



Six Tips To Get the Most Out of Your Home Renovations Budget



by Doug Kerr, Founder & CEO



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Canadian homeowners have had quite a bit of uncertainty over the last few years.

Interest rates have started to creep up, there are more restrictions on mortgage qualifications, and the once super hot housing market has cooled off, especially in Vancouver and Toronto.

This year, with problems in the oil & gas industry and tariffs from the US, Canadians in general are concerned about the economy and their debt loads.

So it is not hard to understand that homeowners are now focusing on renovations to their own homes to increase their comfort and livability in the present as well as create future value.

In fact, home improvement sales continue to rise, a trend that has been going on since 2010, with homeowners forking out some \$49.1 billion in 2018.

A survey done last year showed that 45% of homeowners in the whole country were planning to do some sort of renovation project on their home in 2018. 18% of those were thinking about spending more than \$15,000.

When one is making such a large investment in their home, it helps to have some sage advice.

I want to help you.

As an award-winning custom home renovations contractor with over 30 years of experience, I've seen it all and done it all.

My company has done thousands of renovation projects for homeowners, both large and small. We've renovated bathrooms, kitchens, garages, etc. all the way up to incredible multi-million dollar whole house make-overs. Today, these large scale projects are our specialty.



The important thing is that this vast experience has taught us a few significant lessons for homeowners. By following them, you can get the best value for your renovation dollar and reduce your anxiety and stress levels in undertaking your renovation project.

1. Have realistic expectations

HGTV renovation shows are extremely popular in Canada. It is the 7th top specialty channel in the country. These shows are great for showing homeowners innovative renovation ideas and giving them the home renovation bug.

But despite being labeled as “reality TV,” these shows don’t represent reality very well. They can give an unprepared homeowner some very unrealistic expectations regarding the entire home renovation process.

Shows such as *Flip or Flop*, *Love it or List It*, *Fixer Upper* and that one with those handsome Vancouver boys, Drew and Jonathon Scott, *Property Brothers*, are made for great TV.

But the idea that a homeowner can take a 10-minute walk-through their home with the contractor and designer, and end up with a finalized verbal

agreement for the full renovation including costs and construction timing is true fantasy.

This dream-like fiction carries on with the show's principals seemingly on-site every day and taking the lead in demos, choosing color schemes on the fly without consulting the client and a myriad of other unrealistic situations. Then, miraculously, after only a few weeks, the renovation is complete with everyone deliriously happy. Wow!

Of course, there is always some drama in these shows. There is the discovery of the unexpected load-bearing wall that was meant to come down or the leaking foundation that wasn't suspected. There are some short conversations on budget problems that are usually easily resolved. All

"Kerr Construction has given us our dream kitchen and more. Nisha MacNeil, our Design Manager, created us a completely new, beautiful and functional open concept main floor. Extra special thanks to Jim Marquette, our site supervisor. He organized the trades and inspections into an efficient schedule and paid attention to every detail. Jim provided professional and friendly service and always kept us updated with the progress. Any concerns were addressed and resolved to our satisfaction. Thanks also to Rob, Andrew and Keese. We love our new home."

Jenny L., Vancouver



this is very unreal as well.

A real home renovation involves contracts, blueprints, building permits, inspectors and the numerous conversations and visits by homeowners to see the progress of their renovations. Oh, yes, there are real upsets when there has been a mistake or miscommunication in the project.

So the keynote here is to get familiar with the real renovation process and expect that things may not always be smooth.

Dealing with reality rather than fantasy can bring more peace of mind.

2. Find a contractor you trust

Naturally. This is what every homeowner is looking for. But how do you do this?

If we assume you are looking at contractors that have excellent reputations and great reviews, the biggest single factor in choosing the right contractor for YOU is that you like them.

You can hire the contractor with the best reputation and all the right credentials but if you don't have a rapport with the person you will be dealing with, things will not run smoothly. There will be mis-communication and the lack of empathy can make the situations that arise harder to resolve. This really increases stress levels.

We use this criterion ourselves in accepting clients. Our company has long





since found that if we do not have the necessary rapport with a potential client, we are better off (and so are they) if we do not accept the project.

So make sure you really like the contractor you hire.

3. Your contractor needs to have processes in place

To make a good renovation experience for you, your contractor needs to have standard processes.

For example, one of the things we do when we first talk to a client about their renovation is something we call our “pre-construction process.” But for ease of communication with the client, we tell them it is our “design process.”

What this entails is making sure we can build what they’re asking for with the budget they have.

This “design process” has evolved over time. What used to happen was that a client came to us with a budget in mind. We would do an initial sit-down and they would start looking at everything they really wanted done. And the more they looked, the more they wanted done, thinking it would fit in their budget.

We used to go away and do a design with all these changes that would end up costing three times their original budget.

