

REAL ESTATE

EXECUTIVE

Chicago Edition

DEVELOPER PROFILE



Construction

Brad Zenner

Birth of a Builder

Highland Park is not the largest city in Illinois. It doesn't even rank in the top 15, maybe not even in the top 25. This does in no way diminish its status. With a population of 31,365 in a 12.5-square-mile area, it has a median home value of \$380,000, with 11,934 households and an average household size of 2.7. The median age is 40.6 and median family income is \$117,235. It is 23 miles from Chicago and is one of the communities that form the famous North Shore. Highland Park is a fabulous mix of the old aristocratic beauty combined with modern convenience. It is also home to Brad Zenner, owner and operator of Z Construction of Illinois LLC, one of the biggest boosters of Highland Park, and largely instrumental in contributing to the preservation of the old guard while helping create its newer modern counterpart.

Brad, who is in that median age group himself, was born and raised in Highland Park. There is no other place he would rather be. If not their biggest booster, he certainly ranks near the top. He lives and works from "possibly the oldest house in Highland Park," in which he did a significant amount of renovation. The house itself acts as an introduction to Brad Zenner; it showcases his beliefs. You get an idea of what he is all about before you even meet him.

It is hard to believe Zenner has been in the residential building industry for only five years. He comes across as being such a natural part of it. "In my previous business life, I was on the operations side of the business. I have been the vice president of operations in charge of numerous distribution centers and call centers. I built 267,000-square-foot distribution centers and did everything — the conveyer system, bar coding. It was very sophisticated technology. And with that, you have to put in offices, plumbing, electrical, HVAC, etc. The bathrooms may have a different detail in a warehouse than in a million- or two-million-dollar home, but the basics, the fundamentals are the same. The blocking and tackling are identical. You have to rough in for the plumbing, there's drywall, there's a toilet, there are sinks, you can even have a shower, etc. The entire process fascinated me. I liked all of it, from the conceptual drawings to the actual moving day. It was very rewarding. And after I left my last career, I said I was going to do it. Doing it meant I was going to take some risk."

THE RISK

As Brad tells it, "I was driving in Highland Park and saw a for-sale-by-owner sign. I called the owner and purchased the property that night. When I came home, my wife thought I was crazy." She thought so because she was under the impression that he bought the home for them. When he informed her that he was going to build a house there, she still thought he was crazy.

"You don't know how to build." Brad maintained that he did. About nine months later, a family moved in and "I was financially successful in my first endeavor. I had no idea what I was doing. I mean, I didn't even have an architect. I found out about the zoning in Highland Park; I didn't know any of that. I learned as I went along. I got a loan. I went to a bank and was approved for a construction loan; I received the financing. I was able to talk my way into a loan. The project must have made sense. They gave me the money. I'm not trying to be comical about it. Now, with the success of the business, I have numerous options when it comes to financing. My deal is twice as good as it used to be. I was able to take my previous business experience and translated that into something the bankers weren't used to seeing." He credits the Harris Bank in Lake Forest with giving him that first break. "I got approved in a couple of days."

The world of financing has definitely changed for Brad. Just ask Jay Presberg, of Private Bank of Lake Forest. "I provide construction financing for all his projects. He took over construction of a spec home for a client in Highland Park that had gone sour. He had done one spec home of his own prior to that, but I have done all of them since. Most of his work is new construction, not restoration. Brad gets it. He understands the market. He understands Highland Park. He knows the market inside and out in terms of people and working with people. He does a great job. Brad doesn't build a house; he builds a home, and he does a great job of that.

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Everything you do with Brad, you get everything you need, you get the complete package, house specifications and architectural drawings, absolutely everything. He understands how to make it work and how to get it on schedule. Everything I have ever done with Brad is on time and on budget, the way it is supposed to be.” Brad Zenner may have learned as he went along, but he certainly learned well.

THE BEGINNING

Brad attended the University of Wisconsin where he majored in sociology with an emphasis in statistics. An odd major, considering where he’s ended up? Not at all, in Brad’s opinion. “They had a program there, where, believe it or not, and I’m 40 now, to begin each classroom session, you would log onto a mainframe computer for the class lessons and to take exams. In Sociology, they were very forward in understanding that everything was being automated.” After graduating college, Brad entered the family business, Reliable Office Products, where he remained for eight years. “We were in direct marketing. It was a perfect opportunity for me. I got a PDM at the University of Missouri, Kansas City, in Direct Marketing. So, I have a statistical background, which is very unusual for the business I’m in. My background is unusual, no doubt about it.”

When the family business was sold, Brad went into his own business, a start-up business: prepaid cellular phones. Ultimately, that company was sold to AT&T. “When you go into an AT&T store today, the pre-paid wireless technology they’re utilizing had its origin in the company that my associates and I started.” After that, Brad became the first employee of DrugEmporium.com. “We were the very first company to legally fulfill a prescription over the Internet. Now it’s standard practice. We ultimately sold that company.” And that, says Brad, is when he found himself saying, “I want to build homes.” He feels his entrepreneurial background clearly helped him in starting his business. “There’s so much you learn in risk taking, in analyzing where you need to allocate your resources. You don’t have an infinite amount of time and energy and resources. How to allocate them appropriately—that’s what defines a sense of value.”

