

Chapter 1

Matchmaker, Matchmaker, Make Me an Offer

In This Chapter

- ▶ Coming to grips with selling your house
 - ▶ Looking at your house with fresh eyes
 - ▶ Harnessing the power of staging
 - ▶ Running down reasons to stage
 - ▶ Discovering staging's three steps
 - ▶ Finding ways to stage with minimal stress
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Moving is stressful. And we have more good news for you: Securing the highest return on the sale of your house is a lot of work — exhausting, emotional, and often back-breaking work. And even when the house is priced right and in a great location, you have competition for buyers.

You can become blind to the wear and tear and the flaws of your house that jump out to a prospective buyer. The objective eye of a professional stager can make all the difference. A local, trained stager knows what's right for your market and can uncover areas that need attention to earn you the most equity from the sale of your house. You can emulate that process yourself by following the tips we give you throughout this book. The important thing is that you do it — getting the most money from your house depends on it.

So whether you're a do-it-yourselfer or want to call in the pros, we set the stage for the rest of the book by acquainting you with the staging process and why staging can secure the most equity from your home. And we hope that what we share here takes some of that stress out of moving.

Turning Your Home Back into a House

Home staging (*house doctoring* in British English) is the process of preparing a private residence before listing it in the real estate marketplace. This process includes

- ✓ Cleaning
- ✓ De-cluttering
- ✓ Repairing
- ✓ Showcasing to show off the property's best selling features or minimizing its least desirable features

A *professional stager* has been trained to look at a property and suggest improvements that will help it appeal to the highest number of buyers. A professional stager knows how to look at a property and recommend changes that lead to a sale. They know how to position furniture, artwork, and accessories to sell the room and minimize its flaws. A professional stager can recommend color schemes, suggest vendors for repairs and other projects, and for vacant properties, source rental furniture, artwork, and accessories to create a feeling in the house that buyers can see themselves moving into. For information about hiring a professional stager, see Chapter 6.

If you watch Home and Garden Television (HGTV) you've probably seen shows on home selling and staging properties. Property staging has been around for more than 20 years but more recently has become a serious marketing tool for selling houses. Why? Because it works! As professional stagers, we believe staging requires a trained eye, elbow grease, psychology, marketing, and a generous dose of staging training thrown in.



Staging a house means taking the time and investing the money up front to prepare your house for sale.

We outline clear steps for staging your house, but you have to do the work, and one of the toughest parts of that work is the emotional challenge of letting go — while you're still living in the house that you're selling. Over and over we talk to sellers who really haven't faced the inevitable; they know one day they'll have to pack everything and move — *one day* — just not now.

The memories you made in a house connect you to it, but those memories also can be roadblocks to successfully marketing your house if you wait until late in the process to uncover them. Severing any emotional ties early saves

you equity later by freeing you to make the changes you need to make to sell the house (like saying goodbye to the orange shag carpet you had installed when the kids were little). When you depersonalize and pack away the memories, you make the house less “your home” and more a commodity.



The sooner you face the music, the better you’ll be able to move forward with your selling plans. Do yourself a favor: After you make the decision to sell, walk through the house and revisit your memories, room by room. As you do this, take photos so you can make an album of how things were.

Feeling better now? Great. Now start packing away those memories to make room for that perfect buyer who will pay top dollar for your house.

Seeing the Property Through the Buyer’s Eyes

Trying to see what a buyer sees in your house can be tough, but getting that glimpse is extremely important for preparing your house for sale. Remove your rose-colored glasses and take an honest-to-goodness look at your property, warts and all.

