



**Office: 778-866-4654 ; Text/SMS/Voice: 604-770-0096 ; Direct: 604-202-1412**

## **Home-improvement**

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**What factors should determine whether I decide to move or remodel?**

Your personal needs, preferences and finances are all factors. If you've lived in your home awhile and prefer to stay in your school district or neighborhood, improving your existing space may work best for you. If a second bathroom is what you desire, it may also be cheaper to convert existing space than to relocate to another home. According to the American Homeowner Foundation, you can expect to spend 8-10% of your current home's value when you move. Ask yourself if that money could be better spent on a remodeling project instead. Chances are you'd increase your home's value, derive more pleasure from your home than you did previously, and save yourself the time, expense and headache of a move.

**Should I hire a professional or do the job myself?**

It depends on the complexity of the project and your ability to do the job well yourself. Really consider whether you have the time, skills, tools, help, and legal knowledge of local regulations to get the job done. While you could save up to an estimated 20% of the project cost doing the work yourself - there are plenty of how-to books and workshops offered by home improvement stores to guide you - be aware that you could also end up spending more money and time if you botch the job or unforeseen problems arise. Think, too, about resale value. If the quality of your work is less than professional, your home's value could drop. So, unless you're highly skilled or experienced, shy away from major home improvements that involve structural changes. Stick to building shelves, painting, and other minor improvements instead.

**Who are the professionals that do home improvements?**

They vary depending on the size and scope of your job. General contractors are companies or individuals who contract with you to manage all aspects of the project, including hiring and supervising subcontractors, obtaining building permits, and supplying materials and labor equipment needed to do the project. Specialty contractors, on the other hand, are mainly concerned with installing products, such as cabinets and fixtures. Architects design homes, additions, and major renovations. And design/build contractors basically offer one-stop service, providing design and construction services and overseeing a project from start to finish.



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**Who should be called to the project first, the contractor or the architect?**

Opinions vary about which professional to call first. Some say the architect comes first because "you have to design it before you can build it." The architect, who is trained to resolve problems creatively, can help define the project in ways that provide meaningful guidance for the design. The architect can also do site studies, help secure planning and zoning approvals, and perform a variety of other pre-design tasks. On the other hand, a contractor will be the one you interact with on a regular basis and the person who will likely be in your home every day, possibly for an extended period depending on the scope of your work. Many contractors have in-house design services, or design/build firms, and can possibly offer better price and integration between design and implementation. Others may have several architects with whom they work directly, which could also provide a smooth integration between design and implementation.

**What are the specific responsibilities of the contractor vs. the architect?**

Beyond having the architect create the design and the contractor implement it, both professionals have additional responsibilities. The contractor is responsible for pricing the project and ensuring that it is completed in a timely fashion. The architect is responsible for getting the construction drawing completed with proper specifications and architectural detail. Since many jurisdictions require architectural drawings to be reviewed to ensure the plans sufficiently meet local codes, the architect may also be responsible for applying for and securing the permits. Make sure that everyone, you included, understand who is responsible for what before work begins in your home.

**Should the architect and contractor have a "vested" interest in one another?**

It does not hurt to have a situation where the architect and contractor already have an existing working relationship. In fact, such an association could benefit a project by ensuring the smooth integration between the design and implementation. In a residential project, there is sometimes a triangle of tension between the architect, the contractor and the homeowner in terms of finger pointing and assigning blame. There is greater coordination of efforts, and generally less stress, with a design/build firm where the architects and contractors are accustomed to working together and are knowledgeable about construction costs and can fit design plans and specifications to your budget.



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**What guidelines should I follow to find a contractor?**

Always exercise caution and be comfortable and confident about your final decision. This means selecting a competent and reliable contractor with a track record who can complete the job without hassles or negative consequences. What you can do:

- Get word-of-mouth referrals. Ask friends, family, co-workers and neighbors for the names of established, local contractors in your area; avoid the telephone book.
- Call trade groups. When all else fails, contact local trade organizations, such as the local builder association or the Remodelers Council, an arm of the National Association of Home Builders, for the names of reputable members in your area.
- Associate with licensed contractors. Many states require contractors to be licensed and bonded. Contact your state or local licensing board to ensure the contractor meets all requirements and has a decent record. The Better Business Bureau and the local Consumer Affairs Office can also tell you if any complaints have been filed against the contractor and how they were resolved.
- Conduct interviews. Talk with each contractor, request free estimates, and ask for recent references. When dealing with several different contractors, make sure they're bidding on similar project specifications and quality of work. Remember, the lowest bid isn't always the best.
- Check insurance information. Most states require a contractor to have workers' compensation, property damage, and personal liability insurance. Ask for proof of this insurance and get the name of the insurance company to verify the information and to ensure that all minimum insurance requirements are met. You could be held liable for any work-related injury if the contractor is not covered.



