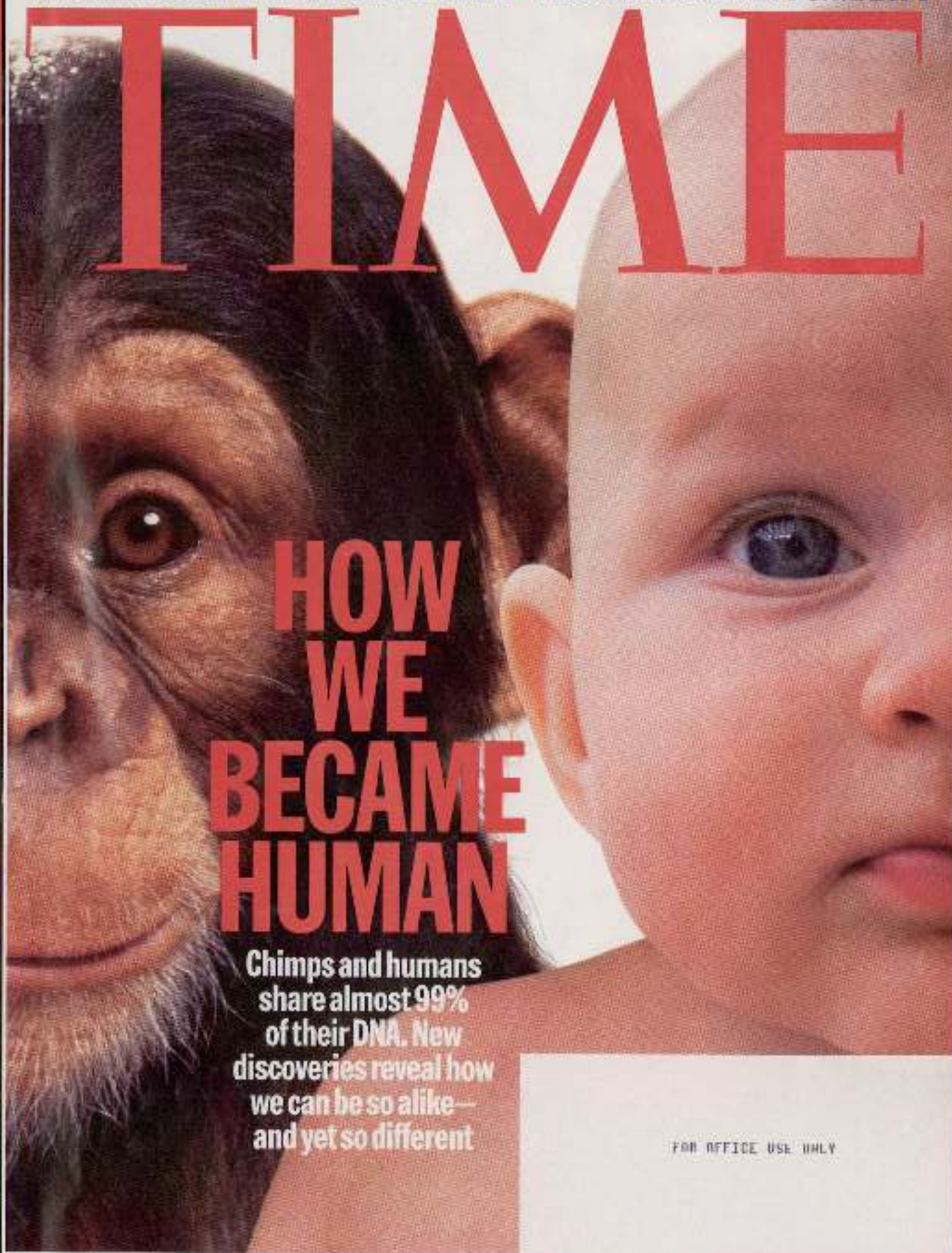


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ANDREW SULLIVAN ON BLIND FAITH ■ LEO & JACK & MATT & MARTY


TIME



HOW WE BECAME HUMAN

Chimps and humans share almost 99% of their DNA. New discoveries reveal how we can be so alike—and yet so different

FOR OFFICE USE ONLY



Mike Engel can now fit all three of his cars in his newly renovated garage

IT WORKED FOR CLOSETS. NOW THE OTHER MESS IN YOUR HOME IS A BUSINESS

Pimp My Garage



BY
COELI
CARR

HOW MUCH WOULD YOU PAY FOR AN EXTREME MAKEOVER of your garage? For Michael Cardenas, a restaurateur in Malibu, Calif., the bill hit \$30,000. That's a steep price, you might think, to remove some junk and add some fixtures.

