

Ronald Shipka Sr. on the Next Real Estate Boom

An interview with Ronald Shipka Sr., Founder and Principal of the Enterprise Companies
by Dr. Margot B. Weinstein, CIPS



Ronald Shipka, Sr.

Ronald Shipka Sr. is the founder and Principal of the Enterprise Companies, a leader in residential real estate development for over 30 years in Chicago. For his involvement in

building a family-owned company in its third generation, Ronald Shipka Sr. was inducted into CAR's 2005 Hall of Fame. I recently interviewed Mr. Shipka to discuss his predictions for success in 2006 and beyond.

WEINSTEIN: What impact will Katrina and Rita have on housing trends in 2006?

SHIPKA: Our government priorities will be focused on fixing the results of the

hurricanes, which will be enormously costly. And I believe that interest rates will continue to rise a little higher. Still, I don't think these factors will affect home sales, especially in Chicago, because in the last 25 years, the percentage of money that people make compared to the ratio of what they spend for housing costs including their mortgage, their real estate taxes, and/or the upkeep of their home compared to what they earn, hasn't changed.

WEINSTEIN: Then, what do you predict as real estate trends for the future?

SHIPKA: I believe the following trends will remain strong:

1. As gasoline prices continue to rise and driving times increase on our highways, many people will move back into the city. Consequently, urban markets will be booming throughout the U.S.

2. In Chicago, 53 percent of all the sales last year occurred in four or five major planned communities of which two are ours, Museum Park and University Commons. In our developments in Chicago and in California, you have a sense of community. And that same trend will be popular in the other areas in the country. So the more amenities that you can offer people such as swimming pools, park space, and a sense of community – the more successful you will be in the future.

3. I also think that you will see migration to warmer areas from baby boomers and their children, the echo boomers. Their parents have bought houses in warmer climates, and they are now in schools in these areas, and I believe they will want to stay. The greatest growth for student housing and other housing developments will continue to be in four states – Arizona, California, Florida, and Texas.

WEINSTEIN: How have new technologies impacted your business?

SHIPKA: Today, in the rental market, most people become interested in a space from the Internet. People used to come into our open houses on weekends with properties of interest circled in The Reader. In our rental operation, which is completely different from the sales, 95% of our activity is vis-à-vis the net. All of our signage, ads, and brochures are created only to get you to open up the www.theenterprisecompanies.com and click on the rental link. We can update our Web site on an hourly basis. The transaction is still closed at the apartment or in our north side office, but the Internet serves as the basis for our rental business. In other parts of the country, many spaces

are being rented directly from visiting a web site, especially in the student housing market. In the Chicago market, there is still too much supply compared to demand for rental apartments, but I predict that the web will continue to influence changes in business operations in the future.

WEINSTEIN: What advice would you offer professionals for future success?

SHIPKA: It's critical for you to have a good web site. You only have a second and a half to create interest so that people know your web site. And then, your advertisements must also capture the readers' attention instantaneously so they become interested in a particular apartment. My wife does a phenomenal job of creative writing for the net, which is very different from other types of writing. You must have someone talented to create and manage your web site.

Additionally, I believe the biggest challenge in all areas of real estate in Chicago as well as others parts of the country, you must have the ability to find opportunities – which is becoming more and more difficult.



Dr. Margot B. Weinstein, practitioner, educator and author of new book: *7 Steps to Find Your Perfect Career*, with career stories including Nancy Suvarnamani, CAR President-Elect, Steven Good, 2003 CAR President, and Jennifer Ames.

Leaders Celebrate Success of Chicago School of Real Estate

On November 2, 2005, the Roosevelt Gala for the Chicago School of Real Estate held at the Four Seasons featured Quinton Primo, Chairman of Capri Capital as the keynote speaker. Two CAR Hall of Fame Inductees, and the Co-founders of the school, Marshall Bennett and Gerald W. Fogelson announced a one million dollar pledge for the School's capital campaign. Fogelson was awarded the Lifetime Achievement Award at the dinner.



Pictured above left: Marshall Bennett, CEO, Marshall Bennett Enterprises; Quinton Primo III; Gerald W. Fogelson, Chairman, Fogelson Companies Inc. and Co-Chairman, Central Station; Charles Middleton, President, Roosevelt University; Jon DeVries, Director, Institute of Real Estate; and Theodore Gross, President emeritus, Roosevelt University. (Provided by Dr. Margot Weinstein, CIPS.)

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