IN THE PRESENT

Anyone who has any knowledge of the building industry knows the importance of working with the powers that be in the community. Brad has nothing but high praise for the city fathers in Highland Park. “That’s part of my success. What I do, I do in Highland Park. I don’t profess to know the neighboring

A signature custom kitchen that comes with a Z Construction home.





On location of a circa 1880 stable which Z Construction will be restoring and adding on to.

communities. This is the town I was raised in. This is the town I understand, and there's plenty of opportunity for me here. I've been here my whole life. I know the Mayor. I know the councilmen. I don't get any favors from them; I don't ask for any favors from them. I follow the rules." Highland Park Councilman Jim Kirsch concurs. "I know Brad as a developer, and I admire his integrity and passion. He honors preservation. His new developments have character and fit in with the aspects of the town. He is currently renovating a barn into a house, something you rarely see. Even the Mayor is very fond of him."

Brad's respect and admiration for Highland Park are evident. "I will tell you that Highland Park has very high standards for development. They have very difficult FAR formulas, height restrictions, setback requirements, etc. They have very high fees, like a \$10,000 demolition tax every time you demolish a home. The actual fees themselves, permit fees, are significantly higher than neighboring communities. It's a blessing and a curse. The curse is that it raises your cost of doing business. The blessing is that it's a barrier for entry of other people. I'm a rule follower. I like to conform. If you have to seek variances from the Zoning Board of Appeals or whatever governing body it is, that is going to slow your project down. You may not get the variance you want. You may need to move on to another project."

When talking about some of the controversy as relates to the recent developments in downtown Highland Park, Brad is quick

to say, "Change is always going to be met with resistance. And it's also part of understanding how to succeed in this business. Any time you are in a community like Highland Park, all the land is already developed, so you have neighbors everywhere you are working. Typically, the neighbors like it the way it was. And the reality is when you purchase a property and tear down that house, you are going to change things. There's going to be a construction period that will be difficult for those neighbors. They might have liked what was there before. But again, typically, in hindsight, they come up to me and say, 'Great job. You enhanced the value of my property.' Still, they can make things difficult. That's why I like to conform."

Brad definitely considers himself a custom builder, and that includes remodeling. When asked about the trend today to tear down existing homes and rebuild, currently referred to as "pop-ups," Brad concedes he is not only part of that trend, he considers them his core market. As for remodeling, or add-ons, he refers to them as "nesting." Queried about this rather strange term, he explains, "Ever since the tragedy of 9/11, people's mentality, whether they realize it or not (and all you have to do is own Home Depot stock and you'll understand this), they're investing in their own home. It's literally been an explosion. We'll look back at this period, fueled by what's happened to our society, and realize that we are vulnerable, and the natural instinct is to protect your own and invest in yourself, and do what makes you comfortable. For

instance, I've completed many projects where the client will add a basement, a family room and a master bedroom. In the basement we will provide a media room, so instead of going out, they can watch the latest and greatest movies in the comfort of their own home. The new family room is where the family can gather as a whole. People want to be more comfortable in their own home. They want to stay where they are. They want to stay in the same school district. They're used to taking the same route home every day. I could go on and on. Call me crazy. I'm not a doctor of psychology or anything, but I don't think that's a coincidence. I think that people are investing in their own properties. Call it what you want; I call it nesting."

As for those pop-ups, "I look at it almost like I'm creating a market. There is no vacant land in Highland Park. Every property is already developed, and not much of that was developed with the 21st century in mind. Much of Highland Park was developed in the 1940s, '50s and early '60s. We're a post-WWII era, and this period is not known as the most beautiful architectural era. We have split-levels and smaller lots, and while they're sturdy homes, they were not designed for today's needs, whether today's needs are large kitchens/family rooms attached to each other, a separate office suite, or just more livable space. I'm just touching the tip of the iceberg. When I purchase a property, I'm looking for distress. If the existing residence has

already received gentrification, it may be what I call a 'tweener.' A tweener may cost too much in land acquisition, and you can't justify tearing it down to build a new home. Therefore, you're looking for outdated and/or distressed inventory. After demolition and construction of a new home, you are literally creating a market. There's certainly a large appetite for people seeking new construction, and all the benefits of new construction, on the North Shore. It's supply and demand. This isn't Naperville where there's still open land to be developed. Look at the huge builders like Cambridge Homes. There's no property for a large developer to develop 600 homes in Highland Park, so they're not my competition. OK, I can never compete on their level. That's not what I can do. But I can purchase four or five properties a year and construct a custom home or semi-custom home development here and create that market, and they can't compete with me on that."

Brad confesses that he doesn't even know any of the "big" builders and reiterates, "I don't view them as the competition. Once again, I don't see us competing. They need scale. They have huge infrastructures. They need to apply their buying power to a development that can handle that scale." Building three to five homes a year in an average price range of \$1.4 to \$2.4 million, Brad doesn't feel his type of building fits into the general housing statistics. "The national new construction statistics don't really apply to my type

A beautiful foyer that welcomes guests into this Highland Park home.



