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## Priced For Problems

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Unlike when purchasing mass-produced, brand-name products, which are identical to each other regardless of the price, comparing the prices of remodeling firms is rarely the best indicator of the value you will receive. In fact, one industry observer has said many times that "remodeling horror stories often start with a great price." Why is that?

Many factors affect the remodeler's costs when pricing a project. In order to present you with a lower price, they can estimate based on using lower quality lumber, cabinets, flooring, windows, doors, roofing, and other materials. You won't know this until a few years after the project is finished and things start to warp, fade, crack, jam, leak or squeak. They can skimp on things like the thickness of the sub flooring, the actual amount of insulation they use, and the quality of the insulation they use. They can use "allowances" for products you will have to pick out after you sign the contract that are based on the lowest cost products instead of products in line with the quality of your home or the quality you are expecting the remodeler to provide. When you select the type of product you expected to be covered you could find out that the allowance only covers a small part of what you select and you will have to pay extra for what you thought was already included in the price.

Skilled carpenters, project managers, and specialty tradesmen command higher salaries than those with lower skills. A well trained and coordinated staff works better and runs your jobs smoother than a crew that uses low cost labor that is picked up at a street corner on the way to a project. Effective project management and a project that is run smoothly, on budget, and on time requires more time, skill, planning, effort and cost than low priced remodelers allow for.

Nothing about any of the above practices is illegal, but they can affect the price of any given project by 50%, 100%, 200%, or even more. Of course, without quality materials, skilled craftsmen, and professional project management, a remodeling project can become a nightmare. So can a project where the remodeler so under-priced the project they can't finish it.

However, some remodelers go even further to cut costs. They may not carry workers comp on their workers, meaning you could be responsible for medical and expenses should their workers be injured on the job. They may not carry general liability insurance, or they may "save you money" by not pulling a permit or getting inspections. If they take these illegal shortcuts, they may take other shortcuts when constructing your project. Some remodelers may suggest that you take out the permit in your name so that you will save money. True, you might save some money, but the person whose name is on the permit is legally and financially responsible for the project and it meeting code. Your remodeler knows this, but likely won't tell you. Do you want that responsibility? Or do you want your remodeler to be responsible for their work? Looking at a construction contract, the low priced contract could look very similar to a reasonably and honestly priced contract. On the surface they both describe the same project, but as you now know, the devil can be in the details.