

## PRESIDENT'S NOTE

For most residents of the Greater Toronto Area (GTA), their home will be their single largest investment. It's a source of pride, it's where they raise their family and where they make memories. Many homeowners are looking to renovate or rebuild their home, whether it's to modernize the look and feel of their living space, add more room to accommodate a growing family or modify their home to reflect their changing needs and lifestyles. Whatever the reason, renovating an existing home or building a new custom home can be exciting but also daunting and complicated.

The Building Industry and Land Development Association (BILD) and its RenoMark members have assembled this Reno Guide to help homeowners navigate the renovation process. This is the second edition of the guide and it has been expanded to provide step-by-step information from professionals on how a homeowner should approach a renovation or custom building project.

RenoMark was established in 2001 by BILD to identify professional contractors who have agreed to abide by a renovation-specific Code of Conduct. The program is also endorsed by the Canadian Home Builders' Association and has since spread coast to coast, featuring almost 1,200 participating companies. RenoMark members are required to provide written contracts, interact with their clients in a timely manner, have applicable insurance, licenses, and permits, and offer a two-year warranty on their work.

We hope you will find this guide useful and we urge you to consider a RenoMark member for your next home improvement project. For more information about RenoMark or to find professional contractors in your area, visit RenoMark.ca.



Dave Wilkes President & CEO, BILD



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## INTRODUCTION

This RenoMark Reno Guide will help you understand the renovation process. You will learn about some of the critical steps in your renovation project and about your role within your renovation team. You will also find a series of worksheets and checklists to help you prepare for your project and work with your contractor.

At the back of the Reno Guide, we have provided the contact information for more than 200 professional RenoMark renovation contractors in the GTA. For more information about RenoMark, go to RenoMark.ca.



## **PROJECT STEPS**

1

#### **Before You Start**

- Clearly identify what you are looking for
- Set a budget

3

#### **Assembling Your Renovation Team**

- Determine how you want to approach your project
- Get multiple quotes and interview your potential team members

5

#### **Pre-Construction**

- Have approved permits in hand
- Ensure all insurances are current (homeowner & contractor)

7

#### Project wrap-up

- Do a final project review/walk-through
- Clearly identify any issues
- Make final payments for the terms of your contract

2

#### Who You Need To Hire

 Should you hire a contractor or a designer first?

4

#### Permits & Contracts

- Apply for all building and electrical permits as needed
- Sign a writen contract with your contractor

6

#### Construction

- Meet regularly
- Make and approve changes in a timely manner
- Review and pay invoices in accordance with your contract



## **DEFINING WHAT YOU WANT**

The more clarity you have about your goals and priorities for your renovation, the better you can communicate them to your renovation professionals. This will help ensure the end product meets your expectations.

Below are some important questions to answer right at the beginning of the renovation process:

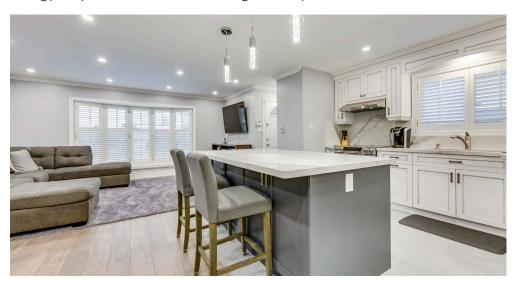
- What do you like about your current space?
- What do you want to change?
- What needs do you and your family have?
- What are your present and future space requirements?
- How comfortable is your home in the summer and winter?
- Are your current heating and cooling costs reasonable or are they excessive?

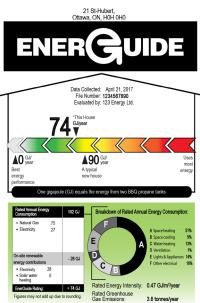
Make sure everyone in your home participates in answering these questions.



## IMPROVE ENERGY EFFICIENCY

Want to make your home more energy efficient? A renovation is a perfect time to improve the efficiency of your home. Energy-efficient windows, insulation, heating and air conditioning will make your home more comfortable and valuable. You'll also reduce your energy use, lower your energy bills and cut the emissions that contribute to climate change. Unlike new countertops or flooring, the benefits of an energy-efficient home are often invisible, but you can see and feel the improvements in other ways. Your home will be more comfortable all year round and you'll save on energy for years to come—which is good for you AND the environment.





\*This house has significant energy uses not included in the rating. See "House Details" on your Homeowner Information Sheet for details.

