

Is your guess as good as Zillow's?

Zillow was a much clicked-on Web site after its 2006 debut, when homeowners were gleefully rubbing their hands together about their property's escalating value before the bubble burst.

Even then though, there were questions about the accuracy of Zestimates, Zillow's estimates of property value based on public records, local real estate listings and sales information. Now a trio of professors at the University of Texas at San Antonio are adding their voice to the conversation.



Mary Ellen Podmolik
Local Scene

Their harsh conclusion: Zillow not only overvalues properties but homeowners' own estimates might be more realistic than Zillow.

The study, thought to be the first look by academia at Zillow and its proprietary formula for determining home value, focused on 2,045 homes in the Arlington, Texas, area sold in the second half of 2006. The research found that for 40 percent of the homes in the sample, Zillow overestimated the value by more than 10 percent, and only 0.88 percent of property values were underestimated by more than 10 percent. The study was published in the winter edition of *The Appraisal Journal*, a trade publication of The Appraisal Institute.

The findings have been lambasted by Zillow, which faults the study for being conducted three years ago, focusing on only one city, and comparing sales for one time period and Zestimates a few months later. "It's unfortunate this limited study is being published and publicized so far out of date," said Zillow spokesman Jill Simmons in an e-mail. "It's also unfortunate that they did not reach out to Zillow to learn more about our approach to home valuation for this study. We would have been happy to talk to them as we are very open and transparent about both our accuracy and the intended use of Zestimates as a starting point for learning about home values."

Finance professor Ron Rutherford, one of the study's authors, said the Arlington real estate market was purposely picked because it was a stable real estate market and Zillow gave it four stars, its best rating for accuracy. Also, the researchers first collected sales data on the properties from the multiple listing service and then looked up their Zestimates several weeks later because they waited for sales to be recorded and then gave Zillow a month to update its Zestimates to factor in sales data.

Rutherford stands behind the findings. In fact, he says Zestimates are likely to be off even more in unstable housing markets. "My guess is when you're using an automated system, it's going to be difficult to get close

Please turn to Page 2



Some baby boomers and families prefer a first-floor master suite. This downstairs master bedroom at KZF Development's Meadow Ridge community in Northbrook was decorated by interior designer Beth Kopin of Kopin Interiors of Highland Park. PHOTOS BY ERIC HAUSMAN

Staying grounded

For many buyers, a master suite on the first floor feels like a retreat

By Jeffrey Steele
SPECIAL TO THE TRIBUNE

Anyone who has lived in a two-story or split-level home for long knows how tiresome those stairway ascents can become. All that climbing up to the bedroom wing is downright taxing. And growing older doesn't make it any easier.

But folks weary of the ups and downs of two-story living are getting in on the ground floor of a trend. They're demanding first-floor master bedroom suites.

The first-floor suite's popularity is borne out by a recent survey of the 55-plus homebuyer by the National Association of Home Builders (NAHB). It reported the first-floor master bedroom suite was among the 10 most important design features for that age bracket, said Stephen Melman, NAHB director of economic services.

More than 70 percent of 55-and-older respondents said a master suite on the first floor was a priority, he added.

First-floor master suites allow residents to live on a single floor as if in a ranch home. But when family and friends pop in overnight, they can always be pointed to the guest bedrooms upstairs. Or, if the owners need some mid-day respite from the grandkids, the latter can be sent to a playroom one floor up.

However, it's not always an older homebuyer with achy bones who specifies a first-floor master suite, said Patrick Curran, president of Hinsdale's West Point Builders, which has first-floor master plans in its Princeton and Foxwood models at West Point Gardens in Elgin. "Our original intention was to sell to older people," Curran said. "But it's proven popular with younger buyers who have older relatives coming to live with them, and want them to live on the ground floor."

It's also favored by downsizing adults with the foresight to look ahead, said Steve Friedman, partner in Northbrook's KZF Development, offering first-floor master suites at its Meadow Ridge development of town homes and duplexes in Northbrook.

"They may be able to walk the stairs today, but they can see into the future when climbing stairs may be something they don't want to do," he said.

While mobility hurdles are the leading incentive to place a master suite on the ground floor, there is another benefit as

off the second floor most of the time, the owners reap energy savings, he added.

"Most of our homes are zoned so that you can heat or air-condition downstairs or throughout the home," he noted. "They may turn down the thermostat to 60 degrees upstairs, and leave the downstairs at 72 degrees."

First-floor masters can also be a blessing when the unexpected occurs to younger, able-bodied buyers.

When Bill and Nancy Malicki viewed the first-floor suite at Meadow Ridge, Bill Malicki recalled, "My wife and I thought, 'That's nice, but that's for older folks. We're younger than most of the people in this community.'" But after they bought the home, Nancy had a medical emergency and later entered physical rehab.

The first-floor bedroom turned out to be a huge convenience because she did not have to climb stairs to an upstairs bedroom when she came home.

"It was a godsend," Bill said. The couple now appreciate and enjoy having a first-floor bedroom. "When you have a second-floor bedroom, you wake up and look out at the tops of trees. This way, you wake up and you're looking out at a great view," he said.

Just because first-floor master suites are becoming more common doesn't mean they are the easiest or most affordable houses to build.

Hurdles begin with carving out adequate space downstairs to create master suites, said Andy Konovodoff, president of Lombard-based Town & Country Homes. The production builder offers buyers the option of first-floor masters in its estate homes at Providence in Elgin, and intends to introduce first-floor master plans at two new home developments that it will soon start in Oswego.

"Something has to give," he said. "You have to lose some space, whether it be in a formal dining room or a formal living room or in the den."

Please turn to Page 6



A first-floor master suite bathroom at Meadow Ridge in Northbrook. Interior designer Beth Kopin repurposed the homeowner's circular mirror.

well, said Tony Cesario, president of Oakbrook Terrace-based Cesario Builders, a custom builder constructing 4,000- to 9,000-square foot homes in the west and near north suburbs.

"Most of our buyers tell us they can shut off the upstairs and live downstairs," Cesario said of the first-floor master. In closing

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