

REAL ESTATE CLASSIFIED INSIDE AND ONLINE

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Robert Bruss

The realities of creating a living trust

Before my mother died several years ago of ovarian cancer at age 89, she wanted to ensure her imminent passing would be "no trouble." Several times during the year before her impending death, we discussed her estate and how she had arranged everything.

Little did I know, real estate complications would develop after my mother died. It was my understanding all her assets would pass according to her living trust, of which I was the successor trustee. But there was one problem. The title to her condominium had not been transferred into her living trust.

The result was the condo title had to go through probate court procedures that took almost a year. Fortunately, during that time there was no need to sell the condo to pay estate taxes or other debts.

But the unnecessary probate court costs and delays could have been avoided by deeding that condo title into her living trust.

The reason I share this personal story is to show how a revocable living trust can avoid probate court costs and delays if all the decedent's major assets are part of the living trust. Probate court cost and delay avoidance is the first major benefit of a living trust for your primary assets.

Before proceeding, let me explain many major assets such as bank accounts can also avoid probate by use of a "payable on death" clause. However, not all states allow payable on death provisions for bank account and stock brokerage accounts. But such clauses do not apply to real estate.

The second major benefit of a revocable living trust occurs if the trustor becomes incompetent, such as with Alzheimer's disease, and is unable to manage his or her affairs. Then the alternate or successor trustee named in the living trust takes over management of the living trust assets.

Other living trust advantages are:

- Avoidance of multistate probate proceedings. When you die, if you own real estate in more than one state, your estate will probably require costly probate court proceedings in each state where you own property.

- Privacy is maintained. Although the contents of a personal will become public knowledge when it is filed with the court for probate, except in a few states a living trust never becomes public knowledge.

- Living trusts discourage litigation because there is no probate court proceeding.

- Living trusts can be revoked or changed at any time before death.

Some drawbacks of living trusts are:

- Depending on the complexity of your assets, the attorney fees to create a living trust vary wildly between \$500 and \$2,000, sometimes more. An excellent do-it-yourself book is "Make Your Own Living Trust, Fifth Edition" by attorney Denis Clifford (Nolo Press, \$39). But be sure to transfer title to living trust assets into the living trust, called "funding the living trust."

- When refinancing real estate held in a living trust, some mortgage lenders require the title to be momentarily taken out of the living trust so the borrower, rather than the borrower as trustee, can sign the paperwork. Then the title can be transferred back into the living trust.



Lou DePasquale and daughter Natalie, 9, shoot hoops on the multipurpose athletic court in the back yard of their home in Orland Park. Providing countless hours of fun and enjoyment for family and friends, the court is worth the investment, says DePasquale.

Photos for the Tribune by Michael Walker

Nothing but net

Back-yard entertainment is sporting a whole new look

By Chuck Green

Special to the Tribune

When high winds knocked down the trees in Dan Falotico's back yard three years ago, the Arlington Heights nature lover tempered his disappointment by turning the loss into an opportunity: He installed a multipurpose recreation court.

Now his children can spend the day shooting hoops without leaving home—and Falotico says the court is worth every penny of the \$30,000 cost.

"Our original intent was to enjoy our back yard as more of a natural landscape, but a thunderstorm storm literally crumpled all of our trees," Falotico said. "Everything was devastated and turned into wood chips. We had to make a decision about what to do with the area that was destroyed."

His solution was a 45-by-70-foot athletic court. Such courts have become increasingly popular among parents who want to create a safe place for their children to play and an amenity that the entire family can enjoy.

"People want to keep their children closer to home," said Craig Polte, owner of Sport Court of Chicago in Elmhurst. "And I think that because of 9/11, a lot of people didn't go on vacation. They invested their resources in other things, such as home entertainment."

The courts that Polte's company installs range from 1,000 square feet up to a full-size regulation tennis court, which is 7,200 square feet.

"You'll have a basketball hoop, tennis, women's volleyball," Polte said. "And the surface is great for roller-blading, or simply hopscotch. You can truly give someone a court they

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DePasquale and his 5-year-old son, Louie, take aim on the putting green in their back yard.

Queen Anne or Craftsman?

