

DINING

Walgreens?

Sushi? Juices? At a drugstore? Yes. And it's not what you might expect.

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INFO JUNKIE

What the consultant consults

Lyndean Brick, from 'Morning Joe' to Wine Spectator. PAGE 27

Walgreens? For lunch? Yeah, we went there—or at least our restaurant critic did.

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FOCUS: Illinois electricity consumers have some powerful alternatives.

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Don Van Cura, left, of Don Van Cura Construction Co., and his crew work at a home in Chicago.

RESIDENTIAL REAL ESTATE

REH FOR THE B
HOUSEBOUND

Remodelers 'swamped' as homeowners elect to stay put

BY H. LEE MURPHY

Homebuilders this year still sit glumly on the sidelines, with little sign of any renaissance in housing. Meantime, their brethren in the remodeling trades—the smaller firms that replace and renovate kitchens and bathrooms and build out basements—are busy again, with homeowners who have given up on moving deciding to fix up what they have instead.

The four-year-old housing recession decimated both homebuilders and remodelers. Membership in the Greater Chicagoland chapter of the National Association of the Remodeling Industry, based in Des Plaines, has fallen more than 40 percent since 2006, to 160 from 280.

The survivors saw a mild rebound in 2011, with revenues rising 20 percent or more, and orders are now flowing even faster. Most expect their volume to be up 30 percent or better in 2012.

"We're swamped right now," says Don Van Cura, 59, owner of Don Van Cura Construction Co. on Chicago's Northwest Side, who is projecting that revenue could jump by one-third or more this year. "There is a pent-up

need. People who might have been expected to move up to a bigger house some years ago are now staying in place and looking harder at their existing home layout and trying to figure out how they can fix things up and rearrange things and live more efficiently with what they have."

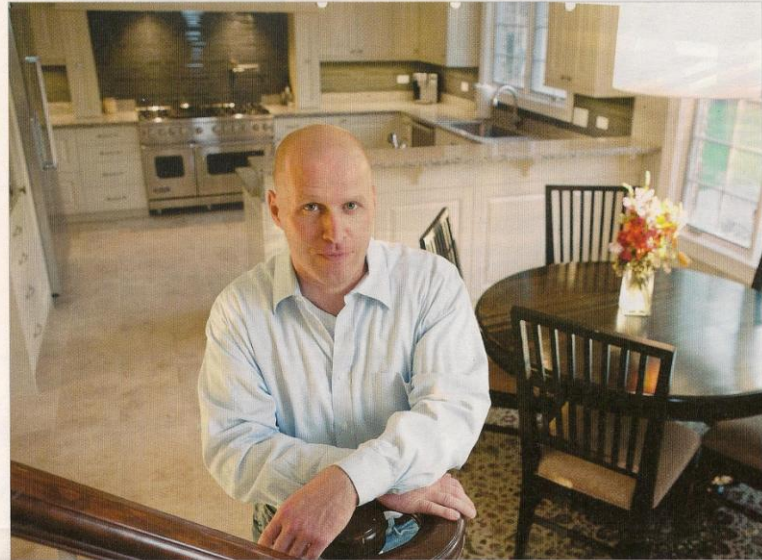
Still, caution prevails at many job sites. Ronald Cowgill, president of D/R Services Unlimited Inc. in Glenview, recalls when he was invited into older homes five years ago and asked by free-spending clients to peel walls back to the studs. "Now we're more likely to be doing smaller jobs, like freshening up bathrooms and kitchens, as people have decided it's not worth investing too much in a house that may still be declining in market value," says Mr. Cowgill, 49.

Geoff Smith, executive director of the Institute for Housing Studies at DePaul University in Chicago, says that remodeling activity is trending up for a variety of reasons. For one, interest rates are low, making bank loans to finance remodeling work cheap at the moment. "For some people who hope to sell their homes, the market is so full of unsold real estate and so competitive, they feel they

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ERIC UNGER

RESIDENTIAL REAL ESTATE



After moving from Denver to a home in Hinsdale last summer, Dave Ficeli and his wife remodeled their kitchen, changing the layout to accommodate a bar and drinks area.

