



TIPS FOR HOME IMPROVEMENT

Historically low finance rates and the phenomenon of home improvement television shows and magazines have fueled a home renovation craze. Americans are spending record amounts on improving their homes through additions and remodeling. A CNN/Money report estimated that more than \$125 billion was spent on remodeling during 2003. While improving one's lifestyle is a fundamental reason for a home renovation, homeowners should also view renovations as an investment to raise the value of a property. With proper research, planning and thoughtfulness, home renovation can be a rewarding experience. Coldwell Banker Real Estate Corporation has identified several tips that can help smooth the process.

Think Long-Term:

Remodeling Magazine reported that money spent to upgrade a kitchen produces the highest return on investment. Renovating bathrooms and adding additional rooms such as a spare bedroom or study also traditionally score well. Consult with a local real estate sales associate to determine if your plans will positively influence the resale value. A sales associate may be able to offer suggestions on renovations that will provide a significant return on investment.

Healthy Balance:

You should consider a home's future value when making renovations. Changes that enhance a homeowner's lifestyle are equally important. More size, better layout and updated looks can go a long way toward helping a family find more joy in their home. Life-altering milestones – like having children, having extended family move in and work-at-home-jobs – provide good cause to renovate.

Seek Out Referrals:

Once committed to the process, hiring the right home improvement contractor is critical. A great way to choose a contractor is to contact salespeople at stores where contractors buy their supplies, such as lumberyards, window stores, cabinet shops and hardware stores. It is also a good idea to speak with friends, family and neighbors that have been through the process before, as well as checking the Web sites of local community associations. Another option is to use Coldwell Banker Concierge[®], a source that provides information to Coldwell Banker[®] customers on qualified home-related vendors in their community.

Obtain Multiple Bids:

Always get at least three estimates on the project. Contractors can bid the same project for completely different prices and timeframes. Check that all the bids are based on the same scope and quality of work, which is the only way to do a fair and effective comparison.

Interview the Contractors and Check Their Right to Work:

It is important for the homeowner to talk about a contractor's style and process. A strong rapport and close communication with the contractor will increase the likelihood of the project going smoothly. If, for example, the homeowner will want to know every detail during the project, they probably will not be content with a contractor that provides little information during the interview. In the interview process, also verify that the contractor has a license and insurance certificate. Most states require a contractor to carry worker's compensation, property damage and personal liability insurance.

Follow up on References:

Be sure to check the contractor's credentials. Ask how many similar jobs the contractor has completed, how much experience they have, whether they guarantee their work and who will be in charge of the project. Reputable contractors typically supply names and phone numbers of recent references. It is worth calling a minimum of three people to verify the contractor's credentials. There are several good questions to ask: Did the reference pay a fair price, was the work done properly and would the reference hire the contractor again? Did the contractor show up every day and finish the project when expected?

Contact Local Consumer Protection Agencies:

Call the local or state consumer protection agency and the Better Business Bureau to check if there have been any unresolved complaints registered against the contractor. Also contact the state's contractor licensing agency and local building inspectors to confirm that the contractor has a clean record.

Don't Pay the Contractor Up Front:

Don't allow work to start and don't give any type of deposit unless a contract has been signed that specifies payment arrangements. The agreement should outline a schedule of payment installments to the renovator during the project and as the work is completed. It is never a good idea to make payments ahead of schedule or to outlay significant amounts of money before the project even begins. Following this advice provides extra security and will increase the likelihood that the contractor will complete the job in a professional manner because of the pending financial incentives.

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