

LAMORINDA WEEKLY

[Home](#) | [Read Online](#) | [Archive](#) | [Links](#) | [Advertising](#) | [Contact](#)

[printer friendly](#)

[download pdf](#)

Published March 18th, 2009

Playing Fair The "extras" in home construction and who should pay for them

By William Marquand, AIA

Building or remodeling a home is a high wire act for most home owners; challenging but rewarding.

Construction is new to most homeowners, and difficult to budget. "Extras" that normally add up can, these days, be dangerous. As loans become stringent and easy credit dries up, it is difficult to expand a budget to accommodate unforeseen needs.

On the other hand, building is exhilarating. Every day you can see your daily environment become what feels right for you and not a home for a previous generation. And today's prices are the best in years.

Still, new home construction is costly. There is the pressure of limited time. Some owners have had to sell the homes that they built because invoices mounted, while they felt helpless to control them.

Building takes lots of moving parts: there are many people, forces of nature, complexities of construction, or tantalizing new ideas and products involved. Your project team can help you successfully manage this process, but only if you are principled in controlling it.

EXPECTATIONS

When an owner first gets an estimate from a builder, there is usually a 'fixed' price for the project. This often is a total of 'line items' on a spreadsheet. However, this fixed price is often just a 'base price,' subject to changes, foreseen or unforeseen, in the building process.

Many contractors' agreements can be very informal. Don't be afraid of asking for more detail. Form realistic expectations by signing a serious agreement. For remodels I recommend forms by the American Institute of Architects. Whatever contract is used, make sure your base price is for a complete house, built to code. Include provisions for when you must add work to the project and a methodical process for agreeing upon extra work.

FOR EXAMPLE

Let's say you break ground and your contractor mentions in passing that he needs to charge you for extra work on your foundation that no one anticipated.

First, what exactly is the extra charge for? It should be described in writing. No one needs a legal brief, but the contractor should describe it enough so that you can hold him to what was, or will be, provided. If you give a verbal 'go-ahead' to keep the project moving, that is okay, but make sure it is based on an all-inclusive amount, and is documented in writing.

STRIKING A BALANCE

Next is the difficult part: Who pays for it? You must think it through. Is it really an extra or is it part of the contractor's agreed-upon scope of work under the fixed price? Or was it something no one could foresee or control?

If it is the latter, the contractor deserves reimbursement for it. If you are using a premium contractor, he may offer to absorb such costs. If there is a competitive price for the project, changes will need to be justified and handled item-by-item.

Everyone wants to be on good terms with their contractor, but resist the temptation to be Mr. and Mrs. Magnanimous - or Scrooge, for that matter. You must strike a balance from the outset.

Reach William Marquand by email: 925architect@gmail.com.
Bill is an architect and 2008 Chairman of the City of Lafayette Design Review Commission.

Reach the reporter at: info@lamorindaweekly.com

[Home](#) | [Read Online](#) | [Archive](#) | [Links](#) | [Advertising](#) | [Contact](#)

[back to top](#)

Copyright © Lamorinda Weekly, Moraga CA