



5 Budget Checks Before You Sign a Contractor

Five simple checks before you sign a contractor can protect your budget, your schedule and your peace of mind. None of them needs technical knowledge.

These are questions, not legal advice. For the contract itself, a lawyer can review the terms for you.

01 Check one: the scope

Is the scope written down, with drawings and a list of materials? A contract that says only 'house construction' leaves too much open.

Match the list to the drawings and mark anything missing. A scope with drawings and a materials list protects both sides. Example: if the contract says 'tile' but not which tile or which rooms, the final price can change. Why this works: a written list prevents a later argument about what was included.

02 Check two: the price

Is it a lump sum or a measured price? Ask how extra work will be priced and who approves it.

Ask what happens if material prices change during the build. The way a price is set determines who carries the risk. Example: if a lump sum has no rule for extras, a small change can start a large argument. Why this works: agreeing how extras are priced in advance keeps the cost visible.

03 Check three: payments

Do not pay ahead: Pay for work that is done and checked, not work that is promised.

Are payments tied to finished stages, and do you inspect each stage before you pay? Paying far ahead of the work puts your money at risk.

Ask for receipts and keep a payment record. Paying by stage keeps the contractor and the work in step. Example: pay the foundation stage only after you or your architect have seen the finished foundation. Why this works: your money follows the progress, so a delay does not leave you exposed.

04 Check four: schedule and check five: licences

Ask for a realistic schedule with milestones, and what happens when it slips. Ask for the contractor's licence and insurance papers and verify them.

Ask for references and, if you can, visit a finished project. Schedules and licenses tell you how organized a contractor is. Example: a contractor who gives milestone dates and a license number up front is easy to hold to a plan. Why this works: clear dates and papers make follow-up simple.

05 Get help reading the contract

If the contract is long or unclear, ask a lawyer to review it before you sign. The cost of a review is small compared with the cost of a dispute.

Keep a signed copy of the contract and the drawings it refers to.

Take your time. A contractor who pressures you to sign quickly, or to pay a large amount before any work begins, deserves extra questions.

Ask for two or three quotes based on the same drawings so you can compare them fairly.

Write down your answers to the five checks for each contractor you consider, and compare the sheets side by side before you decide. A page of notes is easier to review with your family than a memory of several conversations. Comparing contractors on equal terms is the fairest way to choose. Example: send the same drawings to three contractors and fill in the same five-check sheet for each. Why this works: side-by-side notes show differences clearly, so the decision is based on facts, not on the last conversation.

06 Five quick checks

1. Scope in writing.
2. Price and changes clear.
3. Payments tied to stages.
4. A real schedule.
5. Papers verified.

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