

CONTRACTOR, SUB-CONTRACTOR, HANDYMAN, OR YOU

Which should you use?

Use a Contractor if you don't have any construction experience or don't have time to visit the property daily.

Use Sub-Contractors after you gain experience if you have the time and disposition to deal with trades people and the inevitable scheduling conflicts.

Use a Handyman who can perform multiple jobs competently. They're much cheaper than hiring carpenters, plumbers, electricians, tile setters, etc.

How to find good Contractors or Sub Contractors

Get recommendations from other Real Estate investors.

Ask your contractors to refer other workers to you.

Ask inspectors, neighbors, appraisers, loan officers.

Stop where properties are being rehabbed and ask trades people for recommendations.

Ask material suppliers (e.g., paint stores, tile stores, cabinet suppliers) for references.

Look for cards on bulletin boards at Home Depot and Lowes in the area of the property.

Call Yellow Page and Greensheet ads and check references.

How to find a good Handyman

It's rare that a full-time investor will refer you to a good handyman because they are keeping him busy.

Look at Greensheet ads, bulletin boards at Home Depot and Lowes, and "bandit" signs. Experience levels vary. Find out what tools they own. Ask for details about other work they have done. Tell them you will check references and then do it. Many are not dependable, so try them out on small projects first.

What work should you do?

Don't do any work you're not competent to do. Just ask yourself whether you could charge other people to do the same work on their house. If no, don't you do the work yourself.

If you start a rehab with the thought of doing much of the work yourself on weekends, you'll find the interest cost on borrowed funds will exceed the cost of hiring competent trades people who can get the work done fast. The longer the project goes on, the less interest you will have in working on it for another evening or another weekend. Be realistic.

Successful investors quickly learn that doing any of the work is a lousy use of their time. They find it most profitable to spend their time making offers and buying houses, managing rehab projects, and selling their fixed-up houses as fast as they can.