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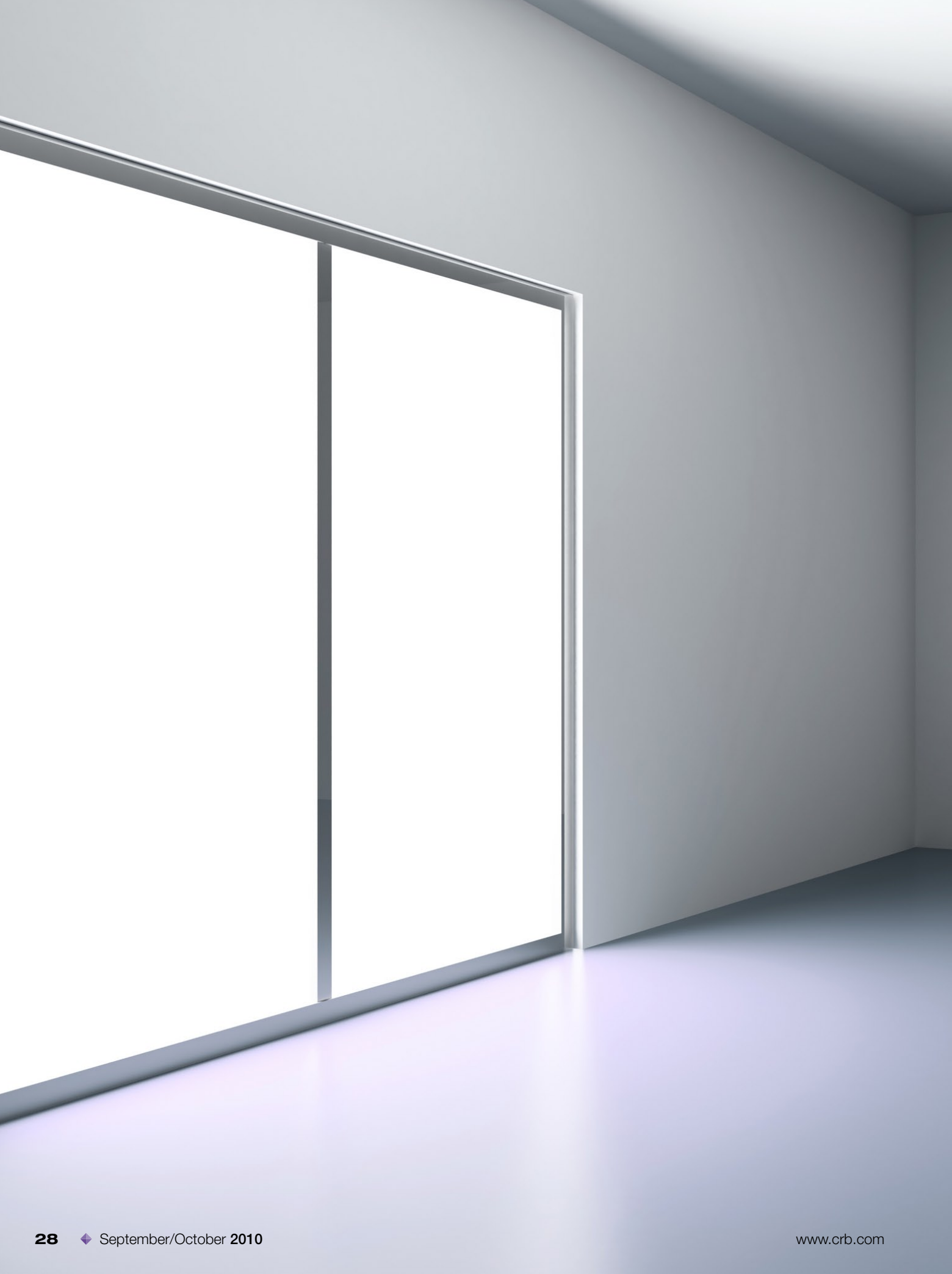


Remote Control

Making the virtual office a reality



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Social Media Ethics
Recruiting for the
'New Normal'



A

By Tiffany Whisner

house
is **NOT**
a home

Today's recipe for a sold home must include staging

What is the “It Factor?” It’s often known as that indefinable quality that makes someone or something special. Either you have it or you don’t. It’s an unknown variable that can be the hallmark of success. And when it comes to turning a house into a home, the “It Factor” becomes the “SFactor” — staging.

