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At Home

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Fire horrors seared in memory



Old House Handyman Alan D. Miller

One of my first assignments as a young reporter and photographer was to cover car crashes and house fires in my hometown.

Actually, I volunteered for the job when I was in high school, going so far as to sleep with an emergency scanner next to my bed so I could get to the next emergency as firefighters arrived.

The experience made for some spectacular photos, many of which landed on the front page because they were big news in a small town.

Years later, many of those scenes remain seared in my memory — wood-frame houses gone in a half-hour and mobile homes burned to the ground in 15 minutes or less. In some cases, the fires consumed the homes and their occupants. It's hard to imagine how fast a fire can move — and kill — if you haven't seen it.

It's gut-wrenching — and something I never want to experience. As a result, my kids call me the man who knows too much. Because I know what can happen — how fast a house can burn and how quickly a fire can kill — I am extremely cautious.

And I urge you to be the same this month, which is national Fire Prevention Month, and all year long.

Most important is to make sure you have working detectors for smoke and carbon monoxide. Fire officials recommend that you change the batteries in your detectors in October, when heating season traditionally begins in Northern climes. I've made a habit of changing the batteries in my 10 detectors on Jan. 1. (Why 10 detectors? One smoke detector in each bedroom, plus an extra in the attic bedroom, another in an upstairs hallway, two on the main floor, one in the basement and two carbon monoxide detectors.)

Regardless of when you do it, a key to safety is making sure you change the batteries once a year, even if they never sounded the alarm and a

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Brothers Brian, left, and Chris Knoppe of Autumnwood Homes examine an air conditioner at a Far East Side home.

Turnaround artists

Father and sons make a science of buying, renovating neglected properties across central Ohio

By Jim Weiker • THE COLUMBUS DISPATCH

On a crisp mid-May morning, Chris and Brian Knoppe enter an abandoned 1977 split-level home on the Far East Side. • They examine the home the way a surgeon examines a wound: What exactly is wrong, what will it take to fix and, most critically, can the patient be saved? • Like many empty homes, this one has been stripped of anything worthwhile. Copper pipes have been removed. Appliances have been taken. Even the carpet has been pulled up. • The



The split-level home is for sale after the Knoppes renovated it.

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COVER STORY / TURNAROUND

📷 To see more photos of the makeover of a Far East Side house, visit Dispatch.com/photos.

Turnaround

FROM PAGE 11

Knoppes, executives at Autumnwood Homes, see nothing they haven't seen dozens of times before.

Co-founded by their father, Kim, in 1987, Autumnwood owns almost 200 central Ohio homes, most of which have been purchased during the past seven years.

As the housing industry crashed, they helped their father and his partner, Brad Halley, transform Autumnwood from a homebuilder into one of the largest renovators of neglected properties in central Ohio as well as a multistate lender to other housing investors.

Last year, the company bought 22 homes. This year, it has already purchased 31.

"These guys know what they're doing," said Steven Zehala, executive director of the Columbus Real Estate Investors Association. "Their dad is the single-biggest expert in rehabbing houses in the state of Ohio."

The split-level home near Brice and Refugee roads offers a case study of how the Knoppes have succeeded where so many others have failed.

The home, in fact, could serve as a symbol of the crash. In 1985, it sold for \$54,900. Less than 20 years later, in 2003, during the height of real-estate's crazy years, it sold for \$91,900.

Four years later, the Department of Housing and Urban Development repossessed the home and sold it to an inexperienced remodeler who ended up losing the home back to HUD. In June, the Knoppes picked it up for \$31,000 — a third of what the home sold for a decade earlier.

With its stained siding, chipped trim, cracked walkway and lack of landscaping, the split-level wasn't much to look at when the Knoppes visited it in May, but it offered potential, with renovated homes in the area selling for up to \$90,000.

"This is an established subdivision that was hurt by the housing boom but offers a lot of potential," said Chris Knoppe, who at age 30 is three years younger than his brother. (A third brother, Sean, 22, has recently joined the firm.)

The Knoppes bypass the ultracheap inner-city properties that provide the bread and butter for many investors.

Instead, they shoot for homes that could sell for north of \$100,000 — ideally those that will fetch \$140,000 to \$150,000, the median price of central Ohio homes, which means the largest possible pool of buyers.

They look for properties with at least three bedrooms built in the past 25 years in areas that will attract good tenants but



The Knoppes assess a kitchen before renovation, adding new counters in the finished product, left.



TOM DODGE | DISPATCH PHOTOS

The Knoppe brothers strike a balance between making a property sharp and not overspending.

are still affordable, such as Blacklick, Canal Winchester, Galloway, Grove City, Groveport, Lancaster and the fringes of Columbus.

