

# Sunday Real Estate



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## KENNETH HARNEY

THE NATION'S HOUSING



### A new way to cash out your equity

■ First of two parts

Improbable as it sounds at a time when American homeowners have lost billions in equity holdings, a new industry is taking shape to help them tap portions of their equity wealth without incurring traditional mortgage debt or making interest payments.

Three companies with sophisticated capital market backers — REX & Co., Equity Key and Grand Financial — are offering cash to owners who agree to cut them into some of the future appreciation growth of their properties.

The cash typically represents a fraction of the current market value of the home, and rises with the percentage of future appreciation the owner is willing to share.



“We admire the mid-century style of the house and play to that with contemporary furniture.” — HOMEOWNER TRE MICHEL

STAFF PHOTOS / THOMAS BENDER / [thomas.bender@heraldtribune.com](mailto:thomas.bender@heraldtribune.com)

David Steiner made the glass and metal coffee table in the living room, and he and his wife, interior designer Tre Michel, rotate David's paintings between home and their State of the Arts Gallery. **BELOW:** David and Tre Michel with 17-month-old Sienna Christina, who influenced the home's decor.

house who is willing to share 30 percent of future appreciation. That rises to \$117,000 in exchange for a 50 percent share. Existing equity in the home — and future value growth attributable to capital improvements — are not affected by the deal. There are no interest rates or monthly payments, and the timing of the end of the agreement usually is up to the property owner.

Unlike a reverse mortgage, where interest charges accrue and are added to the total debt that must eventually be repaid, all of REX's receivables are tied to the future growth — or decline — in the value of the real estate. If values go down, REX takes a loss equal to the percentage of the value change it shared in the agreement. If values remain flat, the homeowner repays the amount of the original cash extended by REX.

But if values grow steadily or even boom, the company's returns have the potential to soar. REX, which says it is now writing agreements in 13 states, is backed by American International Group (AIG), the world's largest insurance company, and the Royal Bank of Scotland's Connecticut-based Greenwich Capital Markets Inc. subsidiary.

Tjarko Leifer, REX managing director, says "we see ourselves at the beginning of a much larger industry" that is focused on providing products to efficiently tap the \$9 trillion of net equity held by homeowners. Unlike reverse mortgages, which usually are restricted to seniors 62 or older and often entail significant fees, REX has no minimum age limit and relatively modest transaction fees. Participants must have a minimum 25 percent equity stake, however — their total mortgage debt

# fresh & family friendly

By MARSHA FOTTLER  
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The little 1964 garden house, on Roberts Point Road on Siesta Key, was Sarasota interior designer Tre Michel's dream house.

It really was.

"Two years before I bought this house, I had a dream that I owned it," said Michel. "I was a student at Ringling School of Art and Design, and I had all of \$50 in my checking account."

Later, when Michel was a successful, working designer, the for-sale sign was still on the house, and she managed to purchase it. Then, three years later, she married artist David Steiner, and then came baby daughter Sienna Christina, now 17 months. Add three fairly large dogs to the mix and you have an active family that needs space and specific spaces, because Steiner's open-air painting studio is on the property.

"David and I have reconfigured the house, based on our tight budget and a plan to make the spaces both safe and comfortable for the baby, us and the dogs," said Michel. "One of the first things we did was fence the back yard so Sienna couldn't get to the canal. Inside, we put recessed ceiling lighting in all the rooms because I didn't want table and floor lamps that could be knocked over, and electric sockets that might look inviting. We've eliminated as many cords as possible from Sienna's sight."

The couple extended their living room by enclosing the existing sun porch, an area that is now their dining space. They unified the addition with existing spaces by installing ceramic floor tiles in a neutral color, resembling travertine. Then they installed French doors that open to the patio and back yard.



With **creative** tweaking, an interior designer and an artist revitalize a **vintage** barrier-island home



The entrance to this Siesta Key garden house was reconfigured with the help of a feng-shui practitioner.

