

How to Become a Home Improvement Contractor

Explore this Article ■ [Experience and Education](#) ■ [Licenses and Insurance](#) ■ [Business Management](#)
■ [Questions & Answers](#) ■ [Tips and Warnings](#) ■ [References](#)

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If you like doing jobs around the house, you might consider becoming a home improvement contractor. Contractors like these do jobs for individual clients on either a large or a small scale; you could do the jobs yourself or oversee a team of contractors doing the work. A career as a home improvement contractor can grant you the flexibility and autonomy of owning your own business while allowing you to work with your hands and take pride in your handiwork.

Method 1

Method 1 of 3: Experience and Education



1 Get experience in residential construction. Try to find an entry-level job in general contracting, construction, or home improvement. Then, work your way up through positions to gain skills in every area of the home. Focus on plumbing, carpentry, electricity, and flooring.^[1]

- Your experience is especially important if you don't want to pursue further education.
- You could apply for a low-level construction job to start with (even a seasonal one is great). As you get more skills and qualifications, you can move up the ranks and get more experience in other areas.



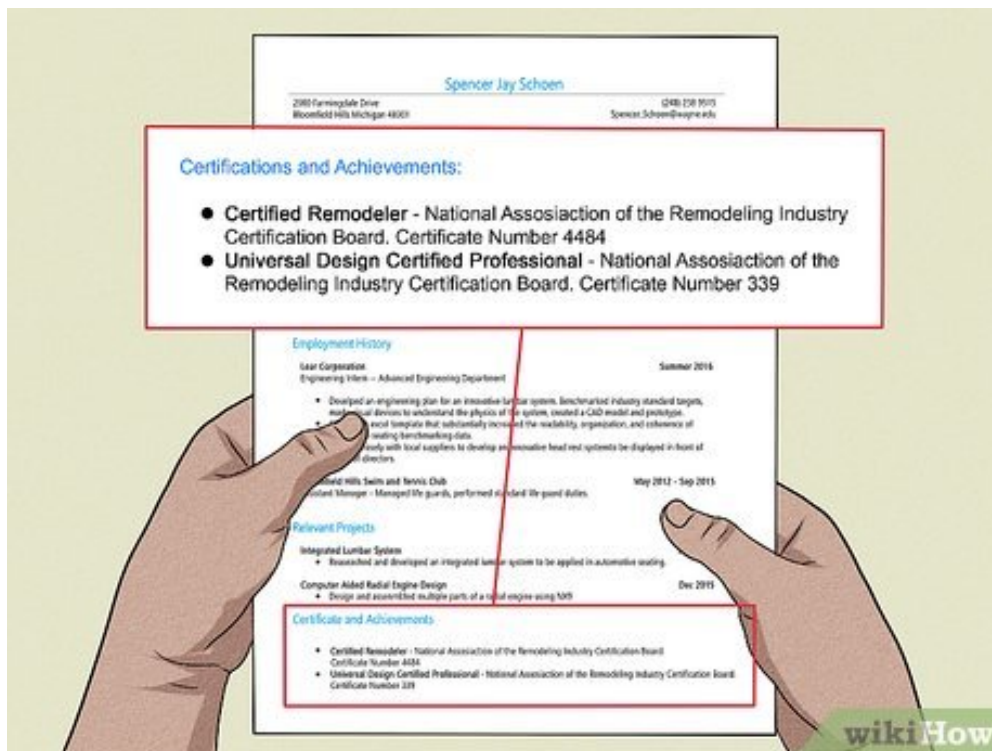
2 Gain skills like supervising, client-relations, and budgeting. If you're planning to oversee large-scale projects, make sure you have experience in coordinating jobs with others. Try to get leadership experience, talk to clients about jobs, and work on creating budgets and timelines for job sites.^[2]

- You can get this working at a construction site or doing jobs for a general contractor.



3 Try getting a formal education to fast track your job. Construction Science, Construction Management, Construction Engineering, or Architecture are all valuable degrees for this job. Or, look for programs through the American Council for Construction Education or the American Institute of Constructors.^[3]

- A lot of community colleges have 1 to 2 year programs for trade workers.
- You could also take classes in business and administration as well. These will help you if/when you start your own contracting business.



4 Boost your resumé with a certification from NARI or OSHA. To get a National Association of the Remodeling Industry, or NARI, certification, take a 200-question test on codes, laws, safety standards, and industry-specific skills.^[4] To get certified through the Occupational Safety and Health Administration, or OSHA, take 10 to 30 hours of in-person safety training.^[5]

- You'll have to update your certification periodically (usually every 5 years or so), so keep good records of when you got certified.

