

A home improvement is the intent to construct, alter, repair, move, demolish, or change occupancy or use of a single-family dwelling or its accessory structures.

If you are a homeowner considering a home improvement, it pays to know your rights before you enter into a contract and your available remedies should something go wrong.

To assist our residents, the New Castle County Department of Land Use is providing some best practices that can be taken into consideration through this process.



NEW CASTLE COUNTY DEPARTMENT OF LAND USE

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The information contained above is for informational purposes only and shall not be considered legal advice. Because circumstances vary considerably from one job to another, New Castle County makes no claims, express or implied, that this simplified homeowner guide will protect all owners against all possible circumstances. It is wise to have legal counsel review a contract if the job is large and/or unique.

GUIDE TO HOME IMPROVEMENT CONTRACTS

Know Your Rights!



CONTRACTOR SELECTION

Homeowners can avoid many problems by selecting a qualified contractor. While there are no guarantees, risks are reduced if the homeowner makes certain that the contractor has all required licenses with the State of Delaware and New Castle County. All individuals and businesses that provide construction and building improvement services are required to obtain a New Castle County contractor license, in addition to the State of Delaware business license. Those contractors performing work requiring a permit or utility trade work need a contractor license with permit endorsement. You can verify contractors online at www.nccde.org/license.

CONTRACTOR'S INFORMATION

The contract should contain the name, address and New Castle County contractor license number. If the contractor intends to use subcontractors to complete any work, then the contract should also contain the name and license number of each subcontractor.

DATES

A home improvement contract should contain the approximate dates when the work will begin and when it will be substantially completed.

CONTRACT LANGUAGE

Your first right as a consumer is to know what you're agreeing to; so the written contract should be legible and clearly state the specifics of the job and materials to be used. The contract should describe each document that it incorporates, including construction plans and material list, and it should be signed by each party to the agreement. Remember, the contract is a legally binding document so it is important to understand what is being signed. Lastly, the homeowner should receive a signed copy of the contract prior to the work starting. The contract should include all warranties and guarantees from the contractor, subcontractor, and material suppliers.

DEPOSIT AND PAYMENT

As with any contract the agreed-upon price of the home improvement should be clearly stated, and no payment should be made until all parties have signed the contract. It is not uncommon for a down payment representing costs of materials and other early costs (e.g.: design fees, permit fees, etc.) to be paid prior to work commencing. Beyond the deposit, additional payment terms should seek to break the job down into as many discrete components as is reasonable, and to keep the payments related to the costs of materials and labor for that component. Homeowners shouldn't get into a position where they make final payment prior to the completion of work.

DOOR-TO-DOOR SALES ACT

According to the Federal Trade Commission's "Cooling-Off Rule" and Delaware's laws concerning home solicitation, if the home improvement contract was signed at your home or at a location other than the seller's permanent place of business, you have the right to cancel the contract within three days. The contract should include this notice.

The contract may also be covered by the Delaware Home Solicitation Sales Act as defined in Title 6, Subtitle II, Chapter 44 of the Delaware Code. If the contract is covered by the Door-to-Door Sales Act, the contractor must include additional information in the contract, including a notice that states that, "YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT." A separate "Notice of Cancellation" form must be attached to the contract and filled in with the information about how to cancel a contract. The Door-to-Door Sales Act requires that the contract be written in the same language as that principally used in the oral sales presentation.