

What We Learned about Home Remodeling
After 100 years of Experience:
The Five “C’s” in Value

I never was much good at spelling, and concluding that there are five C’s in Value, when it comes to home remodeling, isn’t going to help that very much. But in the past year we have done two major home construction/remodeling jobs. They could not have been done more differently, and that difference helped us to learn a great deal about what really creates value in this type of work.

The first project was to build a master bedroom addition onto a home we had just purchased in the Hudson Valley. As part of closing the sale, the owner, who was also a builder, offered to build the addition for us at his cost, with no markup on materials, no charge for his own time supervising it, and at a very competitive cost per square foot. It sounded good and we went for it.

The second project, done with the Robert George Design Group in Red Hook, NY involved a major renovation of the family room, including changing walls, windows, and stonework, creating a new front walk, front steps, and landscaping, building retaining walls and creating a dry entrance to the new basement under the addition, installing a home theater, and improving drainage. Planning it involved hours of conversation over many days with Robert, a detailed proposal, and a cost structure that included a 15% markup on materials, a daily labor charge for a crew of six, and a 15% markup on the labor charge to cover the Robert’s own time in planning and coordination.

Surprisingly, the second project turned out to provide a MUCH better value than the first one. By value we simply mean getting something that really delights you, at the most reasonable cost possible. In analyzing why the second project provided better value than the first one, we came up with following five C’s, listed in order of importance:

- Clarity**
- Communication**
- Coordination**
- Consideration**
- Cost**

Clarity is the ability to envision exactly what you want the finished result to look like. Sometimes you may know exactly what you want; but more often you start with a general idea that needs a lot of decision-making and details before it can be constructed and completed. The first key to value is getting it right before you start buying materials and paying for labor. Changes made after the fact are generally

very expensive, and living with something that cost a lot, but does not really thrill you, is not value.

In the first project, building the addition, we got clarity by working with a simple online room planner to design the addition ourselves. It was a fairly straightforward plan; one large room 20 x 23 feet, with one interior wall for a large walk-in closet, and three windows. We were in Maine at the time, a long way from the builder, but with time to play with the design on line and after many different variations we got something that we really liked. We gave that room plan to the builder, and he took it from there.

The second project was not so simple. We knew we did not like what we had, especially in the family room, but couldn't even articulate well what the problems were except that it didn't feel right. Our first step with Robert George was simply a consultation, which he asked to be paid for, with the fee being credited towards any future work we contracted with him. We might have balked at that, and never gotten started. But I did a lot of consulting in my own career, and realized that an initial meeting focused on solving the client's problem, rather than trying to sell the client on buying my services, was often invaluable, and sometimes all they needed. So we agreed to the fee and went ahead.

Robert listened very closely as we struggled to communicate what felt wrong about the room, and our vague ideas of what we would like. He encouraged us to talk about what we thought would be ideal, without too much initial concern for the practicality of it. After we had said as much as we could, he was able to explain to us why we were feeling the way we were. He pointed out how and why the various elements in the existing room were clashing with each other, and introduced two of his favorite terms; coordination and integration. After walking around the rest of the property and describing some of our other needs, he promised to return in a few days with some ideas for us to consider.

That began about a six-week process, where every few days Robert would come by for an hour or so, giving us his latest ideas and getting our latest thinking. He always started by getting us to articulate our ideal result if there were no constraints, then giving us some alternatives, and eventually honing this down into a specific plan. He called this working in layers. And he used a lot of simple, but very helpful tools to help us visualize the end result. In the family room he took photographs of the existing room, and then used software to create pictures of what it might look like with some of the alternatives we were discussing. With the front walk he used string to layout different outlines, and when it seemed about right used spray paint to outline the proposed dimensions and path on the lawn. Inside the family room he used masking tape to illustrate the placement of windows, and even the placement of furniture and home theater speakers. All of this was tremendously helpful in getting us to go from a vague idea of what we wanted to clarity that he could write up into a proposal.

In the end, both processes gave us what we wanted. We are still very pleased with the basic design of our master bedroom addition. And we are thrilled with the results

in our family room and outside landscaping. But in that case we needed all the conversations and help from Robert to get to it. And that brings us to the second key to value.

