



FORENSIC CONSTRUCTION CONSULTING

Protecting Yourself Against Unscrupulous Contractors

What Homeowners and Community Associations Need to Know

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for the Fairfax Bar Association — Real Estate Practice Section

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I. Virginia Contractor Licensing Laws & Requirements

Virginia regulates who may perform construction work and at what value. Before hiring, a homeowner should understand the several layers of licensing that may apply:

- **Virginia Business License** — Virginia State Corporation Commission (SCC), www.scc.virginia.gov
- **Virginia Contractor / Trades License** — Department of Professional and Occupational Regulation (DPOR), www.dpor.virginia.gov
- **Local Business License** (e.g., Fairfax County BPOL Tax)
- **Local Contractor License**
- **Trades License** (electrical, plumbing, HVAC, gas fitting, and other specialties)
- **RRP Certification** — EPA Renovation, Repair and Painting Rule, www.epa.gov/getleadsafe

Virginia Contractor License Classes

The Code of Virginia defines three license classes by the value of a single contract or project. Confirming that a contractor holds the correct *class* for your project's value is one of the most important protections available to you:

Class	Single Contract / Project Value
Class C	Over \$1,000 but less than \$30,000
Class B	\$30,000 or more, but less than \$150,000
Class A	\$150,000 or more (no upper limit)

These thresholds are set by § 54.1-1100 of the Code of Virginia. Each class also carries a 12-month aggregate limit: Class C, under \$250,000; Class B, \$250,000 to under \$1 million; Class A, \$1 million or more. (Certain trades, such as water-well and landscape-irrigation contracting, are governed by separate thresholds under § 54.1-1103.)

Beyond class, each license carries a **classification** or **specialty** (for example, RBC — Residential Building Contractor, or CBC — Commercial Building Contractor) that defines the type of work permitted. A license of the correct class but the wrong specialty is not adequate for the work.

Building permits are separately required for most work. In Fairfax County, see www.fairfaxcounty.gov/landdevelopment/when-permit-required.

II. Essential Terms Every Residential Construction Contract Must Include

Contract Types — Basis of Payment

Common structures include lump sum (also called stipulated sum or fixed price), cost-plus, and unit price. Whatever the structure, four terms are indispensable to any enforceable construction contract:

- **Parties** — who is bound by the agreement
- **Project** — a clear description of the work
- **Time of performance** — start and estimated completion
- **Cost** — total price and payment schedule

Virginia Residential Construction Contract Requirements

Virginia regulation sets minimum requirements for residential contracts. Two provisions are especially important for homeowners to know:

18VAC50-22-260(B.8) — Written, signed contract required

Those who engage in residential contracting (excluding subcontractors to the contracting parties and those performing routine maintenance or service) must use a legible written contract clearly specifying the terms and conditions of the work. Prior to commencing work or accepting payment, the contract must be signed by both the consumer and the licensee or the licensee's agent. "Residential contracting" covers construction, removal, repair, or improvements to single-family or multi-family residential buildings, including accessory-use structures as defined in § 54.1-1100 of the Code of Virginia.

18VAC50-22-260(B.9) — Minimum contract contents

Under the current regulation, a compliant residential contract must include, at minimum:

- When work is to begin and the estimated completion date;
- A cost statement appropriate to the contract type — for a standard project, the total cost; for cost-plus, the fee or percentage and a not-to-exceed cap; for time-and-materials, a fixed labor price inclusive of overhead and material cost;
- The amounts and schedule for progress payments, including the specific down-payment amount;
- A listing of specified materials and work requested by the consumer;
- A plain-language clause on events beyond the contractor's control (stating such delays are not abandonment and do not count toward payment or performance time frames);
- Assurance the contractor will comply with local permit, inspection, and zoning requirements;
- Disclosure of the parties' cancellation rights;
- A signed acknowledgment that the consumer received and read the DPOR statement of protection available through the Board for Contractors;
- The contractor's name, address, license number, class, and classification or specialty;
- A statement that any change to cost, materials, work, or completion date must be in writing and signed by all parties; and
- Notice of the Virginia Contractor Transaction Recovery Fund and how to contact the Board.

