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Owning for, yes, \$100,000 or less

3 buyers make compromises, show patience, accept advice, invest time and effort

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Special to the Tribune

Advertisement

February 25, 2007

Robert Hennings was ready to move on. He was in his mid-20s and living with his mother. He wanted his own place but didn't want to rent.

Nick Jakubco had started dabbling in real estate, buying properties, fixing them up, perhaps renting them for a while before selling them.

Tiffany Traylor was tired of renting. She wanted a house to call her own, and to no longer have to deal with steadily rising rents.

All three had to find properties that were affordable--which meant \$100,000 or less--and they did.

In Lansing, for \$76,000

According to Hennings' budget, he could not spend more than \$80,000 on his first home. The challenge? Finding a home from which he could get to his job as a hotel doorman in downtown Chicago and to his school, the Illinois Center for Broadcasting in Lombard.

It took nearly a year of on-again, off-again searching, but Hennings found a one-bedroom condominium in Lansing for \$76,000. He had to make compromises--the location was near a busy highway interchange and the unit, more than 36 years old, needed updating--but, Hennings says, the price made up for any flaws.

"I'm working and going to school. I needed something to fit in my price range," said Hennings, who moved into his new home in November. "You always hear that it's so expensive to live in the Chicago area. But if you're patient, you can find what you need."

Though some prices have dipped, Chicago and its suburbs are still known for their expensive homes. The Illinois Association of Realtors reports that the median home price for the area, which includes the counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will, stood at \$245,000 in November and December 2006, up from \$242,800 in October.

That would make finding a home for \$100,000 or less a real challenge, right?

Not necessarily, say real estate agents. Buyers must be patient and willing to live in less desirable neighborhoods or in a home that needs repairs or renovations. Then, agents say, they can find the \$100,000--or less--home.

Hennings worked with Mark Daniel, an agent with the Orland Park office of Baird & Warner Real Estate. Daniel and

Hennings established almost immediately that he could not spend more than \$80,000.

"He is a young guy just starting out," Daniel said. "He knew that whatever he was going to get wasn't necessarily going to be in great shape. The condominium he did get was an older one, so it did need updating. That's the tradeoff you have to make if you want to spend less."

That didn't seem so bad to Hennings. True, the Lansing condo is near Torrence Avenue where it leads to Interstate Highway 80. But the building sits along a frontage road, so it's not as if trucks and cars are zooming past Hennings' bedroom window.

Being close to the highway, in fact, is a benefit. Hennings, can hop on the interstate to get to his downtown job and his Lombard classes.

"I know the home isn't perfect. There are some ticky-tacky things that need to be done," Hennings said. "But that's OK. I'm willing to work on those things. With a house, you are always going to find some ticky-tacky things, no matter how much you pay."

Hennings had the right attitude, Daniel said. He wasn't looking for a perfect home. He didn't need an idyllic neighborhood, just a safe, pleasant one.

By making compromises and sticking with his search, Hennings wound up spending \$76,000, \$4,000 below his limit.

Hennings is happy with his purchase and excited to be on his own.

"Now I know what it takes to be a homeowner, to be Robert Hennings the homeowner," he said. "It's a different feeling. Now I have to balance everything. No matter what you do, it's going to reflect on your house. You have to be consistent now."

In Rogers Park, \$100,000

Nick Jakubco needs to sell his properties at higher prices once his renovations and the course of appreciation increase their value.

To do this, Jakubco has to first find properties that are affordable. If he can find them for less than \$100,000, all the better.

In July 2006, Jakubco bought a condo in Rogers Park for \$100,000. The 750-square-foot, one-bedroom unit is in a building with about 60 units. It includes parking.

To get this deal, Jakubco had to purchase in a part of the city that's not blessed with sizzling price increases, and he had to find a unit that needed work. Jakubco installed new kitchen cabinets, replaced linoleum with tile, removed closets to free space and improved lighting.

Jakubco has listed the property at \$144,900.

"It makes doing this a lot easier when you are purchasing in the \$100,000 range," he said. "The target market for potential buyers is substantially larger than if you are purchasing a condo like this on a larger scale. You aren't limited as much by who can buy the unit. It could be a young couple looking for a first-time purchase, or it could be another investor looking for a long-term buy and hold. I'm not eliminating a large percentage of the market based on my purchase price."

Yvonne Carns, an agent from RE/MAX North Coast Realty in Rogers Park, who helped Jakubco find his unit, said that Rogers Park is one area of the North Side where buyers can still find good deals.

"I know Nick was thrilled with his deal," Carns said.

In Riverdale, \$99,900

Tiffany Traylor turned to Tonya Corder, an agent with RE/MAX Excellence in South Holland, to help her find a home large enough for five--her, her three children ages 11, 5 and 1, and her fiance--but affordable enough so that she and her future husband wouldn't have to bust their budgets.

Traylor found that home in Riverdale, a two-bedroom, two-bath brick bungalow for which she paid \$99,900. The house needed work--new carpeting, repairs to floors and new paint--but for Traylor, it was ideal.

"I really liked that it was affordable, and that the living room was spacious," she said. "We do have a lot of people living in here, so we did need some big rooms. A lot of the places we saw were kind of small for the price we wanted to pay."

Traylor had read how expensive single-family homes could be in the Chicago area, even in neighborhoods that hadn't seen the housing boom. Corder, though, recommended that Traylor investigate Riverdale, where several homes were available in the low \$100,000 bracket. The suburb wasn't on Traylor's radar. Now she's glad she took a look.

"A lot of people had been saying that Riverdale was sort of a bad place to be. My Realtor, though, said it doesn't hurt to look," Traylor said. "We looked and we liked it."

Traylor's experience shows that overlooked neighborhoods and communities can be a source for bargains. Traylor also had luck on her side, Corder said. Prices have dipped in recent months in areas such as Riverdale. A year ago, Corder says, Traylor probably wouldn't have been able to purchase her home for less than \$100,000.

"At first I was worried. I wasn't too sure what we were going to find in that price range," Corder said. "But they found a house that's right for them."

Traylor, who works as a security guard, says she's now ready to do something she never could do when she was renting: whatever she wants.

"I can decorate. I can paint it however I want," she said. "I really like that part of it. I can do what I want. I like that."

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