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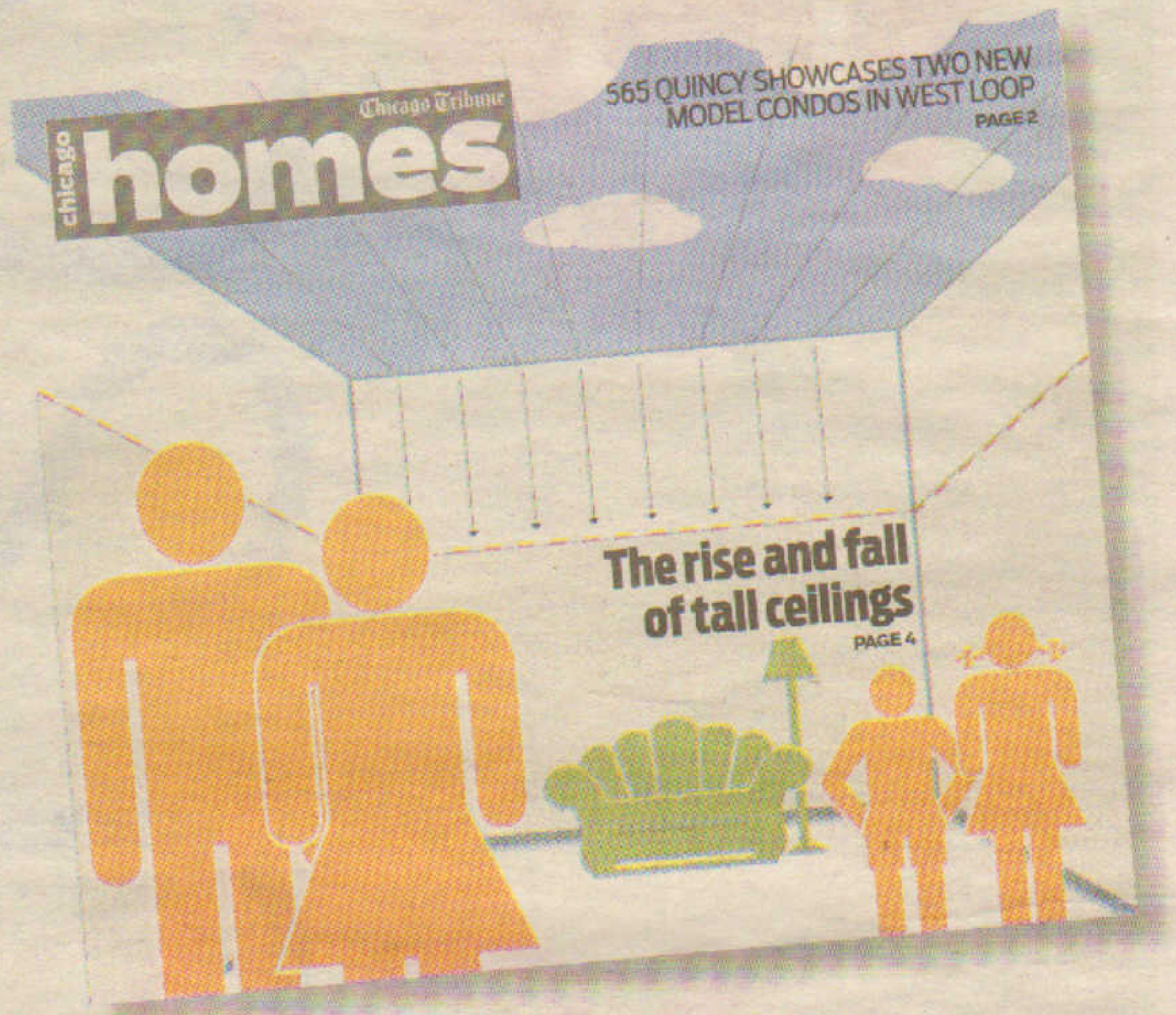

The ceiling in the family room of this Town & Country model reflects the shift to lower ceilings. Ceilings of 9 or 10 feet are common for main-floor living spaces in new homes.