Communication. As the previous paragraphs suggest, the key to clarity is communication. And this is true not only for design details, but for day-to-day project management and cost.

In the first project, the master bedroom addition, the builder proudly showed us a handwritten pad with some figures on it that all added up to a good cost per square foot for the addition, and said he had figured out how he could do it for that price. While it sounded reasonable, we felt the need for a little more specificity, so we drafted a contract, stating in more detail our understanding of what was to be built, the schedule, the basic specifications, and the cost basis. He said it looked fine, and signed it.

We were out of the country while it was actually being constructed. Although we went to great lengths to be available by e-mail, and had family locally that could look in on the project, there was minimal communication during the actual project. We returned in time to see it after it was framed and roofed, and did not see it again until after it was sheet rocked and mostly finished. While that saved us the headaches of living through construction, lots of small details were not done as expected, including lighting and crown molding.

Worse yet, when it came time to make the final payment, there was a fundamental misunderstanding. We wrote the contract as time and materials, with a cap to protect the builder from getting caught in a poor estimate, and to give him the room to do a good job. Although he signed the contract, he treated it as though it was fixed price and kept very poor records of his costs, often mixing up his personal checking account with the project checking account. That led to a great deal of mistrust and a lot of effort to agree upon the final cost, with the suspicion that he had cut corners wherever he could to actually make a profit, while telling us he was doing it at cost.

In contrast we had a detailed contract from Robert George before we started, with a description of the work to be done, the materials to be used, the estimated labor and material costs, a contingency budget, and a payment schedule. Furthermore we had almost daily meetings and emails during the project where he would tell us what was being done, what was coming up, and what decisions would need to be made as the work progressed.

In both the preplanning and the actual construction, Robert was very mindful of the phasing of decisions, realizing that some decisions, like paint colors, were best made once the room was sheet rocked and primed, and that all decisions required some reflection and thought before being finalized.

A great example of getting value through this “layered” communication involved the wood stove in the corner of the family room. Functionally it was wonderful, and we

were reluctant to give up the combination of ambiance and alternative heat that it provided. But aesthetically it dominated the room with a corner full of stone work that went up to the ceiling; perfect perhaps for the hunting lodge look, but not for what we were trying to create. After flip-flopping for a week about whether to keep it or not, Bob and I sat in the room and just contemplated it for a bit. Ultimately he said, "You know we could take down the stonework to the level of the wainscoting, put up cement board behind it, and skim coat that with plaster, and you could keep the stove without having it dominate the rest of the room." Voila, Problem Solved.

In addition to the daily conversations we got weekly, detailed reports about what had been accomplished, what remained to be done, and where we were on cost, with all materials and labor clearly detailed. This was tremendously helpful in building trust and realizing that with all of the work being done, the project was still under control.

Naturally there were unplanned surprises along the way: the wiring in the walls was more complicated than expected and an electrician had to be brought in; the deck was not properly footed and had to be jacked up; the front steps and sills were rotted and had to be replaced; and we added some things as the project progressed.

The unexpected surprises were covered using the contingency budget that had been planned for. The additional elements we requested were estimated and tracked as separate change orders. And again, all of this communication helped us to feel all along that we were getting value for our money, and always knew where we stood.

Coordination. The first day of work frankly amazed us. Six men showed up and went right to work with no wasted time or effort. Tools and materials had been left at the worksite the week before. Everyone seemed to know what needed to be done, and they set about doing it quietly. A great deal was accomplished by the end of that first day. There were three inside craftsmen and three outside landscapers/masons, and as needed they helped each other out.

Having been in business ourselves, we realized this did not just happen by accident. It took a lot of planning and communication with the crew, and a lot of experience. We knew at the end of that first day that we were getting great value out of that 15% that Robert added to the labor and material cost for his own time.

