



Top 10 Tips for Working with Contractors

Working with a contractor is a major part of building or repairing a home. Clear communication, written agreements, and staying involved can help prevent misunderstandings, delays, and unexpected costs.

The following tips are meant to help leaseholders understand their role, ask the right questions, and protect their interests throughout the project.

1. Choose the right contractor

- **Confirm licensing and qualifications:** Make sure the contractor is properly licensed, experienced, and suitable for the work. In Alberta, all residential builders must hold a valid builder licence through the Alberta Residential Protection Program. Contractors from outside the area may also need a local municipal business licence. Review past projects and check references before hiring.
- **Confirm insurance and coverage:** Make sure the contractor has commercial general liability insurance of at least \$2 million and has active workers' compensation coverage in place at the time the work is completed.

2. Get everything in writing

- **Use a detailed written contract:** Make sure the contract clearly outlines the full scope of work, including inclusions and exclusions, materials, total cost, and timeline to avoid confusion later. Take time to review, ask questions if you are not sure about something, and do not let the contractor pressure you into signing something before you are ready. Make sure you understand what happens if you and your contractor disagree.
- **Confirm warranty coverage:** Verify that the contractor provides appropriate warranty coverage. Alberta-based contractors should be registered with the Alberta New Home Warranty Program (ANHWP). Out-of-province contractors must provide equivalent warranty coverage applicable to the province where they are registered.

3. Understand the costs and payments

- **Understand costs and payments:** Know the total contract cost and payment schedule and ensure payments are based on work completed. (For example, if the job is 30% complete, you should only pay 30% of the cost.)
- **Hold back part of the payment:** Make sure you hold back 10% of the total contract value across all payments. This helps protect against any unpaid claims or liens. Sometimes, the builder may ask for this money to be held by a lawyer until it can be released.

4. Know the timelines

- **Understand the project timeline:** Confirm the planned start date and major milestones so that you know how the work is expected to progress.
- **Be aware of schedule changes:** Construction timelines can shift due to weather, material availability, or other unforeseen circumstances. Ensure the contract includes a schedule and understand that timelines may change.

5. Handle changes carefully

- **Understand the impact of changes:** Changes to the work can affect both costs and timelines.
- **Document all changes in writing:** Make sure changes are priced and approved in writing before work continues. Do not rely on verbal approvals.

6. Understand permits and inspections

- **Confirm permit and inspection responsibilities:** Clearly identify who is responsible for obtaining permits and arranging all required inspections.
- **Ensure proper approvals are in place:** Having the correct permits and inspections helps prevent delays, cost overruns, or work being stopped.

7. Keep records and communicate clearly

- **Maintain records and clear communication:** Save emails, invoices, text messages, photos, and notes from conversations with your contractor, their crew, or any subcontractors and trades. Establish a single point of contact for both the contractor and the leaseholder and agree on an update frequency.
- **Stay engaged and informed:** Keep track of what is happening on your property. Ask questions, take photos, attend site meetings where possible, and ensure you understand each stage of the work. If you cannot attend or visit your property, you may want to ask a trusted friend or neighbour who can go on your behalf and take notes and photos.

8. Document existing site conditions and progress

- **Record pre-construction conditions:** Before any work starts, document the existing condition of your lot by taking clear photos. Include sidewalks, landscaping, utilities, powerlines, and nearby structures.
- **Share and retain documentation:** Share this information with your contractor. Keep copies for your records so that there is clear proof of the site's original condition if issues arise later.
- **Take photos of the progress:** Keep your own photos to ensure you know how the build has progressed.

9. Know what to do if there is a problem

- **Understand the steps to take if there is a dispute or if the contractor stops work:** Know when it may be appropriate to pause payments. Know how you will resolve issues.
- **Document issues and escalate early:** Record concerns in writing and raise them promptly to help resolve issues before they escalate.

10. Get help when needed

- **Seek advice early:** If something does not feel right, get guidance early from a lawyer, inspector, or other qualified professional.
- **Prevent larger issues:** Addressing concerns early can help avoid more serious or costly problems later.

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