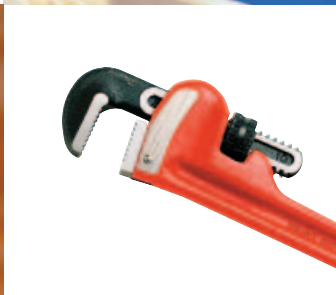
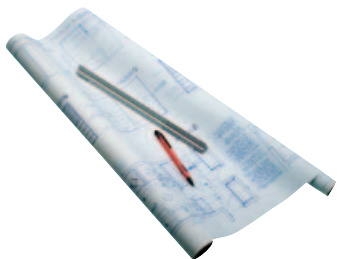




What to do when you hire a contractor



**Get it in
Writing**  TM



Many experienced and reliable contractors work in your community—highly skilled professionals who do business the right way.



Unfortunately not all contractors play by the same rules. Some cut corners to offer lower prices. They promise you a “good deal” as long as nothing is written down and you pay in cash.

These cash deals can mean a lot of risk for you. Contractors who don’t do business properly don’t protect you from accidents or their mistakes. If there is a work-related injury or damage to your home, you could face lawsuits and financial loss. You could be responsible for your contractor’s unpaid bills. And you could be stuck with work that is incomplete or badly done.

While serious, these risks are easy to avoid. Before you agree to let anyone work on your home, take these three simple steps: know who you’re dealing with, make sure you’re protected from risks, and always **Get it in Writing!**™



Step One

Know who you're dealing with

Good contractors have satisfied customers. Ask contractors to provide customer references for projects similar to yours. Then take the time to call these homeowners and ask if the work was done properly, on time, and on budget. Find out if any follow-up work was needed and if this was done satisfactorily. Also ask if they would hire the contractor again.

If a contractor is unwilling to provide references, don't hire them.

Step Two



Make sure you're protected from risks

When a contractor works on your home, you need to be protected from a number of risks. These risks exist whether you are hiring someone for a simple home repair, a large renovation project, the construction of a new home or cottage, or to work on a rental property you own.

Here are some things you should know:

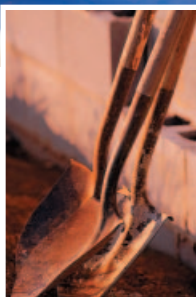
- A contractor's **business liability insurance** can protect you if your home is damaged through your contractor's fault, or if the contractor causes damage or injury to third parties, like your neighbours.
- Most contractors are required by law to have **Workers' Compensation** coverage. If you hire a contractor who does not have this coverage, you face an increased risk of claims or financial loss if a worker is injured on your project.
- A contractor's valid **Business Number** or **GST/HST number** tells you that they are registered with the Government of Canada.



- The **lien regulations** in your province specify how much money you must hold back from payments. This protects you if your contractor fails to pay suppliers or subcontractors
- A contractor's **written warranty** specifies what is covered and for how long. When you hire a contractor to build a new home on land that you own, insist on coverage under a **new home warranty program** in your province.
- **Written receipts** for all deposits and payments you make to a contractor provides proof that you have paid.



It's also important that your project complies with local **building codes**. Any change to the structure of your home, even something very minor, requires a **building permit**. Home-



owners are responsible for obtaining a building permit; however, your contractor can usually get the permit on your behalf.

Inform your **home insurance** company before any work begins. Some homeowner policies don't cover construction-related risks or theft of building materials from the work site. Call your home insurance representative to make sure that you have adequate coverage.



Step Three



Get it in Writing!

Having a written contract is essential. It helps protect you from the nightmare of lawsuits that can result from accidents, work-related injuries, or damages to third parties. Even for small projects, it's important to make sure you're protected. **The size of the job does not limit the liability you face if an accident occurs.** And accidents can happen even with the simplest home repairs.

A written contract also helps protect you from many other potential problems. Without a contract, you could lose any deposit or advance payment given to the contractor, or find yourself charged far more than you expected. Also, there is little you can do about poor quality or incomplete work. And you have little assurance that you will get warranty coverage and after-sales service.



A contract doesn't have to be complicated. For simple home repairs, it could be only a page long. For bigger projects, you'll need more information such as drawings and a specification list. Although the following list is not comprehensive, it provides examples of the information that should be in all contracts:

- The name, address and telephone number of the contractor





- A full description of the work and the material and products to be used
- When the work will start and be completed
- How much you will be charged for the work and when you will have to pay
- The amount of payment you will hold back as required by the lien legislation in your province
- The contractor's warranty detailing what is covered and for how long
- A certificate from an insurance company proving that the contractor carries business liability insurance
- A letter of clearance from your province's workers' compensation program confirming the contractor is registered
- The contractor's Business Number or GST/HST number and
- The contractor's business license number (where required by the municipality)

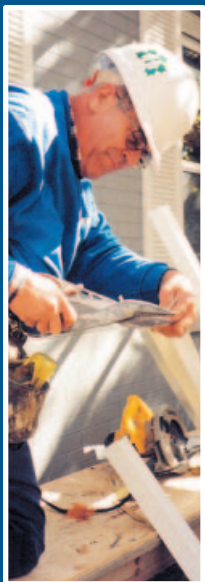


Most often, the contractor will draw up a contract for you to review. Don't sign it unless you are satisfied that it includes all the necessary information and accurately represents what you have agreed to.

Professional contractors always work with a proper, written contract. Their price includes protection you need in case something goes wrong or an accident occurs. This is a valuable part of the service you're paying for.

Get it in Writing  TM

How to find a good contractor



- Ask friends, family and neighbours about contractors they have hired to work on their homes.
- Contact your local Home Builders' Association or other trade association for a list of professional contractors in your community.
- Ask your local building materials store if it has a list of recommended contractors.
- Ask your utility company if it has a list of recommended contractors.
- Check with your local Better Business Bureau to find out if a contractor is a member.

Every situation is different. This pamphlet highlights some of the things you need to know before hiring a contractor. For more advice, including detailed information about contracts plus worksheets you can use when interviewing contractors, visit www.HiringAContractor.com.

Get it in Writing! provides information to help you make informed choices when you build, renovate, or repair your home. This program is managed by the Canadian Home Builders' Association with support from the Government of Canada.



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