Service contracts or insurance?

(AP) — Appliance dealers — sometimes in conjunction with manufacturers — routinely offer their customers service contracts. For a fee, which generally rises as the appliance gets older, the contractor will undertake to perform all repairs — either without additional charge or according to a specified schedule of charges.

How can you determine whether a service contract is right for you?

The key to your decision must be a clear understanding of the contract, including the fine print, combined with an evaluation of your own needs.

Here are some things to consider:

While a service contract may offer a way out of high repair costs, you should remember that you are buying a form of insurance.

AS WITH any insurance policy, a service contract is based upon mathematical probabilities. Not surprisingly, these tend to favor the contractor rather than the consumer.

If, for example, an all-inclusive one-year service contract on a new dishwasher costs $50, you can assume that the contractor has based his price on the knowledge that the average appliance of that type requires considerably less than $50 in repairs during its first year.

Nevertheless, there are often very good reasons to buy a contract. Things do go wrong with appliances, and you may decide that it's advisable to pay a relatively modest sum to assure yourself that you will not be hit with an enormous bill.

But first, since all service contracts are not the same, examine the specifics of the contract carefully:

- Is the contract redundant? If you buy a service contract for an appliance at the same time you buy the appliance, you may find that many, if not all, of the items covered by the contract are also covered by the manufacturer's warranty. In that case, you would really be paying twice for the same protection.
- Is the contract all-inclusive? Some contracts allow an extra charge for labor but not for parts. Others may require you to pay for the repairman's travel time. And some contracts cover only a portion of the appliance, such as the motor in a washing machine or the heating elements in an electric range.

Do not take the salesman's word for what a contract covers and excludes. Read the contract yourself.

- Does the contract offer preferential service, or is there an extra charge for speedy, seven-days-a-week repairs? A consumer with a service contract on his hot water heater may think he is entitled to free Sunday and holiday service only to discover that the fine print of the agreement allows a significant charge for such emergency calls.
- Does the cost of the contract rise significantly with the age of the appliance? In most cases it does. The cost of a service contract during the first two years after an appliance is bought may be extremely modest, but this is also the time when minimal repairs are needed and warranties are in effect.

After that, the price of maintaining the contract may rise astoundingly and by the time the appliance is five or six years old the cost of the contract may be prohibitive.

Some contractors may offer lower rates on older appliances if the contract has been in force since the item was purchased. This is something to ask about.

- Are you able to make minor repairs yourself? If a service contract only includes major elements of an appliance, it may still be worthwhile if you can make small repairs and adjustments. This is particularly true when the cost of a contract is adjusted according to the degree of service anticipated.

A home handyman who feels confident that he can deal with most contingencies may be wide to buy a contract that covers only major repair work.

- Can the contract be transferred? Some contracts apply only to the purchaser and cannot be assigned to others should ownership of the appliance be transferred. Similarly, contracts from local retailers may have no value if you move to a distant area or if the store owner goes bankrupt.

New builder roles

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ers rely on stems from the manufacturers.

AUTOMATION and technology is becoming and will continue to become increasingly important in the building industry, Ahluwalia said.

"That is very true," Tobin said. "The house of today will be a dinosaur in the near future."

Smart house technology — the ability to integrate lighting, climate, entertainment, security and control it by computer — is already here.

Wiring carries electricity and communications, but technology allows much more.

"You may not see it in the affordable homes for a while, but prices will come down."

Daniel Barton, president of D&J Development Property Development in Canton, said he sees technology making further changes. Foundations made from concrete and expanded polystyrene blocks, high strength/high insulation wall panels, and composite I-beams are just some of the things in limited use today.

"These products are in little use now but will become extremely popular in the next decade," he said. Builders will have to keep up on what products and technologies are going to be coming available to meet the demands of buyers who want the newest technology has to offer.

Fences can make good neighbors

A fence is the most popular form of boundary marker or garden screen because of its advantages over other methods of dividing plots of land.

A fence takes very little time to erect when compared with a wall or especially a hedge, which takes years to establish. Most fencing components are relatively lightweight and are therefore easy to transport and handle on-site.

In the short term, a fence is cheaper than a wall built of masonry, although one can argue that the cost of maintenance and replacement over a very long period eventually cancels out the saving in cost.

Wood does have a comparatively short life because it is susceptible to insect infestation and rot when exposed to the elements, but a fence will last for many years if it is treated regularly with a chemical preservative. In any case, if you are prepared to spend a little money on plastic and concrete components, you can erect a nearly maintenance-free fence.

WHEN YOU measure even a small garden, you will be surprised by the overall length of fencing required to surround your property, so it is worth considering the available options carefully to make sure that you invest your money in the kind of fence that will be most suitable.

Unless your priority is to keep neighborhood children or animals out of your garden, the amount of privacy afforded by a fence is likely to be your most important consideration. There are a number of privacy options, but you may have to compromise to some extent if the fence would be exposed to strong prevailing winds.

Check the line of the boundaries to make certain that you do not encroach on neighbors' land.

In that case you will need a fence that will provide you a decent windbreak without offering such resistance that the posts will work loose within a couple of seasons due to constant buffeting by the wind.

In most communities, you can build any fence up to 6 feet high without a zoning variance unless your boundary adjoins a highway, in which case permissible fence height may be limited.

IN ADDITION, there may be local restrictions on fencing if the land surrounding your house has been designed as an open-plan area. Even so, many authorities will permit low boundary markers such as ranch-style or post-and-chain fences.

At least discuss your plans with your neighbors, especially as you will require their permission to enter onto their properties, and it is always an advantage to work from both sides when erecting a fence.

Check the line of the boundaries to make certain that you do not encroach on neighbors' land. The fence posts should run along the boundary or on your side of the line. Before you dismantle an old fence, make sure it is yours to demolish.

If a neighbor is unwilling to replace an unsightly fence, or even to allow you to replace it at your expense, there is nothing to stop you from erecting another fence alongside as long as it is on your property.