Opting to remodel instead of buy

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have to fix up their place to make it stand out to potential buyers," he says.

UPDATING

Those in a position to buy are often getting a bargain and "giving their house all the features they would have built into a new custom house," Mr. Smith says. "The investment, in the end, is less for them."

That's been the case with Dave Ficeli and his wife, Christi, in Hinsdale. Transferring last summer from Denver, where Christi was an executive at MillerCoors LLC, the couple had little time to plan construction of a new house. Instead, they paid \$1.1 million for a decade-old, 4,200-square-foot stucco contemporary.

The fix-up began almost immediately. At the behest of the Ficelis, Corcoran Homes Inc. of Hinsdale changed out most of the flooring. The oversized Jacuzzi in the master bath was jettisoned in favor of a larger shower. Then came the kitchen: Dark cherry cabinets were replaced with cream-colored birch. The center island in the kitchen was pulled out and the layout redone to accommodate a bar and drinks area, supplemented by Viking appliances.

Mr. Ficeli, 40, a wine importer, calculates that more than \$200,000 has been invested. He's not nearly done: A bar and wine cellar in the basement are in the design phase, and work on a new outdoor patio will begin in late spring. "The thing is that when you're rebuilding like this, there is a domino effect. Fix up one room and the next room suddenly looks dated," he says. He says that there's an easy justification

for his spending spree: "We got a great deal on this house. It was worth \$1.4 million and we paid \$300,000 less than that. So we're still ahead."

Nearby in Hinsdale, the Zott family bought a builder's speculative house, spanning 4,000 square feet, in 2000 with the intention of making changes. In the past year, after much waiting, they finally put Mr. Van Cura to work.

They started with the kitchen. A dual-level center island that was poorly designed and lacked electricity was replaced with a new one. Old maple cabinets were changed in favor of natural

"FIVE OR SIX YEARS AGO, IF THERE WERE THINGS YOU DIDN'T LIKE ABOUT YOUR HOUSE, YOU THOUGHT NOTHING ABOUT MOVING UP TO A BETTER ONE."

Diana Ivas, agent, Re/Max Elite, Hinsdale

cherry. A six-burner Dacor range was replaced with a five-burner Wolf. The new refrigerator is a Sub-Zero. The tab came to more than \$200,000, with more work planned soon on three bathrooms upstairs.

'RENOVATING WHAT THEY HAVE'

David Zott, 50, is a lawyer in Chicago. His wife, Elizabeth, 49 and a stay-at-home mother with three children, has supervised much of the construction. "We had considered moving back in 2009," she says. "But by that point the value of our house had fallen way down, and so we decided, instead of trying to move, we'd fix up what we have the way we like it, finally. We liked the location, after all."

Diana Ivas, an agent at the Re/Max Elite brokerage in Hinsdale, encounters homeowners like the Zotts all the time. "Home sales in this area are 20 percent of what they were in 2006," she says. "Five or six years ago, if there were things you didn't like about your house, you thought nothing about moving up to a better one. Not anymore. Now people are renovating what they have."

Local building statistics confirm that conclusion. There were 107 new housing starts in Hinsdale, a town of 17,000, in 2005, according to Robert McGinnis, building commissioner. That total fell to 36 last year. Meantime, the number of additions and renovations in town rose to 247 last year from 118 in 2005. "We expect even more renovations this summer," he says.

Joseph Corcoran, the 46-year-old owner of Corcoran Homes in Hinsdale, recalls that "everybody here was so upwardly mobile at one time. You'd buy a \$1.1 million house and in a few years you'd look forward to moving up to a \$1.8 million house, partly on the appreciation off your first house. Now people have bought \$1.1 million houses and they're worth \$850,000. They're forced to wait it out."