The energy consumption indicated on your utility bills may be higher or lower than your EnerGuide rating. This is because standard assumptions have been made regarding how many people live in your house and how the home is operated. Your rating is based on the condition of your house on the day it was evaluated.

Quality assured by: MGB Energy Solutions

Visit nrcan.gc.ca/myenerguide



Before you start your renovation, schedule an EnerGuide energy efficiency home evaluation with a registered energy advisor. They'll assess your home, from top to bottom, identify opportunities to improve your home's energy efficiency, and provide you with a current home EnerGuide rating. They'll also let you know about any rebates and incentives available from utility companies.

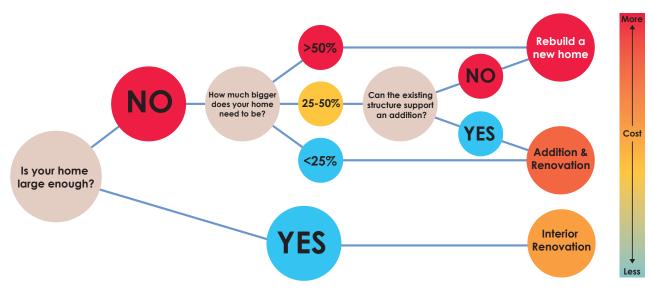
When your renovation is complete, schedule a post-renovation assessment to see how your home is now performing and obtain a new EnerGuide rating. The advisor will also complete any forms required to receive rebates from utility companies, if applicable.

Have questions about where to start? Want to know what rebates are available? Or to find a Registered Energy Advisor? Contact the City of Toronto by email at: BetterHomesTO@toronto.ca before you start your project.



## **SET A BUDGET**

The cost of your renovation project will depend on the type of renovation you undertake. Use the following diagram to think through what type of renovation you need and how that will affect the cost of your project.



Once you've figured out whether you are looking at an interior renovation, an addition, or completely rebuilding your home, you need to consider the details to get an idea of a realistic budget:

#### What are your priorities?

- What are the must-haves that need to be budgeted for?
- What are your nice-to-have items if budget allows?

#### How complicated is it to implement your choices?

- If you are removing a wall, is it load-bearing or non-load bearing?
- Are you relocating plumbing, heating and/or electrical?

Complexity will increase the labour and material costs.

#### What level or quality of finishes do you want?

- Do you want tiles that cost \$10 or \$2 per square foot?
- Are you choosing kitchen cabinets that cost \$30,000 or ones that cost \$100,000?

Choosing certain finishes can not only increase material costs, but also labour costs, if they require specialized installation.

Once you have drawn up your budget, it's time to assemble your professional renovation team.





## WHO YOU NEED TO HIRE

Before you put together your renovation project team, you need to choose whether you want to work with a TRADITIONAL contract or a DESIGN-BUILD contract.

## YOUR RENOVATION TEAM



Whether you choose the traditional contract or the design-build contract, be sure to work with a **professional** contractor or design-build company, like those who participate in the RenoMark program. Find one in your area at RenoMark.ca.

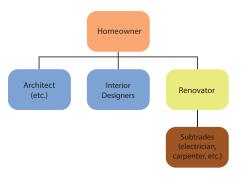
## **CONTRACT TYPES**

#### **Traditional Contract**

With the traditional contract, you as the homeowner manage the renovation process. You may need to hire an architect to develop plans and drawings and a designer to provide interior designs.

Once designs and drawings are complete, you can tender out the project to contractors for estimating. We recommend a minimum of three estimates. Any changes or errors in the design could mean additional costs and delays. It is common in the renovation process to encounter conditions that were hidden at the time of the design and that need to be addressed during the construction process.

When you choose the traditional contract, you also need to manage the contractor and coordinate any changes between them and the designer/architect.



#### Pros:

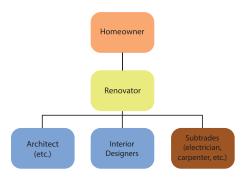
Homeowner hires his or her choice of architect, designer and contractor

#### Cons:

- No contractual relationship exists between the designer/architect and contractor, so homeowner has to take on the role of coordinating between them
- Homeowner assumes liability and takes responsibility for project going over budget or falling behind schedule

#### **Design-Build Contract**

With the design-build contract, the homeowner retains a design-build firm at the very beginning of the design process. This design-build contractor becomes the primary point of contact on the project. This company is responsible for securing an architect, interior designer and trades and ensuring the project is designed with a realistic budget. As a homeowner, you get the convenience of a systematic process, delivering the best solutions and realistic timelines.