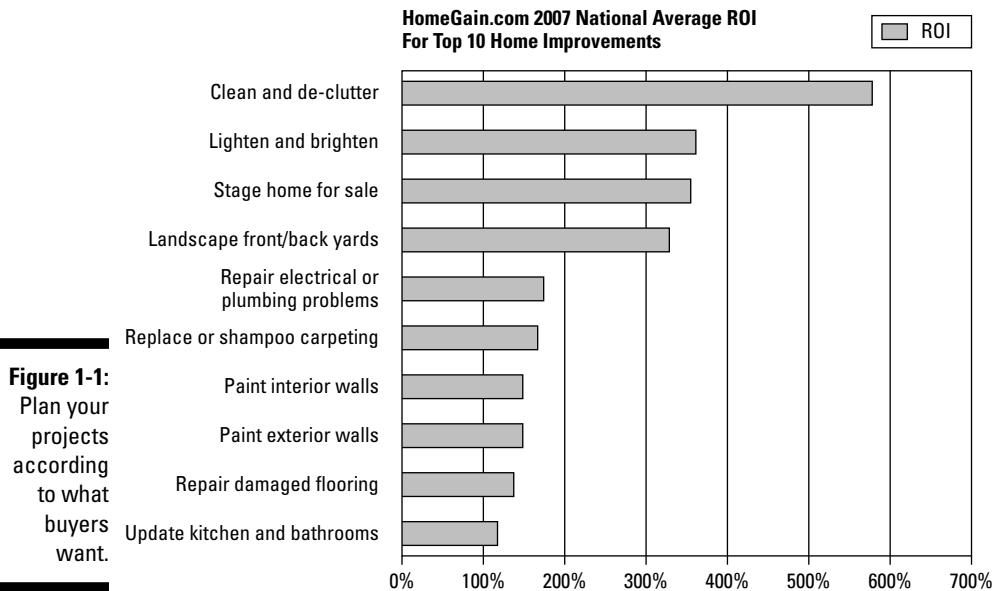


Starting at the street, take an unbiased tour of the house, noting where your eyes are drawn. What is it that you notice first? Write down all the things you see that might turn off a buyer, from outdated carpet to leaky faucets, cracked sidewalk to cracked ceiling, risqué artwork to religious symbols. Paying attention to even the smallest detail might earn you equity later.

As you tour the house, take pictures or jot down some notes of the areas that need attention. Based on what you want to invest in getting your home ready for sale, the notes and photos will help you prioritize your to-do list later on. Chapter 2 tells you more about prioritizing your repairs.



The goal of staging is to sell a house in the shortest time for the most money by attracting the highest number of potential buyers. A 2007 HomeGain.com survey of 2,000 real estate professionals nationwide found home staging can average 340% on the return of investment. Figure 1-1 shows you the results, and that expending your energy in some areas pays off more than it does in others.



When prospective buyers review your property you want them to put their full attention on how the property *feels* and what it will be like to live there. Through our research, we know that most buyers take between three to six minutes to tour your home. *Three to six minutes* to decide whether this is the place they want to spend the next part of their lives. You can't waste a moment.



TIP

Minimize and remove any and all distractions that throw off the buyer from taking a closer look at your property. What are these distractions? Usually the day-to-day items, like a collection of teapots, spoons, china, and so on. Any collection may pull the buyers eye and waste some of those precious minutes, whether it's a fabulous art collection, designer clothes, CDs, or gothic posters in the kids' rooms — anything that derails the focus of the buyer from your house to your belongings. As harsh and premature as this may seem, do yourself a favor and pack away those personal items. Chapter 7 tells you more about depersonalizing your house.



STAGING SECRET

Buyers talk of falling in love with a house; however, it's not the house they actually fall in love with but the concept of living in the house. The key to successfully staging your house is starting a romance with the lifestyle your house represents. You find out more about igniting the flames of house passion in Chapter 2; Chapter 8 tells you about showcasing to sell a lifestyle.

Staging your house gives you a competitive leg up when you enter the market. Professionally staged houses look better than nonstaged houses in the same price range. And when real estate professionals know your house is staged, they have confidence that the property will show well, and they therefore bring more buyers to look at it. So staging a house for sale is like being very well-prepared when you go to a job interview — you have everything working for you.

Recognizing What Staging Is and Is Not (Hint: It's Not Decorating)

One big misconception professional stagers overcome time and time again is that staging the property means overdecorating or something akin to set design for a magazine shoot. Nope. Decorating appeals to the person living in the house; staging is removing the owner's personal connection and targeting the buyer who will purchase your house. To help you better understand the differences, Table 1-1 compares decorating and staging.

Table 1-1 Staging versus Decorating	
<i>Decorating</i>	<i>Staging</i>
Creates an environment according to the homeowner's taste	Creates an environment that appeals to the future buyer
Is an interpretation of personal style	Applies a universal style
Occurs with the luxury of time	Takes place under tight deadlines
Generally involves a larger budget	Necessarily works with tight budgets
Is an optional expense	Is a necessity for securing the most equity in the sale of your house

The upcoming sections tell you more about the important differences among the professionals who work to make your house look good for very different audiences.

Running down interior designers' responsibilities

Interior designers have four-year degrees and can manipulate the architecture of a room or structure. They know which walls are weight-bearing and which walls can be opened up without the roof caving in.

You might hire an interior designer for a project large or small. They generally do whole projects like a house remodel or new build and take care of every detail — blueprints, design, materials, fabrics, flooring, and so on. Interior designers also manage the contractors and eliminate as many headaches as possible for the homeowner to make sure the project runs smoothly and comes in on time and within budget. But every interior designer works differently, so check in with several if you're considering a project of any size.