Discovering your house's architectural style

By Nina A. Koziol

Special to the Tribune

Cliff Whall and his wife, Monique Davoust, lived in their house in Hinsdale for more than two decades before they discovered what kind of house it is.

"When we bought the house, the Realtor said it was a Queen Anne, but it was different than many of the others they call

'If you read real estate ads, you think there are only three styles: colonial, ranch and Victorian.'

—Vince Michael
Historic Preservation Program

full-width or wraparound porch with spindles. A turret or tower sometimes was added to give the house a castle-like, picturesque touch. Most were built between 1880 and 1910.

Bungalows tend to date from between 1905 and 1930 and are much smaller. Typically a 1½-story brick, wood or stucco structure with hefty eaves, some bungalows feature mas-



AMENITIES: Installing sport courts in back yard

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can play 15 different games on." While Polte has installed some full-size tennis courts for \$80,000, he said most jobs cost \$10,000 to \$20,000.

"That money gets you the court that you can play all the different sports on," he said. "It's something for everyone."

Mike Scalet, vice president of Gem Game Courts in McHenry, said interest has been strong in the multipurpose courts and golf greens his company installs.

"I'm shocked by the amount of inquiries I've had," Scalet said. "... I get one to three [calls] a week on putting greens, and one or two for a course."

Scalet said his company charges \$12 to \$18 a square foot for the average putting green.

"We're doing one right now for more than \$30,000," Scalet said. "We also put in a number of 45-by-70-square-foot combination basketball and volleyball courts. All of these add value to the home and put a new dimension in the back yard. And it keeps children at home."

Falotico said his court helps him and his wife to feel more secure about where their children—Mark, 6, and Lauren, 9—play and socialize.

"We have parks that are relatively nearby, but the kids being the ages that ours are, you can't just drop them off at the park and leave them there for a day," he said. "We can go out with them now and play with kids in back yard, without having to pack a car and water bottles and make a whole day trip out to park."

Falotico's court has a concrete base with a polyethylene tile system for the surface.

In Lake Forest, Conrad Theodore installed a sports court on his 1½-acre property two years ago and said his children—ages 6, 8 and 10—grow more enthusiastic about it every day.

"You become the most popular family in the neighborhood when you get this, because all the kids come to your house and play," Theodore said. "Which is a good thing, because you can



Photo for the Tribune by Steve Lasker
Dan Falotico and friends play basketball on the athletic court at his Arlington Heights home.

keep an eye out for your kids and always know where they're at."

Theodore said he paid around \$15,000 for the 35-by-50-foot court—and he considers it a solid financial investment.

"If we were ever to move, I'm sure that would be a big resell thing for the house," he said. "But we got it for us. I know we'll get a number of years of use from it. When I was growing up, we just had a basket stuck to the garage door. It probably cost about \$80. We got so much use out of it, we were out there all year round. So I can just imagine how much use we're going to get out of this as the years go by."

Last summer, Lou DePasquale Jr. of Orland Park installed a 35-by-65-foot sports court with tennis, volleyball and one basketball net, as well as a 16-by-35-foot putting green in his back yard. Location and convenience, he said, were two factors that prompted his decision.

"We're in the suburbs, so there aren't really places our kids can get to with their bikes," DePasquale said. "This is something right in our back yard. I help coach the local basketball team, and we've had a few practices on the court. That's great, since court time is at a premium these days."

As much sense as it makes to him now, DePasquale said he was reluctant at first about in-

stalling a court, in part because of the cost.

"We tried to scale back because of the initial sticker shock, but that was until we visited some people in the neighborhood who have a court," he said. "After we returned from their place, I sat down with my wife and said we needed to do it all, otherwise it wouldn't make sense. It was too nice."

Long-term investment

In the end, DePasquale said he had no qualms about plucking down tens of thousands of dollars for the court.

"It's definitely a long-term investment. We're not going anywhere, so if the little guy—who is 5 now—is here until he's 20, that's 15 years," said DePasquale, whose other children are 9 and 11. "Over that period of time, in my view, it's nothing."

Mats Jonmarker, chief executive and president of Swiss Flex Stores America in Kewane, said home courts appeal to safety-conscious parents.

"These days, for security purposes, you might not want to send your kids out on their own," Jonmarker said.