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**Are there specific questions I should ask a contractor?**

According to the National Association of the Remodeling Industry, sometimes it's not the responses you get that are important, but what you don't get. So you should trust your instincts and pay attention to the information that is obviously missing. Nevertheless, here are some questions NARI suggest you ask before signing that remodeling contract:

- How long have you been in business?
- What is your approach to a project such as this?
- Who will be working on the project? Are they employees or subcontractors?
- Who will be assigned as project supervisor for the job?
- Does your company carry workers' compensation and liability insurance?
- How many projects like mine have you completed in the past year?
- May I have a list of references from those projects?
- Are you a member of a national trade association?
- Have you or your employees been certified in remodeling or had any special training or education?

It also wouldn't hurt to inquire about how trash removal and clean up will be handled and the times workers will begin and end work - this is not only for your convenience but also for your neighbors, who have to endure the noise and fewer parking spaces that may result from your project.



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**There seem to be no shortage of contractors; how do you identify one who is less than reputable?**

They often give themselves away. The telltale signs:

- Pressure is used to get you to sign a contract;
- Verifying the contractor's name, address, phone number and credentials is impossible;
- Cash payments are only accepted, not checks made out to a company;
- Payment for the entire job is demanded up-front, whereas most remodelers typically require a down payment of 25-50% of the contract price for small jobs and 10-33% for large jobs.
- The contractor suggests that you borrow money from a lender the contractor knows, which could make you the target of a home improvement loan scam - a sure way to lose your home;
- The contractor offers information that is out-of-date or no longer valid;
- No references are available;
- An inability by the contractor to communicate the project well;
- Exceptionally long guarantees are offered;
- The contractor fails to listen and talks over you; and
- The contractor fails to notify you of your right to cancel the contract within three days; this "right of rescission" is required by law and allows you to change your mind without penalty if the contract was provided at a place other than the contractor's place of business or an appropriate trade premise.

**What guidelines are useful for finding an architect?**

Start by finding out who designed the projects that you like in your community. Get referrals from people you know, or the local American Institute of Architects (AIA). Interview three to five firms to get a range of possibilities for your project. But only select firms that specialize in residential designs, preferably remodeling, and review their portfolios and talk with past clients. Insist on meeting the key people who will work on your project and ask questions until you're comfortable and confident about your decision. Ultimately, select a firm based on its design ability, technical competence, professional service, and cost. Then, enter into detailed negotiations about service and compensation. The AIA offers standard-form owner-architect agreements that can help you begin this process.



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### **What questions should be asked of an architect?**

Ask questions that will give you a sense of the architect's style, approach to design, and methods of work. For example: What is your design philosophy? What important issues or challenges do you see in my project? How will you approach my project? What will you show me along the way (models, drawings, or sketches) to explain the project? How do you establish fees? What would be the expected fee for my project? What is your experience/track record with cost estimating? If the scope of the project changes later, will there be additional fees? How will these be justified? The Washington Chapter of the AIA offers an excellent consumer brochure that provides additional questions and useful information.

### **What basic services can I expect an architect to provide?**

Most projects require a set of basic services. They are as follows: preliminary, or schematic, design; design development; preparation of construction documents (drawings and specifications); assistance in the bidding or negotiation process, and the administration of the agreement between you and your builder or contractor, if needed. Some projects will require other services, such as pre-design work, which includes budgeting and financing packages, as well as planning and zoning applications. Projects may also include special cost or energy analyses, models and tenant-related design.

### **What role might engineers play in my remodeling project?**

Soil and structural engineers can be particularly instrumental to a home remodeling project. An engineer can tell whether you can tear down a kitchen safely or whether the walls can bear the load of a second or third story. You can use an engineer to size interior supports, stamp a drawing for building department approval, design an appropriate structural repair, test structures to withstand such natural forces as earthquakes, create concrete foundation specifications, size deck supports, and inspect repairs during and after your remodeling job. Engineers can also perform site preparation work such as an excavation and grading, fix foundation cracks or leaks, raise a settling foundation and test soil for structure support. You can get a guesstimate of what the job you plan is likely to cost so you can show it to contractors once you start to take bids.