Method 2 of 3: Licenses and Insurance



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1 Get a business license if your state requires it. Every state is different, but most jurisdictions require contractors to have a business license before they start working. You can get one through the licensing board of your state, city, or county, depending on where you live. Create a [business plan](#), come up with a business name, and register your business to get a license.^[6]

- You may have to take an exam to prove your knowledge on construction and business law.

State of Illinois
Illinois Department of Public Health

Partnership Plumbing Contractor-Surety Bond

055 - _____
Illinois Plumbing Contractor Registration Number
(If Renewal, Must Be Completed)

Bond Number (Required) _____

KNOW ALL PERSONS BY THESE PRESENT, that _____
(Name of Plumbing Contractor as on application)

(Plumbing Contractor Address) _____ City _____ State _____ ZIP _____ Telephone No. _____
as principal, and _____
(Surety Indemnification Company Name)

(Surety Indemnification Company Address) _____ City _____ State _____ ZIP _____ Telephone No. _____

a corporation licensed to do business in the state of Illinois as surety, are jointly and severally held and firmly bound to the Director of the Department of Public Health, State of Illinois, as Obligor, in the sum of TWENTY THOUSAND DOLLARS (\$20,000) for the payment of which, we bind ourselves, our heirs, executors, administrators, successors and assigns, firmly by these presents.

WHEREAS, a registration has been issued by the Obligor to the plumbing contractor named above; and

WHEREAS, Illinois Statutes, section 894.20, requires a bond for all plumbing work.

NOW, THEREFORE, the condition of this obligation is such that, if the undersigned Principal or such person performing plumbing under the Principal's supervision performs plumbing in compliance with the plumbing code pursuant to Illinois rules, Part 894, then this obligation shall be null and void. Otherwise, it shall remain in full effect until its stated expiration date. The period of this bond is _____ through September _____.

During the term of this obligation, the Principal and Surety will pay unto the Obligor, or as otherwise directed by the Obligor, the amount needed to correct noncomplying plumbing work, not to exceed TWENTY THOUSAND DOLLARS (\$20,000) for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the Illinois Plumbing Code, Illinois Rules, Chapter 894.

FURTHERMORE, it is understood and agreed that:

1. The aggregate liability of the surety pertains to all claims arising during the period defined above.
2. In the event the bond penalty is insufficient for correction of all noncomplying plumbing work, the exhaustion of the bond does not relieve the undersigned Principal of liability for correcting noncomplying work.
3. This bond is an obligation that may be canceled at any time as to further liability upon the Surety's giving at least 15

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2 Register for a bond to protect your customers. Bonds are promises from a bonding company (usually the state you work in) to pay your customers if you fail to complete your work. You can apply for a bond by filling out an online registration form through your state or jurisdiction.^[7]

- Many customers won't hire a contractor unless they're bonded, so it's a good idea to do this as soon as possible.
- The amount of the bond varies from state to state. Generally, home improvement contractors have to take out a bond for \$10,000 to \$20,000.

CITY OF CHICAGO
DEPARTMENT OF BUILDINGS
General Contractor License - Application

Please Type or Print Legibly—Refer to Instructions on Pages 7 & 8

Section I - Applicant Information

Applicant Name: _____
 Company Name: _____
 Principal Office Address (no PO Box): _____
 City/State/Zip: _____
 Business Phone Number: _____ / _____ Emergency Phone Number: _____ / _____
 E-mail Address (required): _____ Tax Payer ID or Social Security #: _____
 Local Office Address (if different from principal office): _____

Please check appropriate box for your type of business structure:

☐ Corporation ☐ Limited Liability Company

Corporations and LLC's:
 State of Incorporation: _____ Date Incorporated: _____

☐ Partnership ☐ Individual Doing Business Under An Assumed Name

☐ Individual / Sole Proprietor ☐ Other: _____

Please check the appropriate license classification. (Choose only one):

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3 Apply for a contractor's license if your state requires it. Usually, a state or jurisdiction will require either a business license or a contractor's license.^[8] You will need to take an exam and take a fee to qualify for this license.^[9]

- You'll also have to renew your license periodically (usually every 3 to 5 years).
- Fees for a contractor's license vary, but they're usually between \$150 and \$200.
- This could also be called a "Home Improvement License."



4 Get a lead certification if you're working on old homes. Homes built before 1978 may have lead paint on the walls or ceilings. If you plan on working in older homes or buildings, apply for the Environmental Protection Agency's (EPA) Lead-Safe Certification. Some states require you to have this before you start contracting.^[10]

- You can apply for this certification by visiting <https://www.epa.gov/lead/getcertified>.