#### Pros:

- Homeowner has one point of contact and a detailed renovation agreement
- The design process is managed through preliminary budgeting and client input
- Homeowner has a greater opportunity to understand how design changes influence the budget
- There is a contractual relationship between consultants, trades and suppliers

#### Cons:

- Limited opportunity to tender out the completed design
- Limited opportunity to bring in tradespeople chosen by the homeowner



## **ASSEMBLING YOUR RENOVATION TEAM**

When you are ready to select your renovation contractor or design-build company, start by contacting three RenoMark renovators in your area whose past projects you like. You can find RenoMark renovators at RenoMark.ca. The RenoMark symbol tells you that these renovators have agreed to abide by the Home Builder Association's Code of Ethics as well as RenoMark's renovation-specific Code of Conduct.

It is important to make sure that your renovation contractor carries liability insurance and works only with subcontractors who have workplace safety and employers' liability coverage, as inadequate insurance could leave you liable for the cost of property damage or injuries. With a RenoMark renovator, you can rest assured you are covered.

Be sure to interview not only your renovator prospects, but also references from projects similar to yours, which should include a client from a current project, a recently completed project and a project completed at least two years ago. Make site visits and take note of whether the work site looks tidy and safe. Don't be afraid to ask lots of questions, including how the contractor has handled challenges that inevitably come up during the renovation process.



## **COMPARING QUOTES**

Before you sign any contract with a member of your renovation team, you should get multiple quotes and compare the details. In order to give you accurate quotes, prospective contractors will need to know the details of your project with drawings, finishes, and any other important details like timing or budget constraints.

The challenge with comparing quotes is that they are often in different formats and list details and costs in different ways. Make sure that services being provided are the same, and if there are large differences in prices, find out why.

Items that **may** be included in a quote:

- Cost of construction drawings (if included)
- Project management details
- Labour costs
- Demolition services, including disposal of material (if included)
- Rough construction material (framing, siding, roofing, electrical, etc.)
- Finishing materials (cabinets, flooring, tiles, light and plumbing fixtures, etc.)
- Any additional services, including building permit application, consultant management, insurance costs, utility costs, etc.
- Any warranty that is provided, and if so, the terms

If you don't understand something in a quote, be sure to ask questions. The quote you have been provided will become the basis for your renovation contract. You want it to be as accurate as possible, so you are not surprised later by costs that were not included.

Finally, remember that while cost is an important consideration, it's not the only consideration. Hire people you trust and are comfortable with. Depending on the size and complexity of your project, they may be in your home for a long time and you will need to communicate with them frequently. Choose someone who understands your reasons and goals for renovating and whom you trust to deliver your renovation on time, on budget, and with the quality you are expecting.





## PERMITS AND CONTRACTS

#### Obtain permits before you start

Certain types of renovation work require building permits. By getting the proper building permits, you ensure that your renovation is in compliance with the Ontario Building Code, which covers areas like fire safety systems, insulation, structural, plumbing, mechanical, and much more. Without appropriate permits, you risk legal intervention by the city, compromising the integrity of your home and jeopardizing your own insurance coverage or the future sale of your property.

You can get advice on what permits you will need for your renovation through your contractor or from your municipal building department.

#### These types of work require permits

- Carport/attached garage
- Interior renovations
- Window/door
- Drain repair

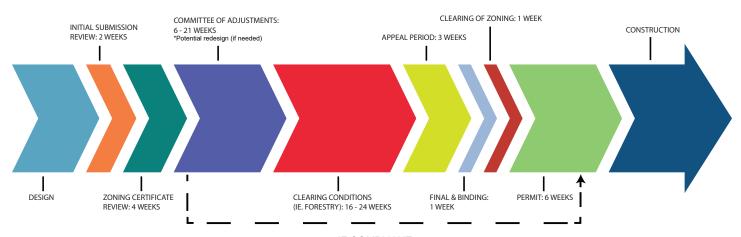
- Green roof
- Chimney/Fireplace
- Re-cladding with brick or stone veneer
- Backwater valve installation

- Exterior basement stairwell or entrance
- Pool fence enclosure
- Deck, porch/balcony
- Accessory structure

#### Other permits and approvals

Depending on your project you may require approvals from other jurisdictions, like the conservation authority, heritage, urban forestry, and the committee of adjustments.