An interior designer can also become a member of the American Society of Interior Designers (www.asid.org) with a qualifying associate or bachelor degree, a minimum of 3,520 hours of interior design experience, and by taking a test given by the National Council for Interior Design Qualification (www.ncidq.org). If the designer is a member, you see ASID behind his name.

Defining an interior decorator's job

Interior decorators don't need a college degree but may have attained an associate's degree or a certificate in decorating. These professionals may have taken an online decorating class, a course by mail, or trained at a local interior decorating school or hands-on workshop. Interior decorators can become certified by taking a certification test given by Certified Interior Decorators International (www.cidinternational.org). If they have passed the test, you see CID after their name.

Interior designers work with the structure and architecture, and interior decorators focus more on selecting interior furnishings. Their primary focus is creating an environment for the clients that suits how they live.

Decorators take a look at the room layout and then suggest furnishings and furniture placement. They also suggest accessories, art, wallpaper, paint color, light fixtures, and flooring and other hard surfaces. Decorators work

with a list of preferred vendors but aren't qualified to touch the structural integrity of the house.

Peering into the staging profession



Staging focuses on improving a property by transforming it into a welcoming, appealing, and attractive product for sale.

Staging often raises the value of a property by reducing the home's flaws, depersonalizing, de-cluttering, cleaning, and making it look its best with furniture placement, lighting, color, and much more. For vacant homes, stagers use rental furniture to create a living space that buyers can see themselves in. Properly executed staging leads the eye to attractive features and minimizes (not hides) the property's flaws. A professional stager is trained to help you and real estate professionals navigate this process.

Like a lot of newer industries, staging offers a wide range of training opportunities, which means that all stagers are not trained equally. A lot of folks call what they do staging but have been in the decorating field and haven't had any formal staging training. The staging industry is changing dramatically, and the opportunities for learning have grown exponentially. Some stagers may not have kept their education current, so do check. Some stagers may learn their trade from online or telephone classes, some take a combined training course for decorating and staging, and others learn at intense 30-hour hands-on courses with rigorous testing, certification, and continuous education opportunities.

Staging to make every moment count

More people come through your house during the first five to ten days it's on the market than at any other period. You know the power of first impressions. Why risk even one dollar of your equity by not making absolutely sure that your house is in tip-top shape and that it will survive the scrutiny of even the pickiest of potential buyers?



Timing is everything. Stage your house before you list it so that you don't risk making a less-than-favorable first impression with a single potential buyer.

Staging stats every seller should know

Still not convinced that staging your house is the way to get it sold? Don't take our word for it, see what independent sources say:

- ✔ From a survey conducted by the real estate marketing firm HomeGain, 2,000 real estate agents deduced that home staging provides a 340 percent return on investment.
- ✔ In an April 2006 AOL Money and Finance poll of over 15,000 people, 87 percent said that home presentation makes the difference in most sales.

From the 2005–2006 Maritz Research Poll:

- ✔ 58 percent of buyers made a decision to buy after seeing ten properties. Effective staging keeps your house on the list of must-see properties.
- ✔ 79 percent of sellers are willing to invest up to \$5,000 to get their houses ready for sale if they knew how to spend it.

We suggest the average home seller consider an investment of 1 to 3 percent of the listing price to get the house ready for sale. Working with the right staging professional maximizes your return on investment and keeps you on budget.

- ✔ 63 percent of buyers will pay more money for a house that is move-in ready.

- ✔ 86 percent of buyers surveyed said that storage is important. Effective staging maximizes space and spaciousness.
- ✔ The top three interior selling features are freshly painted walls, organized storage space, and current flooring. Effective staging addresses all three.
- ✔ 52 percent of buyers said the kitchen had the most significant impact on their purchasing decision.
- ✔ 79 percent of buyers indicated that they would be willing to pay a premium for a home with an updated kitchen.
- ✔ 41 percent of men and 30 percent of women were more likely to place a premium on updated décor.

From a Proctor and Gamble survey

- ✔ Location and size make up 78 percent of the decision to view a property. But those elements are outside the seller's control.
- ✔ Elements that create 72 percent of the first impression *inside* the home are within the control of the seller — everything the buyer can see, hear, touch, and smell. Well-trained staging consultants know how to show these to their best advantage.

Another daunting house-selling fact is that the longer a property is on the market, the more likely it is to be marked down. At no point does the price go up when a house is sitting on the market, and the reality is that the price usually drops and drops further as time goes by.