AFTER



Photos courtesy of Trish Kim

BEFORE



In today's struggling economy, the housing industry is riddled with words like worry, downturn, fell sharply, lowest reading and slow market. It doesn't exactly give you that warm and fuzzy feeling about the outlook for the future. But a key to unlocking the home of your — or someone else's — dreams is staging, dubbed the "S Factor" by Barb Schwarz. She's the creator of Home Staging® and the ASP™ Accredited Staging Professional designation (a designation that is not affiliated with the National Association of REALTORS®), CEO of StagedHomes.com in La Quinta, Calif., and founder and president of the International Association of Home Staging Professionals (IAHSP).

"Two things sell a home in any market, and this is of course true in a down market," Schwarz says. "One is price, and the other is staging. In a down market, when the prices of two homes are the same, the buyer will almost always purchase the staged home over the non-staged home. Wouldn't you? A staged home is usually better than the cluttered, non-staged home."

Seems like an easy-enough-to-believe concept. It makes sense, but the numbers speak for

themselves. Most recently, in a slowed market, statistics from *StagedHomes.com* show that 95% of staged homes sell on average in 35 days or less. Just two years ago, homes that weren't staged averaged 160 days or more to sell. Today, that number has jumped to 187 days, or they simply don't sell at all.

The Ups and Downs

"The pendulum is swinging; the public is now becoming the driving force to make sure their home gets staged for sale," Schwarz says. "Agents are still crucial in driving the world of ASP Home Staging, but many agents hang back and the seller is now asking, 'Aren't you going to tell me to get my house staged?'" The down economy has driven the need for home staging more than ever before.

"With short sales, bank-owned properties and the traditional sellers, all of these entities are in fierce competition to get the house sold," Schwarz says. "They must have their home staged to have any chance to sell in today's market."

Renee Marrs Caperton, CRB, broker/owner of Century 21 Marrs & Associates in Corsicana,

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— Barb Schwarz

Texas, has been a managing broker for more than 25 years and agrees that staging homes has become essential in the current economic situation.

“Consumers are using more caution with their purchases,” she says. “Buying a home is probably the largest investment people will make and, for some, only once or twice in a lifetime. Many buyers use most or all of their funds to make the home purchase and to pay their closing costs. Many don’t have excess funds remaining for major home improvements and don’t want to buy a home that needs remodeling. They want it to be move-in ready.” Having this knowledge motivated Caperton to earn her ASP designation in July 2009.

“I have been staging my own houses way before I even heard the term ‘staging,’” she says. “I just felt that if a prospective buyer could walk into a house that was fresh, clean, clutter- and odor-free, all they had to consider was where to put their furniture. It’s all about presentation.” Caperton wants the sellers she works with to receive the professional service of staging as part of their marketing package and have an advantage over competing properties. The competitive advantage is something that Trish Kim, CEO of Staged Interior in Virginia, Washington, D.C., and Maryland, makes sure to offer each client.

“Competition today is greater, and the seller knows he needs to go the extra mile

to get maximum equity,” Kim says. “Every dollar invested in home staging is a dollar with positive cash flow. Even the most skeptical seller becomes a believer when he sees the visual results and then realizes the monetary rewards.” Those results are realized most easily when the real estate professional and stager work hand in hand.

Together Everyone Achieves More

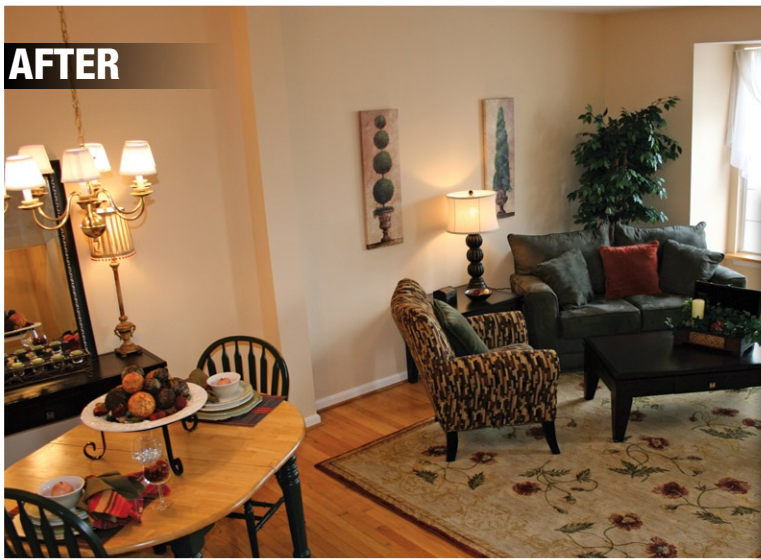
“ASP Home Stagers and real estate professionals are teaming up more to give turnkey service to the seller,” Schwarz says. The agent’s job is to get the property priced and to do the proper marketing to get it sold. The stager merchandises the property so the marketing pays off — a win-win relationship.