"Kids can develop their sports skills on a multipurpose court from a young age up to the high school and college level without sending them across town to a YMCA or a public facility," he said. Swiss Flex manufactures custom back-yard multipurpose

courts that range from \$2,500 for a small basketball court to \$50,000 for a full court—combination basketball, paddle tennis and volleyball.

Chuck Fricke, owner of Turf Masters of Chicagoland in Lincolnwood, said a putting green can be perfect for a golf enthusiast.

"I knocked eight strokes off my handicap since I bought this business, because I'm chipping and I'm putting. That's 65 percent of the game," said Fricke, an authorized dealer for the Mirage Putting Green Turf System. "If you don't have an opportunity to practice the chipping and the putting—which most golfers don't do much of when on a course—you'll never get any better at short game."

Fricke's fees range from \$15 to \$20 per square foot, based on factors such as turf type, the manufacturer, installation and frills like fringe, long grass or synthetic turf. In higher-end installations, the turf is glued to the base, "creating a more rigid, smoother base."

The average putting green, he said, is 300 to 600 square feet.

"If someone has the property, they'll put in anywhere from 1,500 to 3,000 square feet," he said. "I think it's a better value for the entertainment dollar than a swimming pool, which is limited to seasonal use. . . . A putting green can basically be used year-round."

ENERGY CHECK

A little spin control on ceiling fan use

By Ken Sheinkopf
Knight Rider/Tribune

A few weeks ago, I stopped by an open house in my neighborhood to look for new home-decorating ideas.

In pointing out some features in the house, the real estate agent noted that there were ceiling fans in every room.

"The lady who lives here just loves them," she explained. "First thing in the morning, she turns them all on, and the breeze just keeps the house comfortable, no matter how hot it is outside."

Ceiling fans are ubiquitous features in most houses these days. People like the look of the fans, they like the fact that fans are billed as being energy-efficient and they like the cool breezes they feel from the fan.

But did you know fans don't cool rooms, they cool people?

There are three basic types of fans: ceiling, oscillating and box fans. All essentially create air motion that offers a higher degree of comfort at higher temperature settings and at higher humidity levels.

Try it for yourself: Adjust your thermostat to a comfortable setting, sit down in your favorite chair in the living room and turn on a fan. It doesn't matter if it's an overhead ceiling fan or a box or oscillating fan on the table in front of you, as long as the air is blowing directly on you.

You'll soon notice that you're really not as comfortable as you were a few minutes ago. In fact, you're probably feeling a little cold. Now, get up and raise the thermometer setting a few degrees, then sit back down in the chair. Thanks to the fan, you're at the same comfort level as you were before, but your air conditioner is now in a more energy-efficient mode.

Research has shown that you can save about 8 percent in cooling costs for every degree you raise the temperature setting when your air conditioner is running. Raise the setting 3 degrees and you're saving about 24 percent; raise the setting as much as 5 degrees and you've cut your cooling costs by 48 per-

cent. I'm not talking about your total utility bill, but just the portion of it that goes for cooling costs. Let me point out two key things you need to think about:

First, many people seem to think that just turning on a fan saves energy, but that's not the case. It takes electricity to operate a fan, even though it isn't a huge amount. If you operate a fan but don't raise the thermostat setting, you're actually increasing your energy use. In fact, fans also put out some heat that needs to be removed by the air conditioner. But raising the thermostat setting cuts down on air conditioning energy use, more than offsetting the electricity used by the fan.

Turning on fans in empty rooms just wastes energy, no matter what the thermostat is set on. It is the air moving across the skin that makes you feel more comfortable. The ability of fans to move air varies considerably by manufacturer and model. Generally, a 52-inch ceiling fan will have an effective range of up to 8 to 10 feet from the fan. People sitting within that radius will benefit from its cooling breeze.

Fans also put out some heat that needs to be removed by the air conditioner.

Now while you're thinking that this is all a lot of common sense, let me note one little detail here: A study of fan use in 400 homes conducted a few years ago by researchers at the Florida Solar Energy Center found little indication that homeowners were using ceiling fans in an energy-saving manner. Many people leave fans on in unoccupied rooms, some leaving them on around the clock in hot weather.

It was clear from this study that the participating homeowners did not understand how fans actually benefit occupants of the room.

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