SEE ROBERTS ON 31

# Barrier-island house reborn with the touch of an artist

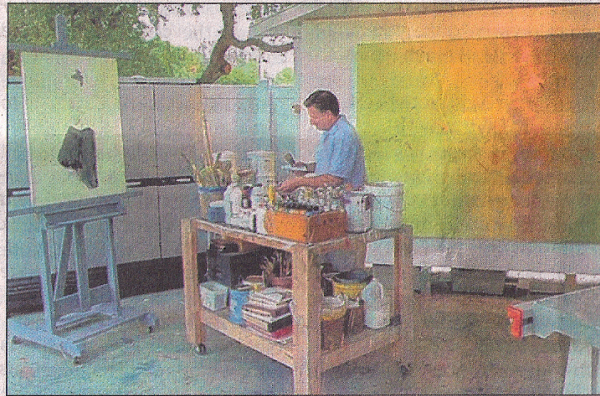
ROBERTS FROM 11

David made the glass and metal dining table, as well as the large square coffee table in the living room. "We keep all the tables in the house free of objects if they are at Sienna's eye level," said her mom. "My nice accessories are in cupboards for the time being, and for colorful accent pieces, I'm more likely to use big bowls of fresh lemons or limes. For additional pops of color, I use soft throw pillows. And, of course, we have David's paintings, which we sometimes rotate between house and gallery. We like to change accent colors, and that means wall paint, too, about every three months."

The couple own State of the Arts, a painting and sculpture gallery in downtown Sarasota.

In the living room, the sectional sofa is slip-covered in taupe ultra suede, with textured ivory vinyl cushions. "Vinyl isn't glamorous," admitted the designer, "but I have to be able to wipe the sofa down every day, so it's the practical solution for now. I have another slipcover that's more formal that I can use later."

The original master bedroom is now the baby's room, so designated because it opens onto the main living space — giving Sienna room to spread out with her toys. Her parents took the smaller bedroom and have fashioned it as a cozy retreat. He painted the plaster-brick accent walls a neutral color, and she has furnished the space with a red Asian "longevity chest" she gave her



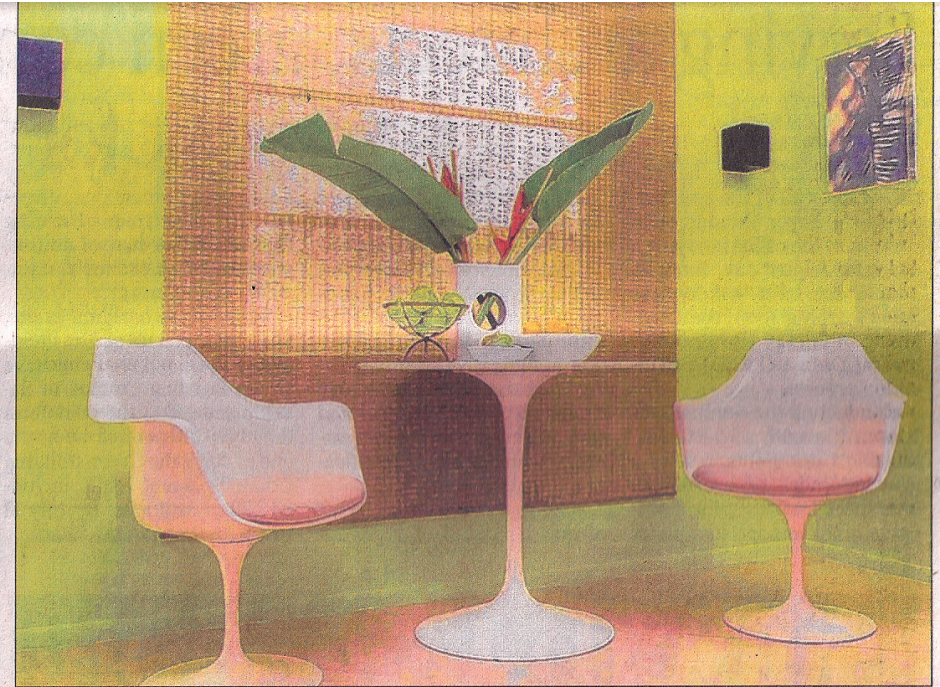
In 1964, the house was the residence of Gloria Carsky, who, with her twin, Bonnie Kernan, performed with the Ringling circus.

space. Our computer work station is in here, too." Tre calls the room "the man cave."

The homeowners park their vehicles in a motor court to the side of the front entrance, which is a gated courtyard garden. They worked with a feng-shui practitioner for placement of the garden elements, including a lily-pond water garden.

In 1964, the house was the dream residence of Gloria Carsky, who designed it and had it custom built with her husband. Her twin sister, Bonnie Kernan, built the house across the back yard, and the two families used to host leg-

and how much fun Bonnie and I had in our homes. Those were happy years. It's nice to see a young family living in my old home and appreciating it."



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LEFT: David Steiner in his open-air painting studio just off the back patio. ABOVE: An original tulip table and chairs by Eero Saarinen that the couple found second-hand. They collect midcentury modern furniture.

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