Bathrooms are the priority in many remodeling projects today, Mr. Corcoran says. Many of his bath renovations go for \$15,000 and less. People have spent as much as \$120,000 on new kitchens he's installed, with breakfast bars the feature in highest demand now. "People are eating more in their kitchens and less in dining rooms, so they want a comfort-

Remodeling? Go certified

The renovation marketplace has been plagued forever by contractors who do shoddy work at inflated prices. It's no surprise: The state of Illinois requires manicurists to get licenses but requires nothing of renovation contractors.

"Anybody out of work who owns a hammer and screw gun can decide to get into remodeling," says Ronald Cowgill, president of D/R Services Unlimited Inc. in Glenview. "Some of these guys have no corporate names at all. It's 'Chuck in a truck.' And they offer what we call taillight warranties: Watch them drive away from the job and as soon as you can no longer see their taillights, your warranty has expired."

The National Association of the Remodeling Industry, based in Des Plaines, has been trying to repair this image through a certification program that requires 12-week courses followed by eight-hour examinations. There are separate certifications for kitchen and bath remodelers and for "green" remodelers.

A list of certified remodelers can be found at the association's website, NARI.org/chicagochapter/members.

able seating arrangement," he notes. Also in demand: finished basements "so that adults can get separation from their kids and their music and video games."

The goal of getting a financial return on renovation work has taken a back seat for many homeowners. James Krusenoski, 47, a corporate financial planner, occupies an 1894 Queen Anne in Downers Grove with his wife, Robin, and two daughters. They recently had Mr. Corcoran add a new family room and bathroom on the first floor along with a porch wrapping around the house complete with gazebo. New baths were added, and a wall was removed to open up the kitchen. Next up was a finished basement with a bar and home theater.

The total investment exceeded \$300,000. Mr. Krusenoski estimates the work has boosted the value of his house to \$600,000 from \$450,000. He took out an equity line with his bank to finance the work. But the money is beside the point, he insists. The house was featured last fall in *Better Homes and Gardens* magazine. The new porch makes it a showplace in the neighborhood. "We had been talking about these changes for 10 years. It was finally time to do something," Mr. Krusenoski says.

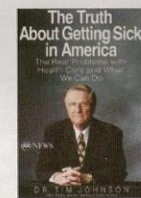
INFO JUNKIE



Lyndean Brick, 52, is a principal and senior vice president at Murer Consultants Inc., a health care consultancy in Joliet. Her media rounds:

MSNBC's "Morning Joe" and Comedy Central's "The Daily Show" have humor and great interviews. "Sunday Morning" on CBS is "like the *New York Times Magazine* of television."

Buys *Harvard Business Review* in airports. Local news: "Chicago Tonight: The Week in Review" on WTTW-TV/Channel 11.

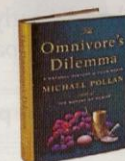


"The Truth About Getting Sick in America: The Real Problems With Health Care and What We Can Do," by Tim Johnson, is a "straightforward"

primer on health care reform. Stays industry current with HealthCareUpdateNews-Service.com and LinkedIn's [Health 2.0 group](http://Health2.0group).

USA Network's medical comedy "Royal Pains" is "so unrealistic that it's pleasurable and very funny." Exercises to "The Voice" on NBC. Watches "Glee" on Fox with her three teens and "Downton Abbey" on PBS with her husband.

"Sister Carrie," Theodore Dreiser's controversial and gritty novel about a young woman making her way at the turn of the last century, "was pretty depressing but still signified that you could start from nothing and build an identity." Now reading Mark Twain's "The Adventures of Huckleberry Finn" with her son.



"The Omnivore's Dilemma" by Michael Pollan "reshaped my eating habits." Laughs at Calvin

Trillin's food writing in the *New Yorker*. Foodie reads: *Gourmet*, *Fine Cooking* and *Wine Spectator*. For hostess gifts: Gift.com. Finds quirky simplicity in vintage cookbooks. "If I could do everything over again, I'd love to have been a food historian."

Christina Le Beau