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**Once I choose a contractor, what items should be covered in the contract?**

According to the National Association of the Remodeling Industry, a well-written contract should contain the following information:

- The contractor's name, address, telephone and license number, if applicable;
- Details about what will and will not be done;
- A detailed list of materials for the project, including model, brand name and color.
- The approximate start date and substantial completion dates.
- A written notice of your right to cancel a contract within three business days of signing, without penalty - provided the contract was solicited at some place other than the contractor's place of business or appropriate trade premise.
- Financial terms that are spelled out clearly, including payment schedules and any cancellation penalties.
- A one-year minimum warranty identified as either "full" or "limited" to cover materials and workmanship, as well as the name and address of the party who will honor the warranty.
- A binding arbitration clause, in the event a disagreement occurs.

You may also want to include a statement that you will not be responsible if payment to the contractors' subcontractors and suppliers are not made. You may also want to establish that the contractor should obtain all the necessary permits and that all blank spots in the contract be filled in with phrases like "does not apply."

**Are there ways to save money when using a contractor?**

Be an educated consumer: aggressively shop for the most reasonable bid, not necessarily the cheapest. Inexpensive, but shoddy, work will only cost you more money in the long run. After you find a contractor, insist that trade discounts on materials be passed on to you, or buy materials yourself. Root out any unnecessary costs written into the contract, and compare payment alternatives - flat vs. hourly rates, for example - and negotiate the more reasonable of the two. Also, do part of the project yourself. Disassembly and prep work can save you hundreds of dollars.



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### **What other cost controls or budgeting ideas might be helpful?**

Plan ahead and create a realistic budget. Decide on the items and materials you would like to have in a room and set your budget accordingly. This will prevent hasty, and costly, decisions down the road. The experts suggest setting aside 10-20% of your budget to cover unforeseen problems and miscellaneous charges. Then, choose less expensive products that will help you achieve the look you're trying to obtain. Avoid labor intensive design features, such as tiled floors. You may also want to pursue your home improvement in stages, if you can't afford to pay for the entire project at once. Also, purchase surplus, secondhand, or discounted materials from other contractors, warehouses or classified websites like [www.build.recycle.net](http://www.build.recycle.net) to reduce costs. If possible, avoid too many take-out meals and/or hotel stays. Try isolating construction areas so that your living space isn't interrupted and other household space can be used to heat or prepare meals once the kitchen is being remodeled.

### **What if the contractor bungles the job?**

If you have a legitimate complaint, keep after the contractor until the needed repairs or alterations are made. If this fails, contact your local Consumer Protection Agency. Keep a copy of the contract, receipts, and photographs of the work. Although it has no legal authority, you also may want to contact the Better Business Bureau, as well as your state's Contractor License Board. And you can take the contractor to Small Claims Court, although the amount you would be able to recover varies from state to state. California, for example, allows judgments up to \$7,500. It's \$5,000 in Virginia and less in other jurisdictions.

### **Does the contractor have to provide a warranty for the work?**

It depends on whether one is required by state law. If your contractor offers a warranty, which ensures quality workmanship and required repairs if faulty products or workmanship is discovered, ask to see a copy of the written provisions to make sure you have sufficient protection from defective work. You may want to become familiar with your state law, if applicable.

### **What should I look for in a warranty from a remodeling contractor?**

A well-written warranty document detailing specific information should be provided and incorporated as an addendum to the construction contract. Information should also be provided as to the procedure to follow for prompt warranty services, as well as what happens should a dispute arise over warranty issues.



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**What are allowances and what should I know about them when planning with a remodeling contractor?**

Rather than price specific products or materials, many contractors prefer to use product allowances, an amount included in the contract to be used toward the purchase of these products and materials as they are selected by the consumer. Typical categories where allowances might be used include flooring, cabinets, and lighting fixtures. Allowances allow homeowners more time to finalize exact selections as the project progresses, and they can simplify the cost control process. The disadvantage, however, is that the cost of final selections can easily exceed the amount of money allowed, resulting in significant extra charges to the homeowner. Shop for each allowance category before you finalize the allowance amounts provided in the contract. This way, you can budget for additional funds or adjust allowances to better reflect the actual monies required.

