



The Renovation Process



The renovation process

It's important to have a system for renovation in place because it allows you to remotely handle multiple renovation projects simultaneously and free up your time more for deal hunting. Although renovation is a very extensive area to learn, we'll break down the process in various steps, so that you can at least gain a general overview of the process.



Step 1: Developing a scope of work

First, you'll need to create a scope of work because it's the key to the success of your project. This checklist will guide you (and your contractors) through all the items that you need to renovate for the property, listed by different sections of the house. Under each item, you'll also list the materials you want to use, along with their SKU numbers and estimated costs. When your contractors look at the checklist, they should be able to visualize what the finished property will look like, anticipate what work is needed, and hence, figure out how to bid for your job. Since everything is standardized and laid out clearly, it'll be easier for you to compare with different bids from contractors and look for better pricing. The list is also used as a step-by-step reference to monitor the renovation progress and formulate the payment schedule for your contractors, so that you can avoid miscommunication and disputes during renovation, and save you money and time down the road.

Step 2: Choosing a contractor

For contractors to submit their bids for the jobs, you'll need to give them the scope or work so they know what work needs to be done and how to do pricing. You would also need to give them a standardized, itemized quote form so



that the format of the bid looks the same, which allows you to assess and compare the bid details a lot easier and quicker afterwards.

Step 3: Signing paperwork



After you've reviewed all the bids and have decided on the ones that you want, you need to get paperwork signed so the project can start right away. Every contractor involved needs to agree, sign, and adhere to the terms and conditions of the contracts. Never start a project without finishing proper paperwork; otherwise, you

won't have any protection against hidden troubles and discrepancies down the road. Besides getting signatures at the meeting, you also need to clarify the method and frequency of communication and the timeline of the project tasks. Oftentimes, contractors want you to sign their version of paperwork. You must state clearly to them that you only do business with contractors who use your paperwork that lists prices, and your terms and conditions, so they're playing by your rules.

There are 5 important documents that need signatures before project initiation. For a full list of these documents, and to find out their importance, please read the book.

Step 4: Managing the renovation

Before you start renovation, your contractors must show you all necessary permits, and coordinate all inspections required. Never compromise in obtaining permits because, after the project has started, any delay in obtaining permits will affect the renovation progress, and any work done without permits will make things illegal. Either way, your reputation as a reliable company/renovator and good relationships with building department officials will be undoubtedly damaged.



Step 5: Checking and closing procedure

When the project is about to complete, walk around the house and check it against your scope of work. Before you release your final payment, make sure all work and touch-ups are completed, and the final lien waiver is signed off.



Step 6: Preparing for sale

After all works are completed, you need to hire some cleaning workers to make the property look perfectly clean. If buyers see your house being all dusty and dirty with all the construction materials left behind, most likely they wouldn't be too pleased and would look at other houses instead. Remember, the first impression is crucial. Next, you need to stage your house, which is one of the best strategies for selling your house fast.