

Photos by Janelle Sou Roberts/The Journal Gazette

The DeHayes Group built a new office building in December 2001 for its business that is designed to mimic the look of a house.

At home in the office

Small firms convert houses for business

By Jenni Glenn
The Journal Gazette

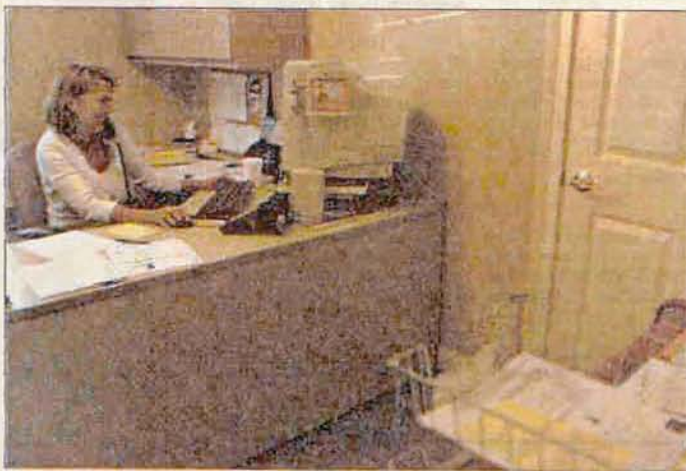
Featuring a steep staircase with wooden banisters, the red brick building's front hall would blend into most residential neighborhoods.

But beyond the entryway, the West Jefferson Boulevard building contains many of the trappings of office life. Cubicles, filing cabinets and coffee pots indicate that the space is the home of the DeHayes Group, an insurance firm.

Many small businesses choose to convert houses into office space or, in the case of the DeHayes Group, build an office in the architectural style of a house. Companies that go this route may save money and gain visibility, but they could miss out on the amenities of a traditional office building, real estate brokers say.

Businesses tend to move into houses in neighborhoods that are changing from residential to commercial, said Kathy Moses-Denig, senior broker for commercial real estate firm CB Richard Ellis Sturges. Residential areas bordering high-traffic streets, such as St. Joe Road and the section of West Jefferson Boulevard near North Bend Drive, make good locations for small companies with lots of customer interaction. Insurance agents, doctors and mortgage companies often decide to set up offices in converted homes in these areas, which are visible and easily accessible to the public, she said.

Visibility factored heavily into the DeHayes Group's decision to build its \$700,000 office at 5150 W. Jefferson Blvd.,



Sandy Roth, administrative assistant at The DeHayes Group, works in her office at 5150 W. Jefferson Blvd.

owner Bill Rush said. After nearly 16 years of leasing space in an office building on Calhoun Street, the company's growing personal insurance business needed a location that was convenient for walk-in customers.

"Now with our own space, they can drive right to our driveway," he said.

The DeHayes Group, which employs 23 and has revenue of \$2.5 million a year, demolished a house to build its office, Rush said. The company designed its office, which opened in December 2001, to look like a house with a peaked roof so it would fit into the surrounding neighborhood.

Companies that convert existing homes often find that is an affordable way to set up an office, said David Nugent, a partner in the real estate firm BND Commercial. Starting with an existing structure saves companies the expense of constructing a new building from scratch, which could

cost an average of \$120 a square foot, he said. But companies can wind up paying for major modifications to make converted offices comply with the Americans with Disabilities Act, Nugent said.

Converting a house is a reasonably priced way for companies to buy office space, Moses-Denig said. Low interest rates have made purchasing property attractive to many companies. Owning the office saves companies the trouble of renegotiating leases and helps them build equity, she said.

Using an existing building appealed to the owners of Wireless All-Stars LLC, a cellular phone dealer that operates out of a converted house on West Jefferson Boulevard. The company's owners bought out the previous tenant — another cellular phone dealer — four years ago and took over the lease, general manager Todd Wilson said.

Operating from the former house, which

"Now with our own space, they can drive right to our driveway."

— Bill Rush,
DeHayes group owner



is painted bright blue, gives the store a more personal atmosphere, Wilson said. "You aren't going to walk into a 10,000- or 5,000-square-foot facility and be a number," he said. "You're a real person."

Not all companies want to convey that image, Moses-Denig said. National corporations tend to prefer more formal spaces in multitenant office buildings, she said. Leasing office space in a large building frees larger companies from worrying about maintenance and landscaping.

"They don't want to mess with paying the utilities or unplugging the toilet," Moses-Denig said. "They want to focus on running their business, not the property."

Professional Park West Properties leases full-service offices and retail space in eight buildings along West Jefferson Boulevard. Tenants receive paid utilities and common area maintenance as part of their rent, which ranges from \$12 to \$15 a square foot, owner L.D. Williams said.

"To me, generally I think the bigger office building can offer more amenities," he said.

Rush said it was important for the DeHayes Group to own its office. Owning property shows clients that the company is secure and stable, he said. Designing the office to look like a brick house also helped convey that image, Rush said.

"If you come in, it's warm and friendly," he said.

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