“In today’s economy, the stager is making money for the agent because without the house staged, it sits, and in the end, the real estate professionals get little or no commission,” she continues. “Therefore, working together, the seller wins, the agent wins, and the stager wins.” Caperton agrees the teamwork concept works especially well in this economy just because it’s a great additional service to offer clients.

“A staging professional can help the seller obtain the quickest sale and get the highest price,” she says. “Staging benefits everyone



AFTER



concerned. The buyer gets a home that is ready to move into and doesn't have to immediately start making repairs.

"The real estate professional benefits as well," she continues. "The inspection and appraisal processes are smoother since a well-maintained, staged home is going to have a lot of the details taken care of that might be noted otherwise and would have to be taken care of prior to closing." Honoring the client is something Kim always strives for.

"If the real estate professional and the home stager don't team up, I feel they are not honoring their clients," she says. "I know that's a strong statement, but every seller deserves the best opportunity possible to sell his or her home at top dollar and before the property becomes a stale listing." She explains that if the real estate professional leaves out the staging piece or the stager stages for a "For Sale by Owner" property, the seller loses 50% of the clout they would have had if they had used both resources.

"This makes perfect economic sense — more money at the settlement table and fewer days on the market," Kim says. "The bottom line is more money in the pockets of both the seller

and the REALTOR®." In Kim's company, they are selling staged homes in one-third the amount of time and for almost 3% more than other similar properties.

"You can't afford not to stage!" she says.

BEFORE



A New Mantra

The real estate professional's mantra has been "location, location, location" — once the No. 1 rule in real estate — and often the most overlooked. Now that mantra seems to have a new ring to it, one chanting "staging, staging, staging."

"Now, more than ever, location is included in the price," Schwarz says. "That said, regardless of square footage, location or the number of bedrooms and baths, if the house is not staged, it simply cannot compete. You can have a small house or a mansion; it can be in a prime location or out in hinterland, but today's buyers are comparing how the house, which is now a product, looks compared to all the houses. If the property is dirty, cluttered or has the wrong colors, it doesn't have a chance in today's market." Caperton also believes in the new real estate mantra.

"Although location still holds true, staging is just as important," she says. "Sellers want to

obtain the maximum amount of return for their investment. Staged homes usually sell for more money in less time, though the property still has to be priced within its market range. Pricing, pricing, pricing is the key! It's just easier to obtain that price when the property is staged." Kim says that location is something over which you have no control, and therefore, the property price has to reflect that location.

"The only aspect of marketing that the REALTOR® can control is the way a property looks to the buyer," she says. "Staging is the defining factor in any location, making the best of every listing." She adds that right pricing gets you in the game, but home staging gets you the offer.

"Price is the REALTOR®'s responsibility," Kim says. "And for years, REALTORS® have had to shoulder the responsibility of appearance as well. Now with the addition of home staging, that responsibility is being entrusted to professionally trained stagers who are focused on property appearance. This takes the burden off the REALTOR® and creates another level of expertise for the seller to rely upon. To me, it's

"I know from the buyer's agent side of a transaction, it is wonderful to show a staged home," she says. "Staging aids the seller to get more money for their home and usually in less time than competing listings."

In her 2007 book, "Building a Successful Home Staging Success," Barb Schwarz notes her "Six Top Predictions for the Future of Home Staging." She reflects back on those predictions and feels even stronger about them today. The first prediction: Home Stagers, ASP Home Stagers in particular, will play critical roles in setting the market.

"If you don't stage it, it won't sell," she says. "And ASP Home Stagers are certainly controlling the market. We are seeing more home stagers as part of real estate teams." Caperton says staging does play a major role in setting the market, and that is something that has changed over the years.

"Many sellers expect their agents to help them with the staging process and give them recommendations," she says. "Real estate agents encourage their clients to take staging steps in

Buying a home is probably the largest investment people will make and, for some, only once or twice in a lifetime. They want it to be move-in ready.

like going to a brain surgeon instead of a heart surgeon when you need brain surgery. Why wouldn't you?"

