

New cost item in construction budgets: Legal costs

There's a new construction cost item worth paying attention to in construction budgets for many homeowners and businesses. It may not have much impact on décor and materials, but it has everything to do with the homeowner's ultimate satisfaction with the finished product.

That item is legal costs.

With lawsuits about shoddy workmanship, payment squabbles and a number of other construction issues becoming more commonplace, homeowners would do well to consider the counsel of an attorney to draft contracts for their construction or remodeling project.

The contracts work to hold contractors and subcontractors accountable for their role in the project. Typical contracts can stipulate the work to be performed, work and payment schedules, and work standards.

In some respects, contracts are a communication and planning tool to keep everyone on the same page. The contractor knows the customer's expectations. The homeowner, who may know little or nothing about the construction process, gains some assurance of how and when work will be done.

The use of contracts is becoming the norm. In fact, reputable contractors want a solid contract. It protects them from homeowner backlash on spurious items such as change orders, payment amounts and material choices. Don't expect to devise a contract and merely slide it across the negotiations table to contractors to sign sight unseen. Work with your contractor so it fairly represents the needs and expectations of both sides.

What should a contract cost? Contract costs are based on considerations of the detail of the project and the dollar value of your project. Expect to pay upwards of \$750 for a standard contract or several thousands if you have a particularly large project or many special articles or special concerns. If you involve your attorney expect to pay hourly fees depending on the specifics required in the agreement.

In addition to standard contract language, some homeowners also include a stipulation for regular meetings to gauge projects or allowance for supervision of the construction by an independent inspector. Pictures also can be helpful as evidence should the construction project ever end up court.

Ideas to consider in completing construction contracts;

--Consider examples of other construction contracts you might find on the internet.

--Ask your contractor for examples of construction contracts he or she has used.

--Make certain the contract covers licensure and insurance for the contractor and any subcontractors.

--Contracts can cover homeowner expectations, work schedules, payment schedules.

--Be clear as to who is to select materials and how change orders should be handled.

--Include language on responsibility for such periods and project inspections.

--the contract should address how liens and lien waivers will be handled for other people or companies who are working on the project, or providing supplies to the project.

**YOU DO NOT NEED A CONTRACT IF EVERYTHING GOES RIGHT, YOU
NEED A CONTRACT IF THINGS HAVE GONE WRONG!**

Contact us at (906) 932-5300 with any questions or visit our website at <http://www.superiorlawonline.com>