

Who should we get?

Finding the right contractor

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NEW JERSEY HOUSE & HOME

It's finally time for that long-awaited home improvement. You've saved the money for the new kitchen, bathroom or big window seat. Now what? How do you pick a contractor?

There are lots of ways to go about it. But the biggest concern when picking a contractor is that you pick a reputable one — someone who will do a good job at a reasonable rate.

Word-of-mouth seems to work well for a lot of people. Ann Mailhot found her contractor for an addition to her house through a friend. She got a few estimates, but in the end, what sold her on Todd Beach, owner of East Coast Construction in Hillsborough, was his reputation and her comfort with him in her home on a daily basis.

"The big thing was that everyone who used him seemed to be happy with his work," she said. In addition, she liked that he would be on-site every day and wasn't going to subcontract the work out. "I was very comfortable with him in my home. He is very clean and neat and safety-conscious, and I have small children.

"It also helped that my kids adore him," she added. "Sometimes you just get a good feeling about someone."

Beach said he tries to be very personable with his clients and make sure they are happy with his work. However, he said, he hears a lot of horror stories about contractors.

"There are definitely things you should and should not do when you hire a contractor," Beach said. "It sounds obvious, but you shouldn't pay them all of their money up front. You'd be surprised how many people do this, and then end up never seeing the contractor again."

Beach had some advice on picking a contractor.

"You should check referrals," he said. "If you're having a kitchen done, you don't want the contractor's last six jobs to be basements. You want to see kitchens they have done. You want to make sure they carry insurance, that their prices are fair."

Other things he recommended include:

- ▶ Checking to see if a contractor has liability insurance
- ▶ Checking if they are going to subcontract work out
- ▶ Seeing if complaints have been filed against the contractor
- ▶ Checking references by going out to previous jobs
- ▶ Asking how many jobs a contractor is doing at one time.

"I have completely redone my own home, and customers can always come see my work at my house or other jobs I've done," Beach said. "I always have a good relationship with people I've worked for."

The New Jersey Division of Consumer Affairs (DCA) has recommendations for consumers on how to hire a contractor, and warning signs on what to watch for. If you are unhappy with work, you can file a complaint with them and the Better Business Bureau.

"You can call us to see if there are complaints filed against a contractor," said Jeff Lamm, public information officer for the DCA. "Complaints against contractors are in our top-five list of consumer complaints. Home improvement is a big business, and like in any big business,

there can be problems."

He advised consumers to look at prices and get references, including contacting past customers.

"Feedback from other customers is the best thing. Ask questions about timeliness and if there were any issues or problems," he said.

Lamm also said to check that the contractor has appropriate licenses and insurance. The Contractors' Registration Act requires home-improvement contractors to register with the state. Contractors who are not registered with Consumer Affairs will not be able to obtain municipal permits in New Jersey.

He said consumers have three days to rescind a contract with a contractor if they felt they made a mistake.

Kevin Sarafin, a contractor at Kitchens Etc. in Green Brook, said you should check for memberships in contractors associations.

"If it's a kitchen contractor, they should belong to a kitchen-and-bath association," Sarafin said. "A roofing

contractor should belong to a roofing association.

"I think if you are a consumer, it is difficult to know which contractor to choose," he said.

"I think it's important to check licensing, complaints and also the years in business. I wouldn't want to hire someone who had been in business less than five years. If a company can hang in there for five years, that says something. You want to weed out the people who work out of their homes or the back of a truck because they have been unemployed for the last year and have nothing else to do, versus the people who do it professionally."

To check if a complaint has been filed against a contractor, call the New Jersey Division of Consumer Affairs at (800) 242-5846. For more information, check www.NJConsumerAffairs.gov.

Todd Beach is the owner of East Coast Construction of Hillsborough. He completely remodeled his handy man special.

KATHY JOHNSON/NEW JERSEY HOUSE AND HOME





This is the remodeled kitchen of Todd Beach's home.

TIPS FOR CONSUMERS

Contact Consumer Affairs to see if consumers have filed any complaints against the contractor and to ensure the contractor is registered.