You have to spend money to stage your house, but chances are that you'll spend much less to stage it than you would otherwise lose in price reductions if your house isn't at its buyer-alluring best.

Flying solo or calling on the pros?

Staging is a sophisticated approach to preparing your house for sale. Merely packing away extra items and cleaning your house just isn't good enough anymore for getting the most money out of your house. And when you're dealing with your equity, you're talking big dollars. So why risk it? We know stories of huge equity gains. While we were writing this book late in 2007, a Certified Staging Professional told us about a house she recently staged: It went on the market for \$1.2 million and in just five days sold for \$345,000 over the list price!

Statistics like that are wonderful to see, but you may be thinking, "That won't happen to me!" If you don't stage your property you'll never know.

As a homeowner you can save money by completing the homework part of the staging process — the packing and cleaning and minor repairs — yourself. But when it comes to the final showcase and styling part of staging the property, we recommend you leave it to the pros. An educated, well-skilled staging professional knows how to style a room to address what the buyer needs to see, how to highlight the best features of your house, and how to minimize its less desirable attributes. Stagers also know how to maximize space by using correct placement of color, lighting, and art to harmonize a living space so the buyer connects on every level and makes an offer.

The information in this book helps do-it-yourselfers and provides the know-how but not the experience that a professional stager can offer.

Why Real Estate Pros Embrace Staging (And You Should, Too)

Real estate agents the world over are having an *aha* moment about the staging process, scratching their heads, and wondering why this process (which they think they've been promoting for so long) is suddenly being sought out by their sellers and promoted on TV and in the press as much as it is. For decades, savvy agents have been helping their clients pack away some of their personal items and extra furniture and advising them to clean and dust thoroughly.

But now a more sophisticated approach to preparing the rooms is in the air. Packing away extra items and cleaning the house is no longer good enough.

Looking into staging's benefits for sellers

The number one benefit of staging for any seller is maximizing the equity gain from the sale of the property. When a house has been fully and properly readied for sale, agents are more impressed, are able to support a higher list price, and know that the house will spend fewer days on the market. They're also proud to show the house, making it much easier for the agent to get other agents to bring prospective buyers to see your property. Here are some of the benefits that make these points true:

- ✔ Staged properties attract more potential buyers. When a house looks great and shows really well, agents can initiate aggressive marketing strategies, maximizing the number of potential buyers who look at your property. More often than not, the house sells faster and for more money than it would if it hadn't been staged.
- ✔ Sellers experience less stress after the house sells. Rather than waiting for an offer and then packing up and moving all at once, homeowners who stage their properties do a lot of their packing before the house even hits the market.
- ✔ All the sorting, organizing, and purging you've promised yourself you do for years actually gets done. Meeting that milestone definitely qualifies as a feel-good moment and enables you to move to your new house with a clean slate.
- ✔ A faster sale equals less stress. When your house sells fast, you have fewer open houses to prepare for, fewer intrusions, and a shorter amount of time you actually have to keep the house show-ready.

Finding benefits for buyers



Today's buyer wants to close the sale on Friday, move in on Saturday, meet the neighbors on Sunday, and have the kids in school and be back at work on Monday.

Buyers realize the following benefits when they view a staged home:

- ✔ They can more easily see what they're buying rather than wading through existing family and personal belongings.
- ✔ Buyers can fall in love with the house because they see that it has room for the family members and their things.
- ✔ A professionally staged property shows buyers how their furniture will fit in the house to maximize the space.

- ✔ Buyers have peace of mind knowing that all the repairs and updating are done.
- ✔ Buyers don't need to invest more money into a property that has been staged, because the repairs and updates have been completed.
- ✔ Buyers can move in and settle back into the regular routine more easily because they don't have to deal with the usual challenges moving requires, like painting, repairs, and updating.

Highlighting benefits for real estate professionals

Staging offers definite benefits for real estate professionals. Here are our favorites:

- ✔ A seller who has invested time to ready her property for sale is also someone who is more likely to appreciate the work an agent does on her behalf.
- ✔ Working with a professional stager provides an objective third-party opinion. A real estate agent is in a difficult situation; she wants your listing but also needs you to help get the house sold by bringing it up to optimum viewing condition. Telling you what needs to be done may be difficult while balancing the relationship. Professional stagers look at properties objectively and can address any questions, concerns, or objections from the agent.
- ✔ Staged properties look better on the Internet and in print. Photographs for the flyers or feature pages and for the Multiple Listing Service (MLS) look much better after the staging process.
- ✔ Staged properties help grow the agent's business. Both satisfied buyers and sellers more frequently refer the agent who has staged listings. Staging tells buyers and sellers that this agent markets their listings well.
- ✔ Staged properties show better. Other agents are pleased to show the listing, bringing more potential buyers for the property.

