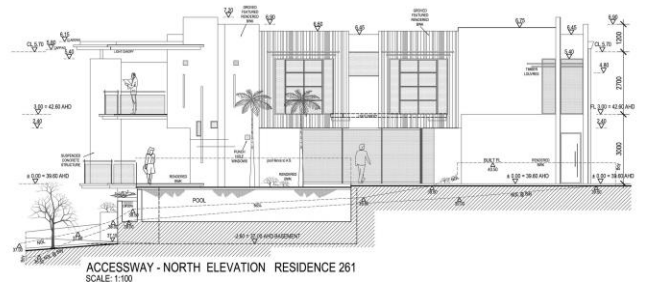


HOW TO ACQUIRE NEW TENDERS

7. The tendering process

When your plans have final design approval and the construction documents are ready to be submitted for local government permits, let the shortlisted builders know that you will be considering detailed tenders. Give them a deadline (tenders closing date) before which they can submit their tenders for your consideration.

- Ask your architect to help you review and compare the tenders.
- Ask for line item tenders and elemental costing for various categories of work for comparison and to avoid possible mistakes.
- Ask for “allowances” for unknown costs such as fixtures and finishes to be chosen later.
- For renovations where structural conditions are unknown, have the builder open up a partial section of a wall or other area to help either party determine beforehand the extent of repair work that will be required to be made.
- Even if you have decided on a builder, get multiple tenders to get the best value and better position to negotiate.



HOW TO SEAL THE DEAL

8. Tendering for construction

- Decide on the builder you wish to hire and while your plans are in the permit review process, discuss the different kinds of contracts available and ask for one to review e.g. ABIS, Cost Plus etc.
- Ask for updates to the construction tender if plans change for any reason.
- Do not sign the contract until your permits are approved, all costs finalized and checked with quantity surveyor or independent estimator.
- Be aware that there are always unknowns in the construction process that require changing things at additional costs. Examples of these include design changes made by you, building department requirements or unknown site or other existing conditions. This is normal. Expect it. Allow 5 to 8 % of your total budget for these extras. **With good planning, design and management they can be minimized.**

There are far more reputable, honest and hardworking builders than there are the slapdash, fly-by-night operations we read about in the news. With proper planning and prior research, you will find the perfect contractor for your project. Invest the time and remember that **spending a few extra dollars in the beginning could save you thousands of dollars in the end.** Creating a new building, whether it's your home or a commercial project, is an exciting project. Make it an enjoyable one, too, by hiring the right builder.

THE NEXT STEP



Congratulations! You now have the key information that will help you lay a successful foundation for understanding how to find and hire a builder.

Unfortunately, I can't include every important piece of information about this very important step in the design and construction process successfully in this guide.

Actually, that would be impossible because each project is unique and the requirements differ based on a multitude of factors. But with the 8 steps explained in this guide, you have the critical information to help you hire the builder that will ensure that your project is a success.

If you are in the process of looking for a builder or an architect for your project, let's talk. I can help you wade through the necessary requirements and make sure you aren't overlooking a crucial factor that could doom your project to failure. I offer a custom **feasibility study** where I will identify the specific requirements pertaining to your project and your available options.

Typically, the **feasibility study** saves my clients *thousands of dollars and weeks* of lost time, not to mention the stress and headache of getting something wrong.

To read more about the **feasibility study** as well as the price for this service and why it is critically important to your project's success visit my website. If you are ready to talk now, please give me a call.

Best wishes for the success of your project!



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