## **PERMIT PROCESS**



IF COMPLIANT

\*\*varies project by project and city by city

## **GET A WRITTEN CONTRACT**

The importance of getting a written contract from your renovation contractor cannot be overstated. A contract protects you by setting out clearly what you are getting, when you are getting it, and how much you will pay for it. That's why RenoMark renovators provide a written contract for every project—it's part of the Code of Conduct they agreed to. Here are some of the items that your contract may contain:

- Name and details of the renovation contractor and homeowner
- Information on the contractor's licence and insurance policy
- Scope of work and exclusions
- Homeowner's responsibilities
- Legal requirements, such as permits and environmental assessments
- Supporting documents, including drawings, specifications, the finalized quote, etc
- Construction management team: how many people, what percentage of time allocated to your project, etc
- List of other critical subcontractors
- Scheduling: start date, key milestones, completion date
- Breakdown of costs for different components of the project (materials and labour), including contingency or allowances

- Payment terms, including deposit, holdback values, and payment schedule
- Description of how contract changes will be managed
- Standards of workmanship
- Site access, utilities, washroom facilities and materials storage information
- Site signage
- Personal privacy policy
- Communication plan
- Warranty
- Dispute resolution
- Default by owner or contractor
- Termination of contract
- Project wrap-up plan

#### Below are more details about important aspects of your renovation contract.

#### **Payment terms**

You need to fully understand and define the payment process for your renovation upfront to avoid confusion and conflict later. This also includes the method of payment like cheque, visa, or a bank draft.

It is common practice to pay a deposit upon signing of the contract. The size of the deposit can vary significantly, depending on the size and scale of your project. There may be additional up-front payments if your project requires custom-made products that need to be ordered in advance, such as kitchens, windows and doors.

For a large renovation, the contractor may want you to make progress payments at specific milestones, such as after pouring the foundation for an addition and again when the frame has been enclosed with exterior walls and a roof.

Construction lien legislation requires that you hold back a certain percentage of every payment you make, for a certain length of time. A professional renovator will help you understand this process. Holdbacks are not associated with the quality of workmanship or performance issues, but rather are used to ensure that all of the suppliers and subtrades have been properly paid and a lien will not be placed against your home.

If the work isn't done properly according to the terms of the contract, then there isn't any legal expectation for you to pay for it. You should communicate issues regarding workmanship as they occur.

#### Warranty

A RenoMark renovator will provide you with a minimum one-year warranty on workmanship and materials.

Many products, such as windows, furnace or roofing shingles come with individual manufacturer's warranties that are above the renovator's warranty. The renovator should provide you with information on any such manufacturer's warranty. In the case of defects in these warranted products, the renovator may assume responsibility for dealing with the manufacturer as a matter of professional courtesy; however, it is a good idea to clarify the process with the renovator.

Materials supplied directly by a homeowner may not be eligible for a renovator warranty.



#### Dispute resolution

Even when the parties have a clear, detailed contract, disputes can arise. Good communication can go a long way in settling any disagreements between you and your renovator. As a first step, you should sit down together to discuss the problem and seek a solution that you both can accept. This is usually the fastest, least expensive and ultimately, most satisfactory approach.

It is a good idea, however, to agree in advance on a process to deal with possible disagreements down the road. Some contracts may provide for the appointment of a third party to arbitrate, specifying how the third party is selected and whether their decision would be binding on you and your renovator. Depending on the problem, the arbitrator might be a certified home inspector, an engineer or anyone else with the required expertise and neutrality.

Alternatively, the contract may refer to provincial legislation that provides for a formal arbitration process to help you resolve your dispute. Agreeing to consider arbitration does not limit your rights to make a formal application to a court in order to resolve the matter.

RenoMark takes great pride in ensuring that all of our renovation contractors are operating their business in accordance with the Home Builder Association's Code of Ethics as well as RenoMark's renovation-specific Code of Conduct. Should a valid concern arise that a RenoMark member is not following these standards, RenoMark will conduct an investigation.

#### Personal privacy policy

Renovators are proud of their work and they might ask to use photos or videos from your renovation in marketing and advertising campaigns to promote their company and attract potential clients. To ensure that your privacy is respected, it is best to discuss this issue ahead of time.