We also began to realize how much value we were getting by using one contractor with the ability to design and construct everything we wanted to do, both inside and out in one project. Prior to finding the Robert George Design Group we had talked to perhaps half a dozen other contractors, each of whom could do some part of it. Trying to select, schedule, and coordinate half a dozen independent contractors would have been very demanding on us, fairly inefficient, and would have lacked overall coherence in design across all the projects. We truly believe that doing it all in one well coordinated project has not only given us an amazingly nice and consistent look to the whole place, but has condensed what might have taken us a year or more to do as separate projects into two months. There has been tremendous efficiency and value in having a full-time crew of six with multiple skills

on site for the duration.

Consideration. Lets face it. Living in a home while it is being remodeled is stressful, under the best of circumstances. Workmen show up at 7:30 am and are there all day. There is noise and dirt from construction. The driveway is full of cars and equipment and materials. There are numerous decisions to be made about paint colors, trim, materials, light fixtures etc etc. You are spending a lot of money. And your life is not your own.

Consideration is an intangible, and you might not think it would be a big part of adding value. But it comes in many forms. The first is consideration for your own unique tastes and desires. Robert seemed to be so “right on” in most of his suggestions to us that we just assumed that he was either a genius or had exactly our tastes. Imagine our surprise when we visited his house and found that what he had built for himself was not at all like what he was doing for us. That made us realize how carefully he was listening to us, and pulling out of us what we wanted, rather than imposing on us what he liked or liked most to create. That creates huge value, and is the essence of consideration.

Beyond that, in their daily work the crew did everything possible to put up dust barriers, keep their radio turned down, be extremely pleasant and informative when we talked to them, and clean up at the end of the day. All of that made a big difference to us.

For our part, we truly appreciated what they were doing, and how they were doing it, and we told them so... maybe not often enough.

The combined mutual respect and consideration created value in other ways as well. First, in spite of our best efforts at clarity and communication, there were a couple of instances where we missed the boat; a window we chose looked too small; the rectangular stone selected for the front walk sounded great but looked too corporate when it was laid out. Instead of becoming compromises that we were asked to live with, The RG Design Group cheerfully changed the window and took back the rectangular stone and replaced it with random shapes, before any of the stone had been laid. We have acquired contacts and friends that will serve us well for as long as we own the house. And we have a great looking project done with a great deal of pride and good craftsmanship.

Cost. Although cost is often the first question we ask when we think of value, it is the last item on our list. That doesn't mean that we were oblivious to cost or threw money away. We shopped online for the best price in the home theater screen we used; we bought our ceiling fan and room carpeting at Lowes, etc. But we did not scrimp on the cost of the labor that went into making the custom housing for the screen, the window seat under the new bay window, or the rework of the front steps and new walkway. The result is a new family room that we absolutely love, a gorgeous front walkway and much better looking front steps, and tons of small details that make a big difference, like putting the sump pump hose through the

foundation below grade and tying it into a buried drainage system, instead of sticking out through the sill. There are dozens more examples.

In contrast our “low cost” master bedroom addition, although basically just what we wanted, is suffering from the low cost mentality. Lighting in the closet was inadequate and had to be replaced; holes for the recessed lighting in the ceiling were cut too large and had to be fixed, and worst of all, cheap flooring was used under the carpet, and was nailed and glued rather than screwed down. That did not always work, and the squeaks in the floor every time we walk on it keep us from being truly delighted and feeling like we got good value. Yet the extra cost of doing it right would have been minimal.

Conclusion. A great deal goes into even a moderately complex building or remodeling job. There are aesthetic tastes, technical requirements, material selection, construction skills, project planning and coordination, and budgets that have to be controlled. Good results don’t happen by accident, and in our experience, true long-term value is created more by the combination of Clarity, Communication, Coordination, and Consideration than by cost alone. Hopefully our lessons will be useful in bringing others the satisfaction that we have from this latest project with the Robert George Design Group.

Rodney and Geri Plimpton

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About the authors: Rodney and Geri Plimpton live in northern Dutchess County, and between them they have more than 100 years of home ownership and remodeling experience. Prior to these projects Geri had built her own home, remodeled three others, and designed and built out four business locations. Rodney had done eight different real estate projects in the preceding ten years. This most recent experience has been unique in its integrated combination of design and execution with a variety of different demands, and the value provided for the money.