Get written estimates from at least three contractors. Ask the contractors how long they have been in business, if they have liability insurance (as required by law), and whether they will be using subcontractors on the project.

Contact the references your contractor gives you. Ask them whether the job was completed on time, whether there were any unexpected costs, whether the workers showed up on time and cleaned up when they finished, and whether they would use the contractor again.

Ask your contractor about his or her professional affiliations and confirm the information with those organizations.

Investigate financing options for your project. Shop for credit and be sure you understand the annual percentage rate you will have to pay.

Do not pay for the entire job up front. The customary arrangement is one-third in advance, one-third halfway through the job and one-third upon completion. Do not pay with cash.

KNOW THE LAW

Obtain a written contract. Contracts for home-improvement projects costing \$500 or more must be written and must include the legal name and business address of the contractor as well as a start date, a completion date, a description of the work to be done and the total price. The contract must also include the contractor's registration number.

Make sure all warranties and guarantees are in writing, and that the contract states name brands or quality/grades of materials to be used.

Before you sign a contract, ask for a lien waiver. A lien waiver is a receipt that states that the workers and material suppliers will not ask you for money once you have paid the contractor. Beware if a contractor asks you to sign a statement that says you will cover the costs of materials and labor if the contractor does not pay.

Signed contracts may be canceled by a consumer for any reason before midnight of the third business day after you receive a copy of the contract. Put the cancellation in writing and either personally deliver it to the contractor or send it registered or certified mail, return receipt requested. A photocopy of your cancellation should also

be sent via regular first-class mail.

Ensure that all applicable construction permits are obtained from the local municipality. Either the owner or a contractor acting as the owner's agent may obtain a building permit.

If an electrician or plumber is doing the work, the municipal permit must be signed and sealed by the New Jersey licensed electrical contractor or licensed master plumber.

If the homeowner has hired an architect to draw up plans, the licensed architect must sign off on them. Determine from the municipality what inspections are needed and when they must be performed.

Final inspections must be completed BEFORE final payment is made to the contractor. For information on inspections, see the notice printed in large type on the back of the construction permit.

WARNING SIGNS

Avoid transient home-repair contractors. If you hire a contractor, make sure you get the registration number, name, street address, phone number, license plate number and vehicle description. If a problem does occur, this information will be helpful to law enforcement agencies. Look for red flags.

Be wary if the contractor:

- ▶ Asks for more than a third of the total payment before work can begin.
- ▶ Demands cash.
- ▶ Tells you there is no need for a written contract. (Written contracts are required for projects costing \$500 or more. We recommend you get a written contract for all projects.)
- ▶ Has only a P.O. box as his/her business address.
- ▶ Does not have a Division of Consumer Affairs registration number, unless he/she is exempt from registration requirements.

▶ Approaches you (when you haven't sought him/her out), claiming he/she was just in the neighborhood and can give you a good deal.

HOME REPAIR COMPLAINTS

If you have a problem with your home improvement project, first give the contractor an opportunity to resolve the matter directly. If you are not satisfied with the results, you may:

- ▶ File a complaint online with The Division of Consumer Affairs at www.njconsumeraffairs.gov/ocp/ocpform.htm.
- ▶ Call The Division of Consumer Affairs at (800) 242-5846 to request that a complaint form be mailed to you.
- ▶ Call your county or municipal consumer affairs office for a complaint form.
- ▶ - NJ Division of Consumer Affairs.

HIRING OTHER LICENSED PROFESSIONALS

Persons or companies licensed by the State, such as plumbers, electrical contractors and architects, are not required to register as home-improvement contractors if they are acting within the scope of their profession.

Before hiring any of the professionals listed below, check the Licensee Search link on the division's Web site or call the appropriate licensing board to determine that the person doing the work is licensed to do so and that his/her license is active and in good standing.

LICENSING BOARDS

- Architects, (973) 504-6385
- Burglar alarm installers, (973) 504-6245
- Electrical contractors, (973) 504-6410
- Engineers, (973) 504-6460
- Fire alarm installers, (973) 504-6245
- Land surveyors, (973) 504-6460
- Landscape architects, (973) 504-6385
- Locksmiths, (973) 504-6245
- Plumbers, (973) 504-6420