



The Top 5 Most Important Factors For A Successful Remodeling Project

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WHOLE HOUSE REMODELING,
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Remodeling and upgrading your home can be spectacularly rewarding; a successful remodel will leave you with a deep sense of accomplishment. Done right, a great remodeling project will transform your house into a better home for your family to enjoy together for years to come.

And yet, the vast majority of those remodeling their homes report an entirely different experience. Stories about designs and plans that take forever to complete and are never quite right, about bids that are way over budget, about horrific experiences with contractors that do poor work, not showing up, demanding more money after work started or abandoning the project altogether are all too common. The homeowners' experience is anything but rewarding. The stress levels experienced by homeowners trapped in such remodeling nightmares are sometimes so high that they may fracture the family as a result.

Making sure your remodeling experience is a rewarding one is eminently doable. It is not luck-dependent and does not require a complex skill-set or a steep learning curve. It requires that you follow certain guidelines, adopt a certain mind-set and avoid some common mistakes repeated by homeowners all over the country;

The 5 Factors Are:

- 1. Set a clear budget at the beginning of the process.**
- 2. Make sure the plans being drawn and specifications being developed are underpinned by your budget.**
- 3. Select the best contractor for your job (hint: most are doing this wrong).**



4. De-fragment the job.

5. Calibrate your mindset.

Set a clear budget at the beginning of the process:

Let's face it – your available budget dictates what you should aim for when remodeling. Your needs or wants, while important, are not the ultimate drivers of the process and should not be treated as the primary consideration. Rather, your available funds (whether you use cash-on-hand, a construction loan, an equity line of credit or a combination of financing options) set a 'glass ceiling' that places real and tangible limitations on your palette of options, independent of and superseding your needs and wants. There are two ways homeowners fail to plan based on a clear budget and thus get into trouble with their remodeling:

1. They reason that, not knowing the cost of what they want, there is no point in setting a budget. Rather, they collect estimates to get a sense of the costs involved. This is the wrong way to find a contractor for your project (more below) and it's a terrible way to find out 'how much money I need'.

2. Homeowners 'bank' on income coming in during the project to supplement a short-fall in available funds and bridge a gap between what they can currently afford and the cost of the project. This is a mistake, because changes in income are possible, cost over-runs (which are all too common) would increase the gap and make affordability an ever receding target and because this is a sure way to find oneself at the end of the money before the end of the job.

So, always start with how much you have or can afford to spend on a project and reverse-engineer the project to this number!



Make sure the plans being drawn and specifications being developed are underpinned by your budget:

Even if a budget was set ahead of the design phase (where plans and specifications are developed for the

proposed project) homeowners tend to let designers and architects develop plans based on what they'd like to have rather than based on what they can afford. The fault here is actually not always the homeowners' alone. Architects and designers might not always be up to date re real-world construction- costs and their default mode-of-operation may be to produce the most spectacular plans possible, so when informed by homeowners of the desired budget range, their designs often 'overshoot' and over-reach, the result being plans the owners cannot afford to build.

We suggest establishing the architect's or designer's facility with actual costs (which might not be easily done) and always including the homeowners' budget guideline in the design contract language, so that there are no misunderstandings.

In our opinion, in terms of 'facility with costs', your best bet are Design-Build firms (companies that both design and build the project). Limit your candidates to those with a proven track record and experience. You should consider companies with at least 10 years of uninterrupted operations and a base of successfully installed designed-built projects that are similar to those you are considering.

Select the best contractor for your job (hint: most are doing this wrong):

This is the 'mother' of all homeowners' mistakes with regards to remodeling. Prevailing wisdom will have you call for at least 3 estimates and select the lowest responsible bidder. Most homeowners do just that. Yet, most homeowners also report great difficulties in the remodeling of their home and with their contractors. Obviously, prevailing wisdom here is off the mark. When following that



the success of your work. For example, a second story addition or a whole house remodel call for a more experienced contractor than a bathroom remodeling does. Use your common sense.

2. Track record: while a company might have been around for a long time, they might not have been delivering on their promises in a consistent fashion and might not have been treating their clients well. It is therefore imperative that you remove from your candidate list any company with blemishes on its record (why take a chance, when you can choose better). Check the company's BBB report. The Better Business Bureau 'Company Report' is a way to view a company's history from the clients' point of view. Try to select companies with a top BBB score (A+). Also check all companies' license status (use the CSLB web site). Make sure it is current, active and free of citations and other disciplinary action. You can and should also take a look at the company's personnel (CSLB site). Find out who runs it, who is the license holder, etc.