To Stage or Not to Stage

"A lot of people don't have the vision to see through clutter and rooms that are overly crowded with furniture," Caperton says. Buyers can better visualize how a house will look with their accessories in it from a model home.

order to sell their homes. It's definitely more of a team effort."

"There's still a learning curve that we need to get around with some REALTORS®, but the majority is getting it," Kim adds. "That's why we are seeing twice as much business this year as last year. We foresee even greater growth in the future. We have seen positive growth every year, and our statistics continue to reflect the fact that staging works." Another of Schwarz's

predictions: The home staging industry will grow larger every year. This prediction has also come true.

Five years ago, 10% of the public was preparing or staging their home for sale; today this figure has topped 20%, according to StagedHomes.com. The public is seeing more about staging on TV and reading more about it in newspapers and magazines and are beginning to understand the difference that it makes in the sale of properties all over the country — and these properties are not just residential.

“We have staged offices, and more businesses are using stagers to accomplish what designers and decorators have typically provided,” Kim says. “I have to say that as a stager who used to do design work, I know my design projects are far more valuable to my clients now that I look at everything with a stager’s eye.”

Part of the Package

Accomplishing more for less is a standard part of the package that clients expect from real estate professionals and stagers alike. Another of Schwarz’s predictions: Commission and fee structures will change. She notes that the current commission structure continues to remain the same but that sellers are now demanding the real estate professional pay a part or the entire staging fee at the beginning or at the close of sale.

“Agents that make staging a part of their marketing plan lead the market and obtain more listings because of it,” Schwarz says. “There are still at least 50% of agents who hang back and have not incorporated staging into their marketing plan. These are the agents that fall behind, earn far less money and never lead their market.” Kim says there are those who believe staging will become part of the percentage a buyer invests to sell their home.

“It’s simply part of the marketing package, and the staging company gets paid at settlement,” she says. “My belief is that staging will be the defining factor that sets homes apart, and the better and more successful REALTORS® will

offer the addition of staging to their marketing packages.

“Elite REALTORS® will not sell without staging,” Schwarz continues. “It’s already becoming more common for builders and investors to use staging companies to create their model homes rather than the companies that are specifically designed to do so. It’s less expensive, and, at the end, the furniture and accessories are returned and no storage is necessary.” Caperton agrees that staging should become a standard part of a real estate professional’s marketing plan.

“I think sellers need to understand the importance of staging in trying to sell their home for the most money in the shortest amount of time,” she says. “Communicating with and educating the seller are very important. There are many myths regarding home staging that the seller needs to know are just that — myths.”

It doesn’t cost too much money to stage. Many things can be done for free, even using items already owned; and staging isn’t decorating. When it comes to decorating, Kim says things have changed, including colors and styles.

“I have simplified some of my table designs, and almost all of my florals have a contemporary, sparer feel,” she says. The most current accent colors are orange, turquoise and lime green — in contrast to the previous red and terra cotta, and the neutrals have gone from natural earth tones to cooler, calmer sea colors with gray overtones.”

Home Is Where the Heart Is

Though color palettes may have changed throughout the years, the philosophies behind staging have remained concrete.

“Our basic principles never change, and I don’t see them changing in the future,” Kim says. “They are simply to honor our clients and their possessions and create the look that sells a property for more money in less time.” Caperton says she’s sold on the idea of home

staging — and that it's easier to sell something in which you believe.

"I believe in the future of the real estate industry with regard to staging and that it will become one of the greatest aspects considered by sellers, buyers and REALTORS®," she says. "Sellers expect to get the highest price for their property, and buyers expect to get the best deal for their investment — it just makes the REALTOR®'s job so much easier."

In Schwarz's latest book, "Staging to Sell: The Secret to Selling Homes in a Down Market," she presents an analogy. Let's say that only 10 houses are for sale in a hot market. All 10 will sell, but the staged homes will sell for more money, even though the market is hot. In a down market, though, instead of 10 houses, 100 houses are for sale, and only 10 of the 100 houses will sell. The other 90 houses are used to sell the 10. Why and how? The 10 houses are sold because the buyer saw the other 90 homes that were not staged and bought the staged home instead. So from a staging perspective, things are looking up even during a down market in a down economy.

"ASP Home Staging in every community is successful regardless of the real estate community in which it operates," Schwarz says. "Word of mouth is a powerful thing. Once a seller has his home staged, he tells every friend, relative and neighbor that they should do it, too. Home staging has changed the entire real estate industry like nothing ever has before, whether the market is hot — or not." ♦



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