Ouch! A big, unwanted surprise.

So we don't "design, design, design, design, budget" anymore.

Our design process is now "design, budget, design, budget, design, budget." It is a very collaborative process with the client that starts at the beginning.

"We are extremely pleased with the quality of the work performed by the Kerr crew on our renovation. **They were onsite, ready to work everyday from day one and were a pleasure to work with.** It was clear to us that they considered the job incomplete until we were completely satisfied. As we were overseas for the first third of the project, communication was key for us and we weren't disappointed."

Dale T., New Westminster

When we sit down with them, we get a budget worked out for the initial design. With later changes, we add and subtract this or that, working with the client's budget and costs, so that we get the client the absolute best value for their project and get them the features that are most important to them.





This is also why we have an in-house design department. When we used to use external architects and designers, they really had no idea of our costs involved in building. So they would do a great design but one that sometimes cost double the client's budget. Talk about stress!

We don't let this happen anymore. Our production staff work hand-in-glove with our designers to ensure the budgets are real and we can deliver the project as designed and budgeted.

So the contractor you choose needs to have similar processes in place.

4. Get things in writing

This is for everyone's benefit. Unlike those lucky reality TV clients who never get anything in writing, it behooves you to get all parameters and change orders on your renovation down on paper and agreed to by your contractor.

Doing this makes sure everyone is on the same page and things that are decided in the heat of a build are not forgotten.

It saves a lot of stress and upset to ensure this is done as well as safeguards your budget.

5. Make sure your design is complete before any work begins

This is something I cannot stress enough. Our years of experience have taught us that there is a natural law at work in home renovation costs. We call it the "1-10-100 rule."



This little rule makes or breaks your budget. Violations of it can destroy your piece of mind.

The rule works this way: for every \$1 you spend to change something in the design, that change will cost 10 times as much if it is done once construction has started, and it will cost 100 times more if it is done after construction is completed.

The simplicity is that the later you make a change in the design/ construction process, the more the cost exponentially increases.

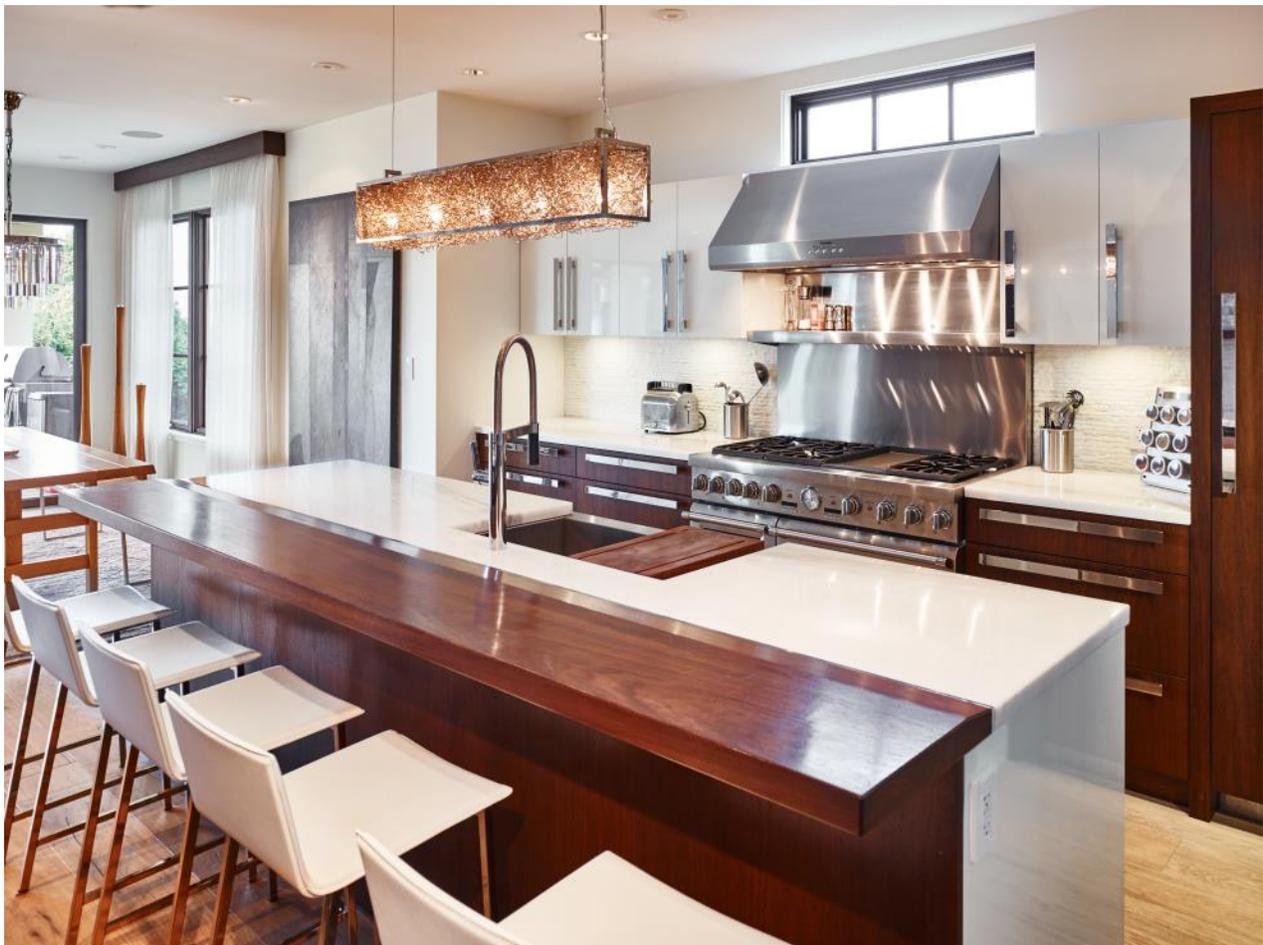
For instance, if you want to move a wall in the design stage, it might take you an hour of design to move that wall. Maybe cost a hundred dollars.