3. Success leaves clues: if a company had been in business for a spell and is great at what it does, someone would have noticed. There would be media coverage (positive, one should hope), industry awards and the like. The company's principals should also be of note. Google both the company and its principal(s) to see what comes up. Limit your list to companies that have consistently drawn positive attention. Certainly, remove from

strategy, your primary filtering of contractors is based on price (you are collecting bids, after all). This is the wrong approach. You should first select contractors based on quality, know-how and experience parameters and only then, based on price.

So how do you do that? First, put together an ample list of candidates (use referred names from trusted sources that did what you are planning, go to Houzz.com, job signs, local building associations such as NARI, etc.) You should then cull the list down to the top 3-5 companies. What parameters you use to cull the list depends on your sense and sensibilities. Here is what we suggest:

1. Time in business: all things being equal, a company that is in business for 10 years should be considered before a company that has been in business for 5. Similarly, a 20-year old operation should be a safer bet than a 10-year old one. From your list of candidates pick those companies with the longest tenure. Generally, the more complex your project, the more important experience is to



your list companies with questionable past events.

4. Expect but also inspect: ask for and follow up on references given you. We suggest calling all references and visiting at least one past project. Make sure the visit is not controlled by others. You want to be able to visit with the past client without interruption so that you can ask whatever is needed and so that they could answer without being influenced. Look at the quality of the work and decide if it is to a caliber you are comfortable with. Project visited should be similar to the project you are planning in scope and caliber.

Now that you have a small list of highly competent candidates, you have the closest thing to a level playing field. You have effectively selected companies based on their competencies, experience and dedication to their clients' satisfaction.

At this point you can make the final selection based on price. You are now in good hands, no matter who you choose, so go ahead and choose the lowest bidder. All companies left in your list at this point should all be great to work with.

De-fragment the job:

Undertaking a major remodeling project is stressful enough. When and where possible you should aim to minimize your stress. Often, homeowners fragment their project more than is necessary or advisable. While having a general contractor, they separately hire certain trades to save on cost (supposedly). Sometimes, they know and have worked with a certain tradesman for years so for that trade they have him do the work rather than the general contractor. They do so at their own peril!



First, the owners have to deal with several entities. This dramatically increases the time needed for communications, paperwork, meetings, etc. It also dramatically increases the potential for miscommunications and for things to be misunderstood. Not good! While the general contractor has been vetted thoroughly (if you followed our guidelines above), the single-trade contractors may not have been. The ramifications of that have been discussed above.

The GC has a clear view of the 'big picture'. This understanding of what's going on will inform his choices and decisions in a way that would be conducive to a successful project with as few 'oops' as possible. That cannot be said about any single trade contractor operating independently of the 'general'.

Most importantly, when things go wrong (it's a 'when' and not an 'if'), the homeowners are left 'holding the bag'. Whenever more than one company is responsible for the work – no company is responsible for the work! When there is a problem, all the owners would get is: "it's the other guys' fault" (pointing to one of the other companies that are involved with the work). The result? The owners end up footing a bill for corrective measures or end up living with a problem they otherwise would have avoided.

Calibrate your mind-set:

When competent professionals that are dedicated to your satisfaction are remodeling your home, the process could be enjoyable. That does not mean that living through a significant remodeling project is not stressful or potentially fraught with pitfalls, even with the best of remodelers. The key to your well being and success is in your hands. You should prepare yourself for an arduous undertaking and

frame it in your mind in a positive context. There will be a lot of decisions to make, your spouse might not always see things your way, there is going to be noise and dust aplenty, there would be interruptions to power and water supply and mistakes would be made (as they always do when humans are at work). How you respond to these things will define your experience.

If you become overly irate, combative, argumentative and critical of everything you see, you will be miserable. Moreover, you will alienate the work crews and your team members, which would only serve to further your sense of gloom and doom. Instead, predispose yourself to 'take things easy', to savor the experience as an adventure, to compliment workers when you see something that you like and to consult with your spouse and with your team members (foreman, supervisor, contractor, designer) whenever possible.

You will find that the whole experience is now more rewarding, empowering and enjoyable.

Good luck!

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