**What should I know about mechanics' liens?**

A mechanic's lien is a "hold" against your property that provides contractors and suppliers legal recourse to assure payment for services. The liens vary from state to state and allow for a cloud on the title of your property and foreclosure action. Also, if you paid the contractor, but he failed to pay the subcontractors and laborers - who do not have a contract with you - then the workers may file a mechanic's lien on your home. This could result in a double payment by you for the same job. You can protect yourself from unwarranted liens by selecting your contractor carefully and managing your construction project responsibly. Also, most construction lenders will specify a payment distribution process that involves the securing of lien waivers. The remodeling contract should address this as well, assuring that the general contractor is responsible for all payments as well as any costs required to remedy lien disputes that may arise.

**What are some of the legal considerations relative to remodeling?**

There are many, including those surrounding zoning, permits, variances, and building codes. All of these regulations are the government's way of controlling the physical development of land and public-safety standards for such things as building design, construction, alteration, repair or demolition. The regulations vary from one state, county, city, and town to the next and can result in fines or serious consequences. There are also often engineering approvals and requirements related to grading, site drainage, utility connections, wells and septic, and sometimes fire regulations. Another area of legal considerations involves contractual issues tied to responsibilities for permits and approvals, code and regulations compliance, insurance, financing, and warranties. If construction financing is to be provided by a lender, there will often be requirements relative to progress inspections, construction draws, lien



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waivers, title insurance, holdbacks, etc. It may be worthwhile to hire an attorney to provide guidance on these issues and to assure the completeness and fairness of the remodeling contract.

### **Do I have to be concerned with building codes and permits?**

Depending on how your contract is written with the home improvement professional, either you or the contractor will be responsible for securing government approval to perform most remodeling jobs. Building codes set minimum public-safety standards for such things as building design and construction. Codes vary from one state, county, city, and town to the next, but specialized codes generally exist for plumbing, electricity, and fire. Each usually involves separate inspections and inspectors. In addition, permits are generally required when any structural work is planned or the basic living space of a home is altered. They generally cover new construction, repairs, alterations, demolition, and additions to a structure. Some jurisdictions require permits to be posted in a visible spot on the premises while the work is being done. Besides structural changes, permits also may be needed to cover the installation of foundations for tanks and equipment, as well as the construction or demolition of ducts, sprinkler systems, or standpipe systems.

### **What should I know about zoning issues and approvals?**

Zoning regulations establish how the land can be used, either for residential, industrial, commercial, or recreational purposes, or sometimes a combination thereof. Designed to protect property owners and communities from undesirable, or inappropriate, land uses and/or construction, zoning laws can be very rigid and inflexible. On the other hand, they can protect your property value and ensure against the stationing of a mega-store right next to your home. Before you begin any remodeling job, determine how your local zoning laws might affect your project. You can visit your local zoning office, city hall, or some other local planning board to get a copy of your local ordinance and determine how you will need to seek approval for your project. Take nothing for granted; some communities even require approval to erect fences.

### **What is a variance?**

A variance is a request made to your local jurisdiction to deviate from current zoning requirements. If granted, a variance will allow you to use your land in a way that is normally not permitted by the zoning ordinance because it waives a certain requirement of the zoning ordinance. For example, it may allow the owner of an odd-shaped lot to reduce slightly the setback requirements in order to accommodate a building, or permit the building of a gazebo in the backyard.



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### **What can I do to minimize chaos, danger and stress once a project has begun?**

Plan ahead. Since your home will become a worksite once the remodeling begins, inconveniences will arise that can be minimized with a little planning. Begin by having a frank discussion with the contractor to set guidelines and develop a clear understanding upfront about the various project stages and the processes involved. Talk, for example, about where building materials will be stored, how to best protect your belongings from dust and debris, areas of your home that will be off limits to workers and whether you will need to vacate the home for any reason over the duration of the work. If a kitchen or bath will be out of commission, plan accordingly. It's okay to move the refrigerator, microwave and toaster oven to the basement or another designated area where you can prepare meals to avoid eating out. Equally important are the rules that dictate how workers can conduct themselves in your home. Will they be able to use your bathroom and the telephone? Will they be prohibited from smoking, playing their radios or using profanity? Finally, remember to preserve a safe haven in your home where you can flee the chaos and dust and attempt to maintain your sanity.

### **What are the best home improvement projects to maximize ROI, or Return on Investment?**

Experts agree that any remodeling project that brings your home up to the level of your neighbors' is a worthy investment. However, some improvements offer a greater return than others. It depends on the type of work you have done. Remodeling magazine publishes an annual "Cost vs. Value Report." The most recent report, based on the top 16 home improvements for a mid-range home, says the highest remodeling paybacks have come from vinyl siding replacement (with 87.2% of the cost recouped), wood window replacement (85.3%), minor kitchen remodeling (85.2%), bathroom remodeling (84.9%), and vinyl window replacement (83.7%).