#### Communication plan

Proper communication throughout your renovation will reduce stress and minimize problems, so be sure to include a communication plan in your contract. It should set out the following:

- A definition of everyone's roles
- Expectations for reporting, such as meeting summaries or project status updates
- Expectations for meetings (How often? On-site? On the phone?)
- Preferred methods of communication (email, text, phone, in person) for different situations, including urgent matters
- Any communication restrictions, such as times of day that are off-limits for contact
- Expectations about response times

## Homeowner Tips:

- Always have a legal contract to protect yourself.
   See Worksheet #3 on page 44.
- Don't sign something you don't understand.



## PRE-CONSTRUCTION

Here are a few things you can do to prepare your home or the work site for construction:

- Order products that will take time to get delivered
- Notify your neighbours
- Make arrangements to protect your valuables
- Move furniture out of the way or into storage

Take the following steps to prepare yourself for construction:

- Review all permits to ensure compliance with applicable rules and regulations
- Review your contract and design documents carefully. If you are unsure about something, ask questions
- Have your finances ready according to the payment schedule in your contract
- Set aside a 10 per cent contingency budget in case of unforeseen expenses
- Speak to your insurance company about how the renovation affects your home insurance coverage





## **CONSTRUCTION**

Once renovation or construction begins, expect to be an active participant in the process. Here are a few suggestions:

- Know who your point of contact is for questions or concerns. Understand and respect their availability.
- Be available to answer questions and make decisions in a timely manner. If you have times when you are not available, make sure that this information is documented in the contract.
- Be safe. Everyone visiting the work site, including the homeowner, must adhere to the safety rules and regulations.
- Inspect and approve work that has been completed, typically after you get an invoice.
- Hold the contractor accountable for adhering to your contract. If there is an issue and the contractor is unable to meet the obligations of the contract, schedule a meeting to review.
- Where additional work is required, request a formal change order and understand how this affects the timeline and costs.





## **PROJECT WRAP-UP**

The end of a renovation project is one of the busiest times. This means that there are often many questions and decisions that need to be made quickly. A professional renovator will prepare you for this phase and walk you through the following steps:

#### 1. Substantial performance

This is a legally defined stage in your project as outlined in the Construction Lien Act. and means that the work on your project is around 97-98 per cent complete. This starts the release of holdback funds that the client has kept and publicly tells all the trade companies that worked on your house that their final payments are pending.

#### 2. Final inspection

Be comprehensive during your final inspection to catch any defects, damage, or work that is not yet complete. However, remember that you will have done many other inspections during the renovation process, giving you opportunities to catch problems as they arise.

#### 3. Create a 'punch list'

This list will be the result of your final inspection and will list all items that need to be addressed. Adding new items to a punch list after it is created is typically not done, so you need to make sure that you are thorough when you do your final inspection.



#### 4. Final homeowner approval

Final approval is your opportunity to review all the completed items from your punch list. If there is still a problem, then don't approve the item associated with the problem.

#### 5. Substantial completion

This is a legal term defined in the Building Code, signifying that the house is safe and ready for the occupancy permit to be approved, thus allowing a homeowner to move back home.

#### 6. Learn your new systems and appliances

Some contractors offer an ongoing maintenance program that can manage the replacement of air filters or other items.

#### 7. Review your warranty

Be aware of everything that is included. If you aren't sure about something, then ask questions.



#### 8. Plan your move back in

You can only move back after the city official has issued an Occupancy Permit.

#### 9. Notify your home insurance carrier

You will need to update your insurance coverage, especially the details of your home.

#### 10. Make your final payment

Refer to the terms of your contract.

More than anything, a professional renovator will want your project to be a great success. Happy clients are a renovator's greatest asset!



# Tools for a successful renovation

## BEFORE YOU START (WORKSHEET #1)

Why are you renovating?

If you take the time to consider what you truly want from your renovation before work begins, you will end up saving time and money. To begin, answer the following three questions:

1. Why do we want to renovate?		
2. Wh	at are we looking to do?	
3. Wh	en are we looking to renovate?	
	Within 3 months	
	Within 6 months	
	Within 9 months	
	Within 12 months	

#### Your Renovation Wish List and Priorities

This list provides three "wish" categories:

#### The look

The look relates to the overall design and room layout. When you find pictures of interiors or exteriors that you really like, cut these out and save them. On your wish list, write down the items or elements in each picture that most appeal to you.

#### The features

These are the finer details of design and layout. For instance, you may see a kitchen island that you think would work well in your home. This category isn't about complete designs, but the "bits and pieces" that you might incorporate into your plan.

