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# OWNER AS GENERAL CONTRACTOR

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When building owners act as their own general contractors there is the possibility of saving between 10 and 25% of the construction costs. But managing a renovation or addition can be deceptively difficult and many owners who opt to be general contractors end up losing money instead.

General contractors seek bids from subcontractors, estimate the cost of the entire job, hire the subcontractors and then supervise the job to completion. The work may look easy on site; however, there is considerable planning and risk associated with this role.

Many owners do not realize that their projects typically are not first priority for local plumbers, electricians, framers, roofers and excavators. These subcontractors give their first allegiance to general contractors who give them multiple jobs each year. In addition, general contractors usually get better pricing on materials than a homeowner would.

If a value could be attached to emotional angst, most owners that serve as their own General Contractors probably pay a high price. Subcontractors who don't show up, delay due to weather, mistakes and unforeseen problems that cause projects to go over budget raise client's stress levels. General contractors on the other hand deal with these stresses daily.

The time commitment requires at least 2-4 hours daily of site involvement during normal work hours or when needed by the trades. This is important to keep the contractors working diligently and to inspect work. A good working knowledge of codes and regulations and well as general construction is necessary. You will also be responsible for coordinating trades, checking for design errors and omissions, and identifying poor work done by subcontractors.

As a self-contractor, or owner-builder, many lending institutions will not lend more than 80% of the projected costs and many will not lend money to cover unanticipated costs on a building where construction has already begun.

Additional insurance such as Worker's Compensation and Builder's risk insurance, Health and safety regulations will need to be obtained. It is important to know that any subcontractor who employs workers is required by law to carry workman's compensation insurance according to Florida Statutes.