The rise and fall of tall ceilings

Lower designs echo buyer preferences, push for energy efficiency in new homes

By John Handley
SPECIAL TO THE TRIBUNE

Ceilings used to soar. Influenced by McMansion mania more than a decade ago, two-story ceilings in foyers and family rooms became the norm in higher-end homes.

Second-story bridges overlooked towering fireplaces flanked by huge expanses of glass. Juliet balconies loomed over downstairs rooms. It was the heyday of vaulted and cathedral ceilings.

Now, trends are more down to earth, another sign of the times. Yes, high ceilings open up living spaces. But many homebuyers want to take advantage of the wasted space on the second floor with perhaps another bedroom. Issues concerning energy inefficiency, sound transmission and a lack of coziness also pointed to the desire for lower ceilings.

Builders have gotten the message. A survey of builders across the country revealed that 14 percent of homes this year will be built with two-story foyers and 12 percent with two-story family rooms, a substantial decline from previous years, said Stephen Melman, director of economic services for the National Association of Home Builders.

"Across the country, the trend is toward increased energy efficiency and the most efficient use of space," said Dawn Korbelak, national design director for K. Hovnanian Homes. Town & Country Homes is a Chicago-area division of Hovnanian.

Pulte Homes said its own research revealed similar trends. Travis Parkman, Pulte's vice president of corporate communications, said focus groups preferred that money be spent on features such as nicer

In an era of rising energy costs, higher ceilings generally mean higher utility bills. Issues concerning sound transmission and a lack of coziness have also fueled homebuyers' desire for lower ceilings.

kitchens and upgrades rather than higher ceilings.

"Customer feedback describes two-story open spaces as cold and austere," Parkman said. "That goes against the current trend toward warmer and more functional spaces. Rooms with two-story ceilings actually can be a negative for some buyers."

"We don't want high ceilings. Period," said Mike Taylor, who is having a ranch-style house built in Lisle. He asked his builder to lower the ceiling by 50 percent.

"The model for the ranch had 18-foot ceilings in the great room," Taylor said. "We like open space, but my wife and I thought it was too open and had a cold look. We wanted a warm, cozy feeling, so 9 feet was as high as we wanted to go."

Don Smyczynski, president of H&D Builders Inc. in Naperville, agreed to lower the couple's ceiling. Taylor said drawbacks of an 18-foot ceiling include increased maintenance problems and higher heating and cooling costs.

The architect of his new house confirmed the utility cost effects.

"Because heat rises, the thermostat may have to be set at 80 degrees to achieve 70 degrees on the first floor," said Glenn Vesely, president of AES Consultants in Naperville. Fans can help push the heat down but might be only partially effective, he said.

Still, homebuyers are not ready to go too low on ceilings for everyday living spaces. Ceilings of 9 feet have replaced 8 feet as the standard in first-floor ceilings.

"These moderately higher ceilings make a home feel bigger," Melman said.

"Some entry-level production homes offer 9-foot ceilings as an upgrade," interior designer Helen Velas said.

"Move-up, single-family homes all have standard 9-foot ceilings on the first floor. Semi-custom homes may go up to 10 feet, and custom homes can have 10- or 11-foot ceilings on the first floor."

Velas, president of Eleni Interiors in Naperville, emphasized that room proportions change with ceiling heights.

"A higher ceiling means the windows have to be taller, crown molding has to be larger, a fireplace mantel has to be taller, light fixtures have to be bigger, even artwork has to be larger to cover more wall space. Everything has to be in scale," she said.

Architect/developer David Hovey, president of Optima Inc., which has designed condominiums at Optima Old Orchard Woods in Skokie, said: "The standard for over 75 years was the 8-foot ceiling, but now we're going higher. In high-rise residences, the ideal is 8 feet 6 inches. Just 6 inches more makes a real difference."

Designer/builder Orren Pickell estimated that the extra cost of a 1-foot higher ceiling in a 4,000-square-foot house is about $20,000.

As architectural trends go, tall ceilings could make a comeback.