Yet before the transformation, the place was a disaster zone: crammed with catering equipment, an antique bar and dozens of cases of wine—including bottles Cardenas would have loved to uncork, if only he could find them. "It was definitely ugly," says his wife Madoka.

Now the space exudes Zen calm, reflecting the couple's Japanese heritage and their recently redesigned home. The garage floors are finished in stain-resistant granite, a wall system holds baskets and shelves, there's brushed-aluminum cabinetry—and Cardenas' prized wines are organized in a 2,000-bottle room. "I had so much stuff that I couldn't get in or out," he says. "Now I can navigate the place without killing myself." How many homeowners can make that claim?

Even as the housing market cools, one segment of it appears to be bucking the trend: garage remodeling. The Joint Center for Housing Studies at Harvard University estimates that homeowners spent \$2.4 billion on replacing or improving their garages in 2003—more than double

the average annual spending over the previous decade. Companies that specialize in this niche, which barely existed a few years ago, say they're expanding exponentially. Garage Easy, the Pasadena, Calif., firm that transformed Cardenas' space, expects 2006 revenues to hit \$2.6 million, up from \$1.1 million in 2005. GarageTek in Syosset, N.Y., hit \$20 million in 2005, a 30% increase over the previous year, says marketing director Barbara Butenski, and this year the company expects its revenues to hit \$28 million to \$30 million.

Home Depot has caught on, too. The retail giant started offering garage-organization and -remodeling services in 2005, and now has the service in 700 of its 1,840 U.S. stores. "The growth of this category has been in the general neighborhood

of 10%," says Mike Mullinas, national installation manager in the custom home-organization division of Home Depot. Indeed, says Greg Alford, a senior partner with the Peachtree Consulting Group, a market-research firm based in Atlanta, "garage-organization projects are the fastest-growing segment of the home [renovation] industry." The average cost of a Home Depot makeover is in the \$1,000 to \$2,000 range, says Mullinas, adding that the chain is "trying popular prices" to target the majority of its customers.

But the fastest growth is coming from high-end jobs in the \$10,000 range, according to Alford. Jaime Diestenhof, a co-owner of Garage Envy, says his garage makeovers average about \$8,000. Top-of-the-line garages tend to get fitted with

Small Business

Garage Envy added aluminum cabinets and a wall for hanging sports equipment in a Malibu garage.



THE IFFY HOUSING MARKET MIGHT BE CAUSE FOR ALARM, BUT SOME REMODELERS SEE IN IT A SIGNAL FOR GROWTH



Jaime Dietschhofer, a co-owner of Garage Envy, designed the garage makeover, above.



In the back of the garage the company created a climate-controlled room with racks capable of holding 2,000 bottles of wine.

doodads and gizmos, including custom-made shelving, enclosed cabinets, work benches and high-tech wall grids made of materials that can support hefty garage paraphernalia like bikes and lawn mowers. Some business owners are growing profits by manufacturing and distributing those products themselves. Often, however, the only way consumers can get those products is by hiring the companies to do the remodeling project.

Successful garage-makeover businesses are also revving up growth through franchising. In 1999, Mark Loberg started PremierGarage, a company in Phoenix, Ariz., that remodels garages using goods he manufactures and distributes. Loberg was a local entity until 2003, when he opened his first franchise in Hilton Head, S.C. Sniffing a market, entrepreneurs around the U.S. and Canada bought the franchises, paying \$35,000 to more than \$125,000, depending on the market size. Adding more franchises—now totaling 81 in the U.S. and Canada—helped PremierGarage's revenues soar to \$16.2 million in 2005; the firm currently employs 82 people. Loberg, whose company charges between \$5,000 and \$8,000 on average for its projects, expects sales of \$28 million for 2006. The iffy housing market might be cause for

alarm, but some garage remodelers see in it a signal for growth. Total housing starts dropped 6% in August, according to the Department of Commerce, and the pace of new-home construction was down 19.8% a year earlier. But, says Loberg, "if people stay put in their smaller homes when interest rates go up, it will be more critical to use the space available to them"—meaning bigger, smarter garages.

All the better for specialty remodelers, who can target deep-pocketed consumers like Mike Engel of Bend, Ore. When he decided to fix up his three-car garage, he characterized it as a "dumping ground and completely dysfunctional." So extreme was the clutter that of his three vehicles, he could fit only the Porsche inside. Engel contacted Mike Maxwell, owner of Garage Improvement, a Garage Envy dealer in Oregon, who completed the makeover this July for \$15,500. Maxwell added stain-resistant rubber flooring, cabinetry, recessed lighting and a hot-and-cold water faucet so Engel could wash his cars. "Now it looks like a finished room—a place I'd want to go to hang out," says Engel. His once curbside SUV and his boat fit comfortably alongside the Porsche—well worth the price of a little nip and tuck.