Lumber arriving for a new construction home in Highland Park, IL.



of construction. My clients differ greatly from the national norm, and I would argue that the movement of interest rates less affects them. I create my own new construction market.”

Brad’s preference is clearly in spec building. “A spec buyer can come in at different times during the process, but the easiest is certainly when I have already finished the home and then get a buyer because all the selections are already completed, and you don’t have the interactions with clients and decorators. I want to keep the project rolling. Sometimes, when you sell on spec, you don’t even have the drywall completed yet, and the buyer will want to have input on the type of tile, the color paint, etc. That’s one reason I’m in the process of building myself a model home.”

When Brad says he’s building himself a model home, he means that quite literally. He is building a home to live in and use as a model. “You’ll see what kind of kitchen appliances I put in, the type of windows I use, my capabilities from a carpentry standpoint, the cabinets I use, the plumbing fixtures.” As Brad emphasizes about this new model, “When you buy a home from Z Construction, the model home will demonstrate what we are capable of constructing.” So, while it will be the Zenner family home, it will still be a model home in every sense of the word. “I have numerous clients who have been more than accommodating in letting prospective buyers go through their homes. I feel this is terribly intrusive. Building a home is a very private matter, and I try to respect that as much as I possibly can. With the completion of my model home, I can take

clients to my home. Now I can take clients to see the capability of my construction.” When asked how his wife, Shari, will feel about living in the middle of a model home, he agrees, “It’s a compromise. She’s part of the team.” Shari, it turns out, is part of the team in fact, not just in concept. She does much of the inside work, bill paying and insurance. In addition, Shari Zenner is the main decorator on all the projects. “She’s been a wonderful and important partner.”

PERSONALLY SPEAKING

Married 17 years, Brad and Shari were high school sweethearts. “We went to the prom together. We both grew up in Highland Park.” And now growing up in Highland Park are the three Zenner children: 14-year-old Jason, who is on the Highland Park swim team; 12-year-old Morgan, a soccer player, basketball player, volleyball player, or apparently all-around athlete; and, not to be outdone, 10-year-old Joe is also a soccer player and involved in football, baseball and basketball. Rounding out, and very much part of the family, is Stanley, the Wheaton Terrier who eagerly greets all visitors. Both Morgan and Joe travel with their teams and their proud dad is right there with them, going to every game, probably not an easy task considering his workload. But Brad Zenner knows what’s important and handles all of it.

It is not surprising that the Zenner offspring are so sports-oriented. Brad himself is an avid sports fan and participant. Even

A tremendous staircase designed by Brad and Z Construction.





Framing is just the beginning of this new home in Highland Park, IL.

today he plays on a softball team in Highland Park. He loves hiking and often goes to Jackson Hole. As for the fan part, Brad is an “A Number One White Sox” fan. Enthusiastic on any subject he is involved in, he really turns it on when talking about the Sox. How did a lifelong Highland Park resident become a Sox fan? “I guess I just wanted to be different.”

He also feels a strong obligation to Highland Park. He has built numerous single-family homes and one six-unit town home that he sold last year to the City of Highland Park as affordable housing. This, he says, is “my way of giving back to the community.” It seems the \$10,000 demolition fee goes into a housing trust fund. “And since I’m one of the top builders in the community, I contributed mightily to this. I bought a piece of land and constructed a six-unit town home that the Community Land Trust of Highland Park purchased from me as the first affordable housing project under a recently modified affordable housing ordinance. The beauty of the project is that Highland Park employees, or those persons employed in Highland Park, receive preference from a placement perspective from the new development. Many whose work is associated with Highland Park cannot afford to live there.”

Brad’s project is the first to address this. And it is appreciated. As Realtor Margie Brooks states, “He’s very talented and attuned to the community he builds in. He understands new construction needs and he delivers on time and does what he says. I really respect his work.”

Brad Zenner is a man in motion. You might say perpetual motion. He has no doubts about his future. “I’m going to be in this forever. I go into separation anxiety after completing a project. I work with the architect, with the contractors; I’m hands-on from the first to the last. I’m involved in the full selection of floors, toilets, everything. It’s like giving birth. That’s passion. It’s an interesting thing I go through; it’s like leaving an imprint on the community.”

Julie Galassini, his attorney, couldn’t agree more. “I do a ton of new construction, and he is the first builder I’ve worked with that closes with so few problems. We literally close with barely a punch list. The buyers are happy. Everything is done promptly and on time. He goes to the property every day. I’ve known him my entire life and never expected him to be a builder, to be so successful so quickly, but he’s terrific at it. He’s so organized and he sees every property every day. He’s also very fair-minded. I wish there were more builders like him. I’m glad to work with him and for him.”

Highland Park may not be among the largest cities in Illinois, but with Brad Zenner and Z Construction, it will surely continue to grow house by house.

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