5 Purchase insurance to protect your business. Look for personal liability insurance, property damage insurance, and worker's compensation (contractors need all three).

^[11] You can shop around to find the lowest insurance rates near you, but they usually cost around \$90 per month in total.^[12]

- Most clients will ask about your insurance policies, so make sure yours are updated.

**Secretary of State
Articles of Organization
Limited Liability Company (LLC)**

LLC-1

IMPORTANT — [Read Instructions](#) before completing this form.

Filing Fee — \$75.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
Certification Fee — \$5.00

Note: LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

This Space For Office Use Only

1. Limited Liability Company Name ([See Instructions](#)) — Must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.

2. Business Addresses

a. Initial Street Address of Designated Office in California — Do not enter a P.O. Box

City (no abbreviations)

State

Zip Code

b. Initial Mailing Address of LLC, if different than item 2a

City (no abbreviations)

State

Zip Code

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL — Complete items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)

Middle Name

Last Name

b. Street Address (if agent is not a corporation) — Do not enter a P.O. Box

City (no abbreviations)

State

Zip Code

CORPORATION — Complete item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete item 3a or 3b

4. Management (Select only one box)

The LLC will be managed by:

☐ One Manager

☐ More than One Manager

☐ All LLC Member(s)

6 Create a small business with an LLC. If you'd like to turn your contracting jobs into an actual registered business, you'll need to apply for a limited liability company, or **an LLC**. This will protect your business and cover accidents with insurance. Usually, you can register with your state online by filling out a form with your business name, address, and the members/owner.^[13]

- The other option is filing taxes as an independent contractor. This will be less money up front, but it doesn't offer the same protections as an LLC does.



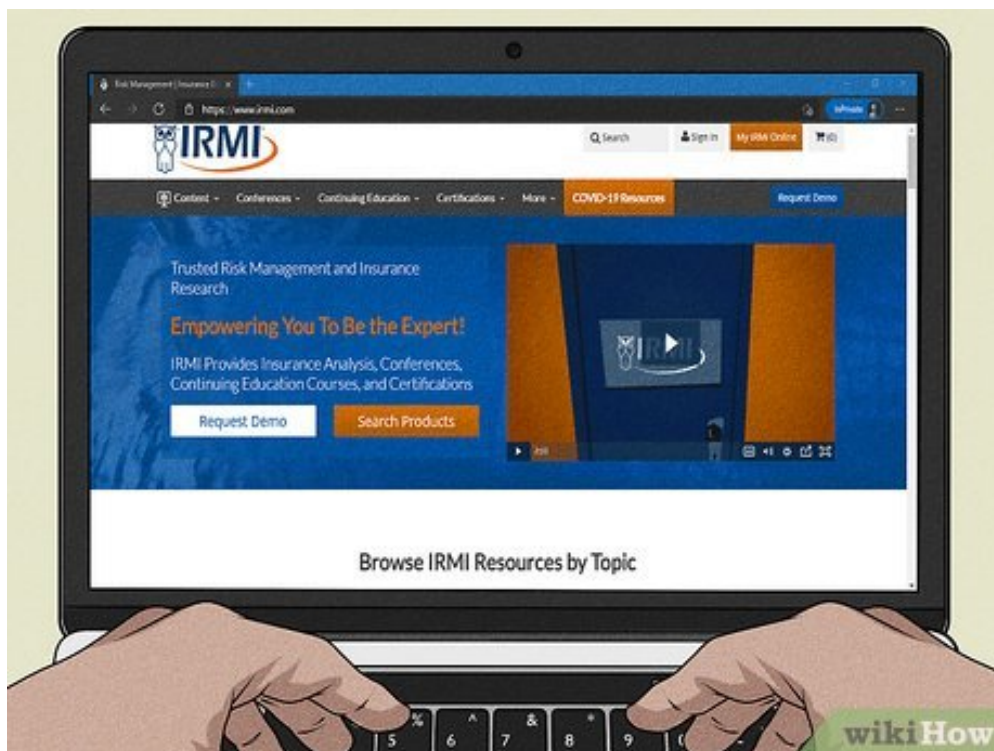
1 Market your business online and in local papers. When you're first starting out, you can advertise your services locally. Start by taking out ads in your local papers or magazines, then create a website for your business so people can look you up.^[14]

- Having a social media presence is a great (and free) way to advertise. Start a business page on Facebook or Instagram to get new clients that way.
- Keep your website updated with pictures of job sites or completed work.



2 Get new clients via word-of-mouth. Recommendations from friends or family members go a long way. Ask your clients to tell people they know about your services and recommend you for any home improvement jobs.^[15] ^[16]

- This is a great way for clients to see your work before they actually talk to you. That way, they can get a feel for what kind of services you offer.