Related duties under **18VAC50-22-260(B.10) and (B.11)** require the contractor to deliver a fully executed copy of the contract to the consumer *before work begins*, and to keep a complete, legible copy of the contract and all change orders for five years.

General conditions worth reviewing include: responsibilities, representatives, schedule, insurance and bonds, differing site conditions, changes in the work, delays, payment / retainage / release of liens, hazardous materials, warranties, term and termination, dispute resolution, choice of law, and attorney fees.

III. How to Verify a Contractor's Credentials in Virginia

Verification takes only a few minutes and can prevent a costly mistake. Before signing, confirm the contractor through these sources:

- **SCC** — Virginia State Corporation Commission (business registration), www.scc.virginia.gov
- **DPOR** — Department of Professional and Occupational Regulation License Lookup (license status, class, specialty, and disciplinary history), www.dpor.virginia.gov
- **Fairfax County** — BPOL business license, 703-222-8234 (option 4); Class C licensing, 703-324-1937
- **Building Permit records** — Fairfax County permit search (fido.fairfaxcounty.gov)
- **Fairfax County Consumer Protection** — complaint history, www.fairfaxcounty.gov/consumercomplaint
- **Virginia Judicial System** — case history, www.courts.state.va.us
- **Real estate records** — icare.fairfaxcounty.gov
- **Independent checks** — web search, drive-by of prior projects, and references

IV. What to Do in a Contractor Dispute or Construction Fraud Situation

Virginia law treats certain contractor conduct as a criminal matter, not merely a contract problem. Two statutes are central:

§ 54.1-1115.A — Prohibited acts (Class 1 misdemeanor)

The following acts are prohibited and constitute a Class 1 misdemeanor:

- Contracting for, or bidding upon, construction, removal, repair, or improvement of property owned, controlled, or leased by another without a license or certificate — or without the proper class of license as defined in § 54.1-1100 for the value of the work;
- Attempting to practice contracting in the Commonwealth except as provided by law;
- Presenting or attempting to use another's license or certificate;
- Giving false or forged evidence to the Board in an application for issuance or renewal;
- Impersonating another, or using an expired or revoked license or certificate;
- Acting as the awarding authority and accepting a bid from anyone known not to be properly licensed or certified; the awarding authority must require the bidder's license or certificate number before considering a bid.

§ 18.2-200.1 — Failure to perform promised construction in return for advances

If a person obtains an advance of money or other value with fraudulent intent, upon a promise to perform construction, removal, repair, or improvement of a building or other real-property improvement, and then fails or refuses to perform and also fails to substantially return the advance, that person is deemed guilty of larceny of the advance — provided the advance is not returned within fifteen days of a request sent by certified mail, return receipt requested, to the person's last known address or the address listed in the contract.

Virginia Judicial System — Where a Claim Is Heard

- **Small Claims Court** — civil cases where the amount does not exceed \$5,000
- **General District Court** — misdemeanor offenses and civil cases over \$4,500 but not over \$25,000
- **Circuit Court** — felony offenses and civil cases exceeding \$25,000 (and, concurrently, civil matters between \$4,500 and \$25,000)

Administrative / regulatory remedy: a complaint may be filed with DPOR, and the **Virginia Contractor Transaction Recovery Fund** may provide recovery in qualifying cases (www.dpor.virginia.gov). Consult a licensed attorney to determine the right forum and remedy for your situation.

Reference: Virginia Board for Contractors Regulations (18VAC50-22) and Code of Virginia, Title 54.1, Chapter 11. The complete regulations are published by DPOR at dpor.virginia.gov. Thresholds and requirements are current as of the September 1, 2025 edition and are subject to change; verify against the official regulation before relying on them.

Först Consulting Group provides forensic construction consulting, defect investigation, contract review, and expert witness testimony for homeowners, attorneys, community associations, and insurers throughout Northern Virginia, Maryland, and Washington, D.C. **Before a Defect Becomes a Dispute.**