For Pickell, higher ceilings make a room feel "grander"; Velas: "a richer feeling"; and Korbelak: "They offer a wonderful sense of spaciousness."

Barry Berkus, president of Berkus Design Studio in Santa Barbara, Calif., believes high ceilings create a positive effect because they allow larger windows and more natural light.

"This is especially important in the Midwest and northern parts of the country that have many gray days," he said.

Berkus added that today's more energy-efficient windows make larger windows more cost-effective in terms of heating and cooling.

"More light frees the spirit," he said.

HOUSING COUNSEL

Taking the deed-in-lieu of foreclosure approach

By Benny L. Kass
INMAN NEWS

Q My friend and I would appreciate knowing how to go about initiating a "deed-in-lieu of foreclosure."

We both own homes, bought in late 2006 and early 2007. Each of us knows through appraisal that our home value is less than what we owe, despite buying below market at the time. Each of us has asked our respective lenders to lower the payments and the mortgage amount, but both of us have been ignored (or laughed at).

Neither of us can see owning/holding an "asset" that is upside down for long, and neither of us has confidence in a supposed short- or midterm rise in home values. Both of us are heading for retirement shortly. My friend is already at that age but still works: Both of us have jobs. Neither of us can afford to quit our jobs but will eventually have to stop working, which will require my friend, at least, to sell his home.

Both of us are able to pay now, but my situation is more difficult: My property became a rental, and finding renters is getting harder. I carried the property (and my apartment) for six months last year, and the tenant is leaving shortly, so I could easily carry it another five months this year. Needless to say, this really strains my budget.

Neither of us wants to deliberately incur a foreclosure or bankruptcy, the only way for us to escape personal judgment for the foreclosure amount. My friend is ineligible for another bankruptcy until late in 2011. So we see no alternative, when push comes to shove, except for a deed-in-lieu.

How do we do this, and can we do it ourselves? What exactly are the steps, and what should be said and sent to the lender? What are the pitfalls and circumstances that could cause it to fail? Can a lender legally opt to foreclose if a mortgagor requests (or demands) a deed-in-lieu?

A Before I answer, I am puzzled about something. If your friend previously filed for bankruptcy relief, how was he able to get a loan to buy his house? Typically, if one files for bankruptcy, he/she will not be able to get a mortgage loan for at least six years after the filing.

Did you get one of those "no doc" loans, where the lender basically winked his eye and made the loan without checking your credit standing? In this instance, the lender relies on oral (or written) representations of the borrower's credit and does not require the borrower to produce any documents such as tax returns, 1099s from employers or bank statements.

This no-doc process, which is difficult if not impossible to get nowadays, was one of the factors leading up to our current mortgage meltdown.

What's a "deed-in-lieu"? Oversimplified, it means that the borrower gives the property to the lender in lieu of having the lender file for foreclosure. About a year ago, the U.S. Treasury issued guidelines encouraging lenders to accept properties by way of deed-in-lieu. In fact, in many situations, the government will give homeowners who utilize this process $1,500 in a "cash for keys" policy.

But you cannot do this alone. You cannot just prepare a deed granting the property to your lender and send it to your local recorder of deeds. You need your lender's permission.

From the bank's point of view, a deed-in-lieu makes sense. It avoids the time and expense of foreclosing on the property and allows the bank to pursue a short sale so as to rid itself of the property expeditiously.

Nonetheless, banks seem to prefer foreclosure. Why? I just don't know other than to say that "banks are banks" and have their own mindset.

However, if you have more than one mortgage on the property, unless you can work out an acceptable arrangement with the second (or third) deed-of-trust holder, your bank will not accept a deed-in-lieu. Why? Because a foreclosure by a first-trust (mortgage) holder will wipe out any subordinate liens, other than some local, state and federal liens. If the bank takes the property by way of a deed-in-lieu, those subordinate liens remain on the books.

In order for the bank to then sell the property, the second-trust lender (as well as all other outstanding liens) must be paid off. And these second-trust holders always want some money before they release their liens.

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