

BUILDER SNAPSHOT

Translating visions into reality

From start to finish, Avis Homes guides, educates 'demanding' clients

By Leslie Mann
SPECIAL TO THE TRIBUNE

Successful in their own fields, Mike Avis' clients often warn him that they will be demanding, he says. "But I tell them no one is tougher on me than I am," says Avis, president of Avis Homes Inc. in Lake Bluff. "I won't deliver a house until it has a zero punch list."

Following in the footsteps of his late father, Mike Avis Sr., Avis builds \$1.5 million-plus custom houses in the northern suburbs and remodels aging ones.

"The houses have changed," says Avis of his projects, compared to those of his father's. "And the clients are two-career families instead of one-career like they were in the 1960s. But the clients still want perfection. That hasn't changed."

Typically, a client asks Avis for help in finding a property. Avis reviews the client's files of clippings and floor plans before helping design a suitable house. "In the older neighborhoods, I encourage them to choose a design that fits into the neighborhood," says Avis. "But most of my clients already want classic designs that will stand the test of time."

Permits secured, Avis introduces himself to the neighbors and encourages them to call him if they have any concerns about the project. "Once in a while, a neighbor calls me, but mostly, they are just grateful to be informed," says Avis.

Although Avis clients want classic architecture on the outside, "they want cutting-edge products on the inside," he says. That includes limestone, marble, stainless steel or wood countertops; commercial-grade appliances ("whether or not they cook" says Avis), and wide-plank wood floors that



Mike Avis, president of Avis Homes Inc. in Lake Bluff, says most of his clients want classic designs that will stand the test of time. **DAVE SHIELDS/FOR THE TRIBUNE**

are stained dark. Light-colored cabinets with glazing are hot for kitchens, while bathroom cabinets tend to have dark-stained woods.

"Overall, they say they want 'casual elegance,'" says Avis. "It's the Pottery Barn or Restoration Hardware look." The exception, he says, are some Baby Boomers who chuck their old furniture and use their new houses as excuses to buy contemporary furnishings.

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Custom builder Mike Avis

On the outs with his clientele, says Avis, are hand-scraped wooden floors, wrought-iron railings and stained woodwork.

While many custom builders eschew remodeling because of the unknowns that lurk, Avis relishes the challenge. "I am careful, though, to explain the pre-

liminary estimate is not concrete because we don't yet know what is behind the walls," says Avis. "After we know what problems are there, such as disconnected HVAC ducts or faulty framing, I can tell them what it will cost to fix them."

Avis limits his projects to no more than three houses a year, plus remodeling projects, he says, so "I don't sacrifice attention to detail. I'm on every job site every day and the client can reach me 24/7. And, I'm not too proud to push a broom. I don't want this to change." Although his warranties are for two years, Avis says he returns long after that if anything goes wrong.

Especially with remodels, Avis says, "I'm part marriage counselor and part friend. The builder-client relationship has to involve a lot of trust. We must treat people considerably and clean up our mess." Avis gives the clients hour-by-hour schedules. "Then, they know to expect the electrician at 7:30, the carpenter at 8, and so on," he says.

Growing up, Avis recalls, he wanted to become a doctor. "I had the grades but not the stomach for it," he

says. After earning a degree in business from Vanderbilt University, he joined his father. "He had me work two weeks with every trade until I understood what they did. I asked lots of questions," Avis recalls. He already had exposure to the sales end of the business by working for a production builder during his high school and college summers.

Off-duty, Avis is as kinetic as he is on the job, he says. He and wife Leslie usher their children, ages 6, 11 and 15, to their soccer and lacrosse games and race their boat on Lake Michigan. "I can't sit still, can't really relax. I went on a cruise a few years ago, but I couldn't wait to get back to work," he admits.

While many home builders are folding, Avis is thriving, he says. "There was a time there, during the building boom, when everyone was buying land and building houses. Even my dentist was," says Avis. "But for some of us, building houses is our lifeblood. We're still working after the building booms end. And we never retire, because there's always one more house."

HOUSING COUNSEL

'Wraparound' purchase offer worries seller

By Benny L. Kass

Q I have a full-price offer on my duplex that involves a wraparound mortgage. I am a little leery of a small down payment with high interest payments for a few years with a balloon at the buyer's refinance later. I'm told they are quite legal, but I really need to know the pros and cons. Can you enlighten me please?

A Here's how a wrap-around mortgage works. Let's say that you sell your house for \$500,000, and have an existing mortgage on the property for \$300,000. Title is transferred to your buyer, who pays you \$10,000 in cash, and you take back a mortgage in the amount of \$490,000. This is a second mortgage, because your existing mortgage is not paid off at the closing (escrow).

Your first mortgage carries an interest rate of 6 percent and the second trust will be paid at 8 percent. Each month, your buyer sends you a check based on the 8 percent interest rate, and you send your current lender the regular monthly payment you have always made.

There is a monetary advantage to you. You receive a 2 percent differential on your existing \$300,000 (because your buyer is paying you 8 percent) and you also receive the full 8 percent on the remaining \$190,000 (\$490,000 minus \$300,000).

But there is also a disadvantage. Your buyer has put up only \$10,000 and can easily walk away from the deal, leaving you stuck with your existing mortgage or having to foreclose on the property.

Q I could use help with a rent-or-buy decision. I am living in a rental unit that is governed by city rent-control laws. Now that I'm paying only 60 percent of market value, I feel the landlord's subtle pressure to move

out. I have saved and could qualify as a first-time buyer in the outer suburbs.

On the upside are the new tax credits for purchases and those for when I eventually sell. On the downside are thoughts of purchasing depreciated property with depreciated stocks, adding a long commute and safety questions.

A I am not sure that I can help you make up your mind as to whether you should buy. That's a very personal decision.

Clearly, this is a good time to buy. Real estate prices are depressed and mortgage interest rates are very low. And as you know, there are tax credits if you are a first-time home buyer — depending of course, on your income.

There are also negatives involved. You, and not a landlord, will have to take care of the house, and maintain it.

I don't agree that you have to buy "depreciated properties." If you are seriously interested in exploring this further, you might want to speak with a couple of real estate agents and ask them to assist you in finding a nice place to live. You can also do this on your own, if you have the time and patience.

I believe the stock market will eventually rebound, and there is serious talk in Washington that Congress may allow non-homeowners a similar tax break that is currently available to homeowners who can deduct their mortgage interest payments. So your decision should be based on where and how you want to live — and not solely based on economics. For several years now, I have been advising my clients that buying a home should not be considered an investment — but a place to live and enjoy yourself. If the property increases in value, then more power to you.

Inman News

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