But if you want to move that wall when you're in the middle of construction -- you've already built the wall and maybe have some electrical in it, but maybe you don't have the drywall on yet. So it's going to cost you a thousand dollars to get the electrician and move a couple other things and move that wall over to where you want it to be.

Now, it is ten times more than that if you decide to do that after the job is complete. The drywall is up and flooring is down. Painting is done. Now that wall move is going to probably cost you \$10,000 by the time you're done.

"We totally renovated our 100 year old Kitsilano Craftsman home. We had to fire the first contractor as he was charging by the hour and would never had got the job done. Then Kerr came to the rescue with the job not even half finished. We had a written contract, pay by the job, not the hour. They were on time and on budget. . You get what you pay for, my initial "bargain" contractor cost us a lot and the job was unacceptable. **I am so happy with the results, Kerr won an award for the renovation and I could not be more pleased with the results.**"

D.S., Kitsilano





This rule is so powerful and important that we have built all of our company's processes around it so that our clients get the most project completed for their renovation dollar.

This means we focus on getting the design right before the job starts.

We also bring in our production guys to look around. Sometimes they open up a wall to see what's inside and poke around to find any hidden problems that might get in the road of the design being executed before the construction begins. They work hand-in-glove with the design department to make sure the changes that are needed are made at the design stage rather than later.

So I strongly advise that you make sure your design is very complete before any work begins on your home.

6. Once battle is engaged, don't hesitate to communicate, communicate, communicate!

This is a very important point. Once work has started on their renovation, many homeowners feel reticent to talk to their contractor about things they notice that they are not sure about. For whatever reason they feel this way,

they are not doing themselves or their contractor any favor by being silent.

If you have chosen your contractor well as in point #2 above, you should feel welcome to bring up any observations or questions you might have during the renovation. It is your home and you are most familiar with it and what you want as the end product of the renovation.

In our company to facilitate this high level of communication, we have weekly or bi-weekly meetings between the client and our site supervisor and production manager. This way we keep the job moving forward, address any issues and stay on top of the details.

The bottom line is don't be bashful about talking with your contractor. It is supposed to be a collaborative effort.

Maybe you'll find out there was nothing to worry about in the first place and that will certainly increase your peace of mind.

"When you invite somebody in your home to do a renovation whether its big or small you want to make sure that you have somebody that you can trust, that you can work with and you can get along with because you know they are going to be in your space for quite a while and definitely we hit it off right away with Doug and Derek when they came in to meet with us but the other thing that really stood out from them was that we knew we can trust them because they followed up when they said that they were going to. Derek was always emailing back within a few minutes of us emailing him, even in the beginning when we were talking about quotes and everything so the fact that we knew we could rely and trust the company was a big deciding factor as well."

Kirk & Ellie, Vancouver



There you go. That's it.

By following these six steps, you should be able to get the maximum bang for your renovation dollar and minimize your stress levels.

Whether you are just renovating your bathroom or undertaking a full house makeover these tips will help you focus on the important points.

I wish you the best of luck with your renovation efforts.

Doug Kerr

LET US GUIDE YOU WITH YOUR DREAM HOME RENOVATION

Kerr

DESIGN · BUILD

Our methodical, professional system will take you seamlessly through all stages of your home renovation or new construction project.

You will work with our in-house design team directly on how to get the most house for your budget so that you can come home to comfort, function and the aesthetic quality you desire – every day. We want to build the home of your dreams.

**Call us today at 604-263-0343
or visit www.kerrdesign.build and
make your dream home a reality!**