



HOUSE WREN

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SAMPLE DESIGN AND MANAGEMENT FEE AGREEMENT

Interior Designer(s): Sarah Peterson of House Wren LLC

Client:

Project Location:

Project Type: (Description of scope of work)

This Design fee will include the creative direction and design plan for the interior space and sourcing of the item(s) needed to complete the space(s) listed above. Items may include but are not limited to lighting, flooring, tile, wallpaper, accents, cabinets/vanities, paint selection, countertops, etc. The cost of these items will come out of the project budget and not the design fee. I always do my best to get the best quality and look for the client while keeping the budget at the forefront. No item will be purchased without the client's consent.

The Design fee also includes onsite or showroom/shopping design meetings during the duration of the entire project. It includes at least one visit to the jobsite per week and consistent communication with the contractor for timelines and budget.

If working floor plans are required to complete this project they must be provided by the architect or contractor on the project. The designer will work with them on the floor plan and any changes are necessary. Floor plan costs and revision costs will be paid by the client.

Dressing the space is usually considered a separate project and budget than the remodel/construction. Items for dressing a space usually include: furniture, window dressings, pillows, staging items like plants or decorative pieces, etc. We can do this as a separate item or include it in this contract and project cost if that is something the client would like help with. When combined with a remodeling project the fee for dressing a space is the same 5% for total project cost. Usually we set an upfront budget for this. I will help source larger items and will make arrangements for the clients to order and pay for them. For accessories I usually ask for a lump sum to take and use to find staging items for the space.



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PAYMENT SCHEDULE

If choosing the Individual Design option:

The consultation fee is paid at the beginning and then I will take some time to work up the design. The design fee balance is then paid in exchange for finished designs.

If choosing the Full Project Designer option:

You will have my services for the whole project. Selecting and ordering materials (using my contacts and professional dealer pricing), communicating timelines with the contractor, keeping project cost spreadsheet, and keeping the project within/under budget. With this option the consultation fee is paid in percentages throughout the project. House Wren will be paid 30% of the designer fee at contract signing, the next 30% when the build starts, another 30% midway through the project, and the last 10% when the project ends. If it is a project that crosses over the New Year dateline then a payment will be made in December before the change of tax year.

Separate costs:

- Cost of building materials (drywall, lumber, etc) and labor will be arranged through the contractor.
- Material purchases (tile, flooring, vanities, cabinets, etc) that I am helping source may be arranged by me but will be paid by the client either through an online purchase site or with a call to a supplier. I do not take/add any extra commission on materials I help source.
- Architect fees, if necessary, are separate and negotiated with the architect/firm.

Reference:

<https://homeguide.com/costs/interior-designer-cost>

What happens if the client doesn't pay House Wren, the contractor, or subcontractors?

I think it is critical that clients understand the consequences of not paying for any part of the job by introducing them to the [Michigan Construction Lien Act](#). This is something that all tradesmen are aware of and that some have had to resort to when they have done work and not been compensated. Unfortunately homeowners are not always prepared or knowledgeable in this matter.

Michigan allows contractors, subcontractors, laborers, material suppliers and design professions who provide an improvement to real property to record a construction lien on that property if they are not paid. As such, it is critical to understand the basic provisions in this act before any construction begins. Here is an article that I have found extremely informative that I recommend you read before you sign any contract: <https://michiganrelaw.com/2021/12/02/michigan-construction-lien-act-what-residential-owners-need-to-know/>



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DESIGN AND MANAGEMENT FEE AGREEMENT

Interior Designer(s): *Sarah Peterson of House Wren LLC*

Client: *John Smith*

Project Location: *1234 Makebelieve Lane, Ann Arbor, MI*

Current Estimate for entire project: *\$160,000*

Project Type: *Home remodel and home addition project design*. Specifics to include: *(example)* Kitchen remodel, master bath and closet remodel, living room and master bedroom addition, new flooring throughout the entire house.

The Design Fee will be: *5% of the total project cost (5% of \$160,000 is \$8,000)*.

The designer will be paid their fee in installments as follows:

- o First 30% payment: \$ 2,400 will be required at the contract signing.
- o Second 30% payment: \$2,400 will be required when the work starts
- o Third 30% payment: \$2,400 will be required midway through the project
- o Last 10% payment: \$ 800* will be required at the full completion of the project.

**If the project is less than \$160,000 then my fee will be adjusted accordingly and will be reflected in the final payment. The same if the project exceeds this number.*

Accepted Methods of Payment: Check, Venmo, Money order. You will receive a receipt.

I (Client Name (s)) _____ agree with the Design and Management fees as stated above. I have read and understand how the Payment Schedule works and agree to pay each of the installments as outlined, and on time. I also understand that any fluctuation +/- in the project cost, as it affects the design fee, will be worked out in the final design fee payment. I understand that this agreement is only with House Wren LLC and that they are solely responsible for the design aspects of the project whereas for the build I will have to arrange/sign contracts with other trades who will be responsible separately for how the design is executed in the space.

I understand that fees that remain unpaid 10 days after a payment deadline could result in a lien being placed on the property until the fee is paid* according to terms laid out in the Michigan Construction Lien Act.

Client Signature: _____ Date: _____

I (Interior Designer name) _____ agree to fulfill the services for the client as outlined in this agreement. I commit to having open and timely communication with the client(s) throughout the project. I will be responsible for giving notice before payments are due so that the client has time to arrange funds.

Interior Designer Signature: _____ Date: _____