### • The products and materials

What products and materials really appeal to you? List any product—cabinetry, flooring, windows, heating equipment—that you are interested in using, for cost, quality, environmental or other reasons. Where possible, get pictures, product literature and price information on these items.

For each item on your wish list, indicate its level of priority. "Need this" are items you feel must be included in the project. "Like this" are items that you want, but could do without if your budget can't accommodate the cost.

### 1) Our look – design ideas and room layouts we like

Item	Need this	Like this
	. 🔲	
	. 🔲	
	. 🔲	
	. 🔲	
	. 🔲	

### 2) Features-elements and ideas we want to include in our design

Item	Need this	Like this
	- 🔲	
	- 🗆	
	- 🗆	
	- 🗆	
	- -	
	- N	
	- N	
	- 🗆	
	- <b>-</b>	
	- 🗆	
	_ -	

## 3) Products and materials

Item	Need t	his Like this

## CONTRACTOR INTERVIEW (WORKSHEET #2)

### **Business Information**

Company and representative:		
Business Address:		
Telephone:Cell:		
Website (if applicable):		
Renovator Information		
What related project experience does the renovator have (type of work, expertise)		
Years in business:		
Memberships in industry or trade assoc.(RenoMark, BILD):		

Will the renovator provide at least three customer references?	No
Will the renovator arrange for you to visit a current project?	No
Does the renovator have Workers' Compensation insurance?	No
Will the renovator provide you with a written contract?	No
Does the renovator have business liability insurance?	No
Will the renovator provide a written warranty for the work?	No
Was the renovator responsive to your questions and concerns?	No
Do you feel you could work well with the renovator?Yes	No

### **Interview Notes**

Was the contractor able to provide suggestions for how to improve your project or obtain value for your money?

If so, what were they?

# CONTRACTS (WORKSHEET #3)

Your contract with your renovation contractor is your binding agreement that will identify exactly what you are going to get, when and at what price. The more detailed your preparation and quotes are, the more likely your contract will be accurate, minimizing changes to your costs and scheduling. Here are some of the items that your contract may contain:

- Name and details of the renovation contractor and homeowner
- Information on the contractor's licence and insurance policy
- Scope of work and exclusions
- Homeowner's responsibilities
- Legal requirements, such as permits and environmental assessments
- Supporting documents, including drawings, specifications, the finalized quote, etc.
- Construction management team: how many people, what percentage of time allocated to your project, etc.
- List of other critical subcontractors
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- Project wrap-up plan

## CHANGE ORDER (WORKSHEET #4)

When a change happens on your project, you need to be aware that no work can be done without an accepted written agreement. This agreement will be considered a revision to your original contract and needs to include the following:

Why is there a change?		
Describe the work that is to be done  Background information (photos, why a change is needed, etc.)		

The images used in the RenoMark Reno Guide have been provided by RenoMark Renovators in the GTA. We recognize and celebrate their professionalism. To view more amazing projects, please visit RenoMark.ca and search "Awards" under Blog.

<b>Page 4:</b> N	rairmont Properties Ltd. orseman Construction & Development Ltd. Lifestyles By Barons Inc.
Page 7:	Alair Homes - Toronto
	Luxor Development Group Inc.
	Penguin Basements Ltd Barry's Construction & Renovation Ltd.
	Galle Construction Inc.
Page 17:	
Page 19:	Decksterity Carpentry Cont. Ltd
	Eurodale Developments
	W.C. Meek Design and Construction Itd.
	Jackson & Associates Inc. The Gatti Group Corp.
	Golden Bee Homes
Page 30:	Bachly Construction
Page 31:	Carmelin Design + Build
	The Finishers Toronto Renovations
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## WHAT IS RENOMARK?

RenoMark is a non-profit organization dedicated to professionalism in the renovation industry. Firms earn membership through demonstrated ability and commitment to RenoMark standards for ethics and customer care. RenoMark membership is your sign of a professional renovator.

## RENOMARK CODE OF CONDUCT

- Be a member in good standing of the local Home Builders' Association
- Abide by all of the Local Home Builders' Association's Code of Ethics
- Provide a detailed, written contract (including a scope of work) for all jobs
- Offer a minimum one-year warranty on work (excludes minor home repair)
- Carry a minimum of \$2 million in liability insurance
- Carry all applicable licenses and permits as required. Maintain a safe and organized work site at all times
- Return homeowner's phone calls within two business days
- Have access to education, training and professional development
- Have and/or work only with subcontractors which have workplace safety and employers' liability coverage