### **What should I consider when redoing my kitchen?**

It is tempting to discard existing appliances when you build new cabinets around them. Rethink the idea. If the appliances are workable, keep them - and save yourself from \$1,000 to \$5,000, according to the National Association of the Remodeling Industry. Also keep the present location of major fixtures, appliances and utilities relative to the plumbing, gas and electrical outlets. Rearranging plumbing, wiring and jacks can be very expensive. Refacing existing cabinets can reduce the cost of your kitchen remodel considerably and eliminate the need for new flooring, countertops and appliances. If you must get new cabinets, options such as spice racks and slide out wire baskets can be added later. Also, install cabinets without soffits to decrease labor cost; and avoid trim moldings, or use a simple trim. If you must have a new wood trim to match the new cabinets, order pre-finished trim to decrease labor cost; avoid having the painting or staining done on-site. Other helpful tips: choose neutral colors for fixtures, appliances



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and laminates and avoid the need for a new floor by sanding and refinishing a hardwood floor that may be underneath the existing vinyl flooring.

### **What should I consider when remodeling the bathroom?**

Don't jump too quickly to discard reusable fixtures. If your tub is in relatively good shape, consider having it re-glazed instead of replaced, according to the National Association of the Remodeling Industry. As for the walls around the tub, cultured marble sheets are cheaper to install than marble tiles and also easier to clean. Fiberglass is also less expensive than tile. If space is extremely limited and you cannot "steal" it from other areas of your home, purchase a jetted tub and shower combination or install a pedestal lavatory instead of a vanity cabinet with a sink. Remember, installing a large jetted tub can overtax your water heater, so consider adding a water heater that is dedicated to the tub to prevent problems later.

### **What is Universal Design and how does it relate to remodeling?**

Universal design is an approach to design that focuses on making all products and environments as usable as possible by as many people as possible regardless of age, physical ability, or situation. In recent years, the housing industry has recognized the importance of a "universal" approach to residential design that modifies standard building elements to improve a home's accessibility and usability. This allows for more equitable, flexible and simple use. Many books exist on the subject, including Residential Remodeling and Universal Design: Making Homes More Comfortable and Accessible, a resource guide offered by the Department of Housing and Urban Development (HUD). HUD's guide provides technical guidance on selecting and installing universal features during home remodeling or renovation. The modifications can range from expanding doorway dimensions to replacing kitchen appliances. The guide emphasizes eliminating unintentional barriers and using designs and features that could benefit people with a broad range of needs.

### **What should elderly homeowners consider when deciding to remodel?**

According to the AARP, older homeowners prefer to age in place, meaning they want to live in their homes safely, independently and comfortably, despite age or ability level. To do so, many require a few modifications in the home to enhance maneuverability, including the installation of a private elevator and the addition of a bathroom and bedroom to the main level. A Certified Aging-in-Place Specialist (CAPS) may prove helpful. CAPS professionals are remodelers, general contractors, designers, architects, and health care consultants who are trained in the unique needs of the elderly, Aging-in-place home modifications, common remodeling projects, and solutions to common barriers. The National



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Association of Home Builders (NAHB), together with the NAHB Research Center, NAHB Seniors Housing Council, and AARP, developed the CAPS program to address the growing number of consumers who will soon require modifications to their homes.

**My budget won't allow for expensive add-ons; is there another way to find and make space?**

That space may be as close as the next room, particularly if there is unused or under utilized areas in your home. A garage, attic, side porch, large closet, or basement can all be converted to fit the use you have in mind. Or, maybe, a small area can be carved from a larger area like a kitchen or living room to create, say, a powder room. This concept of "stealing" space from a neighboring room is called space reconfiguration and it is much cheaper than a major remodeling job.

**How can I finance a remodeling project?**

There are many ways to finance a remodeling project. If you have equity in your home, a good credit rating, and steady income, you can refinance your mortgage and borrow a percentage of the equity to cover remodeling costs. Refinancing is a good option if you can get a mortgage interest rate at least two percentage points below your current home loan rate. Other options include a second mortgage, a home equity loan, or an unsecured loan. Less popular options: margin loans, which are taken against securities you own, and loans from retirement plans, life insurance policies and credit cards.