They buy most of their homes from banks and the federal government after foreclosure — and typically after the price has dropped a few times. (One of Autumnwood's 10 employees is assigned to track real-estate listings.)

The Knoppes' goal is to buy and renovate the home for less than 70 percent of their selling price.

Achieving that requires skill and discipline at the first and most important step: buying right.

"You make your money on the buy," Kim Knoppe said. "A lot of rehabbers are skilled carpenters or general contractors who know the remodeling end of it, but they don't buy the home at rock-bottom prices."

You also have to be disciplined in renovating.

The split-level home, and every other home the Knoppes consider, is subjected to a 300-item checklist that identifies every potential cost, from a 95-cent cabinet hinge stop to a \$700 patio door.

Among the line items: tubes of crack sealant (\$8), weather-

stripping around exterior doors (\$25), gray basement floor paint (40 cents a square foot), a roof hat vent (\$25), a stairway spindle (\$10.56) and a mirrored medicine cabinet (\$55).

From the color of outlet covers to the brand of windows, little goes unnoticed as the Knoppes peruse a property.

"We'll need a new mailbox here," Chris told his brother as they approached the home. "It looks like we're missing a downspout, and we'll need a new outside light. This concrete needs to be leveled out, too."

The most important stop during a home visit is the basement. Cracks, leaks, bows or mold can instantly put the cost of renovation out of range. That's why the Knoppes would rather not find finished basements — they don't know what's behind the drywall.

A broken cabinet, window, window screen, door or trim can likewise quickly escalate the cost of a rehab. While novice investors might envision a few simple replacements, the Knoppes know that some windows, doors and cabinets are no longer made.

"This prefinished oak trim is a problem because it's really hard to find in this size," said

Chris as he toured a Hilliard-area condominium during the summer. "If you can't find it, you've got to replace all the trim in the room — maybe even (in) the house — and that changes the equation."

Finding a profit in rehabbing often comes down to finding the perfect balance between making a property attractive and not overspending.

Where to stop depends on the house and what it can fetch. The Knoppes will add granite countertops and stainless-steel appliances, for example, if the price and neighborhood demand it, but they know in most neighborhoods the purchase doesn't pay.

Much of their effort goes toward eliminating negatives — stained carpet, broken doors, missing cabinets, cracked windows, hideous paint — that will stick with a prospect.

"If buyers see orange walls, they're going to walk out," Brian said. "We like the 100-person rule: If you ask 100 people at Polaris mall if they like this paint color, and 90 of them say yes, we'll use it."

After touring the split-level, the Knoppes and their lead project manager came up with a repair budget: \$28,294.82.

While the budget contained

some big-ticket items such as carpet, a full set of windows, new siding, new exterior doors and new kitchen countertops, the seemingly small items were what added up — replacing interior door hardware, swapping the old "popcorn" painted ceilings with a more contemporary texture, and fixing all the leaking plumbing.

Still, the Knoppes try to over-budget — and, in this case, succeeded. By keeping the siding and reusing the kitchen countertop and air conditioner, with other savings, they kept the renovation cost at \$19,000.

Touring the property for a final walk-through, the brothers were pleased they were able to salvage more of the home than expected, although they were disappointed at how ineffective the power wash was on the aluminum siding.

"We hoped (it) ... would clean up the siding more, but it's hard on aluminum," Chris said. "With this project, in this neighborhood, we had to pick and choose repairs."

In early September, the Knoppes listed the home. The asking price: \$99,900.

The system, which has evolved through the years, has worked, Kim said.

"When we make an offer on a bank property, we usually know within \$100 how much we expect to make, and we're usually on," he said.

The Knoppes offer most of their renovated homes through lease-to-own deals, which most competitors are unable to offer because of the high costs involved in holding so many properties. The brothers revived the strategy from their father, one of the first central Ohio builders to promote lease-to-own deals in the 1980s.

"I was running a for-rent ad," Kim said. "I'd get a couple calls, maybe they would show up and maybe they wouldn't. I was starting to panic, and I thought of the idea of a rent-to-own lease-purchase. I ran the ad in *The Dispatch* — \$2,500 down, \$750 a month. Within a day, I had 35 calls."

Under the arrangements, tenants rent the home (with an option to purchase it) for three years, with the ability to renew the option at the end of the term. Tenants typically pay four times the monthly rent upfront. That money, along with 10 percent of each month's rent, can be used as a down payment on the house when, or if, tenants qualify for a loan.

The split-level home, for example, rents for \$900 a month, with a down payment of \$3,600.

So far, 96 Autumnwood renters have ended up buying their homes. The brothers expect the split-level to join the list.

"We'll have no trouble renting this," Chris said as he walked through the finished home.

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