3 Join an industry association for networking opportunities. Talking to other contractors is a great way to find more jobs in your area. Look for an industry association near you, like the Associated General Contractors.^[17]

- There are also hyper-specific associations you can join, like the International Risk Management Institute (IRMI) or the National Association of Women in Construction (NAWIC).

CONSTRUCTION CONTRACT

THIS AGREEMENT is made and entered into this ____ day of _____, 20XX, by and between the **COUNTY OF MONTROSE, Colorado**, by and through its Board of County Commissioners (hereinafter called "Owner" or "County"), and _____, (hereinafter called "Contractor"), for the Construction Project known as:

The Owner's Representative (OR) is _____.

The Owner and Contractor agree as follows:

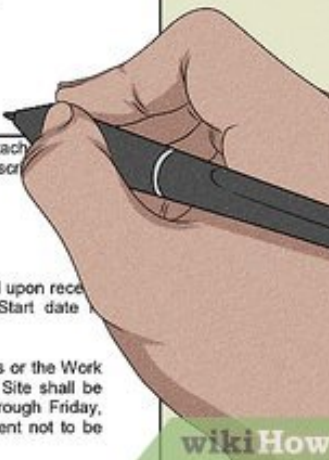
ARTICLE 1
THE WORK:

The Contractor shall complete all the work on the _____ specified in the Scope of Work included and also contained in the RFP attached and incorporated herein. The Work is generally described as _____.

ARTICLE 2
TIME OF COMMENCEMENT AND COMPLETION:

2.1 The Work to be performed under this Contract shall be commenced upon receipt of a Notice to Proceed and completed by _____. Start date anticipated to be on or about _____.

2.2 Except as otherwise required for the safety or protection of persons or the Work or property at the Work Site or adjacent thereto, all Work at the Site shall be performed between the hours of 7 AM and 5:30 PM, Monday through Friday, unless otherwise provided in writing by Owner or OR, such consent not to be unreasonably withheld.



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4 Write up a **contract** for every client. It's important to get every job in writing before you start. Give your client an estimate, then write them a contract with payment options and a timeline.^[18]

- This is to protect both you and your client. If anything goes wrong, you can take your contract to court.
- You can also put your bond, license, and insurance information in the contract.



5 **Oversee jobs, apply for permits, and work with clients.** On a daily basis, you'll most likely be checking in with your job sites and making sure everything is running smoothly. You may have to apply for residential permits through your city before starting jobs, and you can also do physical labor yourself if you'd like to.^[19] ^[20]

- Most large remodels require permits, like adding rooms or building outside enclosures. Smaller jobs, like flooring or kitchen remodels, generally don't require permits.
- Communication is key to being a good contractor. Make sure that you're transparent and open with your clients throughout the projects.^[21]



Community Q&A

Question

What is the organizational structure of a home improvement company? I.e, Do I need a board of directors, president, vice president, etc.?



Community Answer

As with any business, there are many options, including corporation, LLC, partnership, or sole proprietor. The structure you choose should reflect what's best suited to your particular situation. You should seek legal or professional advice before making this decision.

Helpful 1 Not Helpful 0



Tips

- Make sure you are familiar with what type of jobs require building permits. Large jobs may require both general construction permits and trade permits like electrical and plumbing permits.

References

1. ↑ <https://www.bls.gov/iag/tgs/iag238.htm>
2. ↑ <https://www.bls.gov/iag/tgs/iag238.htm>
3. ↑ <https://www.acce-hq.org/about-industry>
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13. ↑ <https://www.hg.org/legal-articles/independent-contractors-should-they-form-an-llc-or-s-corp-50404>
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19. ↑ <https://www.consumer.ftc.gov/articles/0242-hiring-contractor>
20. ↑ GreatBuildz. Contractor Matching Service. Expert Interview. 25 November 2020.
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About This Article



Co-authored by:
GreatBuildz
Contractor Matching
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This article was co-authored by **GreatBuildz** and by wikiHow staff writer, **Hannah Madden**. GreatBuildz is a free service that matches homeowners with reliable, pre-screened general contractors. GreatBuildz was founded by a team of real estate and construction experts who believe everyone deserves to find a great contractor, have a stress-free renovation, and enjoy their beautiful new space. GreatBuildz connects homeowners with reputable contractors who passed their rigorous screening process and signed their code of conduct. GreatBuildz also individually selects contractors for the specific project and provides ongoing support to ensure everything goes smoothly. This article has been viewed 89,530 times.

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<https://www.wikihow.com/Become-a-Home-Improvement-Contractor>

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