**Does the government offer assistance with home improvements?**

Yes. Two very popular programs offered by the Department of Housing and Urban Development (HUD) include the Title 1 Home Improvement Loan and the Section 203(k) Program. In the first program, HUD insures the loan up to \$25,000 for a single-family house to cover alterations, repairs, and site improvements. The latter program, which also insures mortgage loans, is HUD's primary program for the rehabilitation and repair of single-family homes. Loans are also available from the Department of Veteran Affairs to buy, build, or improve a home, as well as refinance an existing loan at interest rates that are usually lower than that on conventional loans. The Rural Housing Repair and Rehabilitation Loan program, funded by the Agriculture Department, offers low-rate loans to low-income rural residents who own and occupy a home in need of repairs. Funds are also available to improve or modernize a home or to remove health and safety hazards. The federal government isn't alone in its efforts to provide assistance. Local and state governments offer special home improvement programs. Contact your governor or mayor's office for more details.



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**How do I get help for remodeling following a natural disaster?**

The Small Business Administration (SBA) not only assists businesses after a natural disaster, civil disturbance, fires and other catastrophes, it also provides disaster loans to individuals - including homeowners and renters. The loans, which cover uninsured or underinsured losses - are issued after the President or SBA Administrator signs a disaster declaration. Homeowners can then apply for loans up to \$200,000 to assist with the repair or replacement of their primary residences and receive loans up to \$40,000 for personal property losses. The low-interest loans have terms up to 30 years. To begin the process, applicants must register first with the Federal Emergency Management Agency (FEMA) to obtain a FEMA Registration ID number.

**Are there routine steps I can take now to avoid major home improvements later?**

Get in the habit of taking an annual inventory of every single space in your home to check for potential problems. Examine the roof, foundation, plumbing, electrical wiring - basically everything. Try to fix trouble spots as soon as you uncover them. This proactive approach will help you avoid major repairs to your home later.

**How much can I expect to spend on maintenance?**

One percent of the purchase price of your home every year to cover everything from painting to repairing gutters to caulking windows and maintaining routine system repairs and maintenance. An older home may require more maintenance, although much will depend on how well it has been maintained over the years. Take the upkeep seriously, and budget accordingly. Otherwise, your home's value could suffer if you allow it to fall into a state of disrepair. Remember, too, that the cost of good home maintenance is usually minor compared to what it will cost to remedy a situation that you allowed to get progressively worse. For example, unclogging and sealing gutters may cost a few hundred dollars. But repairing damage to a corner of your home where gutters have leaked can potentially cost several thousand dollars.





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### **How can I make energy efficient improvements to my home?**

Begin by focusing on those small cracks and crevices around doors and windows. According to Lowe's, a 1/8" space between a standard exterior door and its threshold is equivalent to a two square inch hole in the wall. Close those gaps to save up to 15% in heating and cooling costs and also reduce the demand on your heating and cooling system. Other energy efficient steps: lower your water heater's thermostat setting; blanket or insulate the water heater to reduce the amount of heat lost by the unit, particularly if it is located in an unheated area; insulate water pipes, at least the hot water pipes to prevent heat lost that can cause your water heater to work harder; change furnace filters to prevent reduced airflow through the heating/cooling system and overheating that can lead to premature compressor damage in the A/C systems; and install water-saving shower heads.

### **Are window replacements tax deductible?**

Yes, at least for a limited time. Congress made it a little easier to upgrade your windows while reducing your taxes. The Energy Policy Act of 2005 offers consumers a tax credit for replacing old appliances and home products with energy efficient models. The tax credit is up to \$200 with the purchase of qualified doors, windows, and skylights. Look for the ENERGY STAR label. The Department of Energy and the Environmental Protection Agency developed the designation for products meeting certain performance criteria. The tax credit is good for purchases made in 2006 or 2007 but does not include installation costs.

### **What about other home improvements, are they deductible?**

Yes, but only after you have sold your home. According to the IRS, home improvements add to the basis, or value, of your home. A tax-acceptable improvement is defined as one that adds value to your home, "considerably" prolongs your home's useful life, or adapts your house to new uses. Examples include installing new plumbing or wiring or adding a bathroom. If the work done on the home is purely for maintenance, the cost cannot be deducted and generally cannot be added to the basis, or value, of your home. However, repairs done as part of an extensive remodeling or restoration of your home are considered improvements and therefore pass the deductible test.