Setting the Stage: Three Steps to Sold

Staging your house is a three-step process that starts when a stager evaluates your house and ends when the house is at its "buy me" best. The following

sections show you what you can expect when you work with a staging professional.

Step one: The consultation

The staging process starts with a face-to-face consultation with a staging professional. A consultation establishes a working plan, sets up deadlines and timelines, helps you settle on a budget, and determines who will complete which part of the plan. A full-service consultation is very comprehensive, covering everything the consultant really believes will make or break the sale of property — not just the things that fit into your budget.

Stagers tour your home and then produce a report with their recommendations. They later sit down with you to go over their findings and make their top recommendations. Chapter 6 gives you a full rundown of the staging consultation.

Step two: Work, work, work

This step is where the “anxious to save money” sellers maximize their savings by doing the work themselves. If you’re a do-it-yourselfer, you may actually enjoy this part of the process.

The work of staging obviously varies from house to house. It can be simple — packing up some items and rearranging furniture — to the more intense work of painting and refurbishing. With your stager, determine your window of value, time, budget, and inclination and then decide which of the recommendations fit into your budget and maximize your return on investment.



Some areas of the property and rooms in the house are more important than others. Here’s a list of important areas ranked from most to least important for getting buyers through the door:

- ✓ Curb appeal (see Chapter 10)
- ✓ Kitchen (see Chapter 14)
- ✓ Bathrooms (see Chapter 14)
- ✓ Entry (see Chapter 11)
- ✓ Living room (see Chapter 12)
- ✓ Dining room (see Chapter 13)

- ✓ Closets (see Chapter 17)
- ✓ Master bedroom (see Chapter 15)
- ✓ Other bedrooms (see Chapter 15)
- ✓ Office (see Chapter 16)
- ✓ Garage (see Chapter 17)
- ✓ Attic (see Chapter 17)
- ✓ Basement (see Chapter 17)

Chapter 7 tells you what you need to know about getting through step two most efficiently and effectively.

Step three: Showcasing your work

Showcasing is usually the step that most folks know as staging. *Showcasing* is when professional stagers create the magic that gets the buyer to stop a moment and imagine living in the space. Anyone bringing a property to market without completing this step is totally missing the boat, because it's the part that most helps the buyer connect emotionally to your house and to make the offer you're looking for.

Showcasing is where the skill level of the person you're working with really shows. The styling of every room should capture the interest of the buyer. That's why it's important to correctly place items to engage the buyer in the life they will have when they buy your property. For example, in a kitchen you might place a bowl of popcorn or a tray with sparkling water and drinking glasses on the counter. In a bathroom you might include a basket filled with rolled up towels.



Many people who plan a move buy new items — towels and bedding in particular — and then bring those items to their new house. Use fresh, new things to help showcase your house knowing you can keep on using them after you move.

We tell you more about showcasing in Chapter 8.

Making Staging Happen with Minimal Stress

If there is anything that brings a person down, it's being overwhelmed with the amount of work to be accomplished. Sometimes clients ask us, "Do I have

to do *all* of these jobs that you recommend?” We then sweetly reply, “Oh no; of course not. You just need to discuss with your agent how much you want to reduce the listing price.”

When you’re in the middle of cleaning out a cupboard or taking yet another load of stuff to the Goodwill store, just think of this work as making a deposit into your new house fund, because that’s just what you’re doing. The more effort you put into getting your house ready to sell, the more equity you’re depositing into your new house.



Whether you work alone or with a professional, an organized plan of action is essential to completing everything on time before your property is photographed and listed.

Taking a room-by-room approach

Working on one room at a time breaks up the job into bite-size pieces so it’s easier to plan your work and work your plan. Any roadblock you put up for completing all the recommendations is the very roadblock that will keep you living in your current house. The room-by-room approach is the best way we’ve found to make sure you accomplish all that’s necessary to ready your house for sale.

Part III of this book runs you through the projects you may need to accomplish for each room of your house.

Reaching simple rewards



After you make the commitment to doing the work, make it worth your time and effort by giving yourself a goal. It could be as simple as packing five boxes after work or just going through a drawer in the kitchen. When the task is complete, give yourself permission to watch your favorite TV show or read a little more of that novel you’ve been working on.

Packing early and attending to the details of the move ahead of time speeds up the process, secures more equity, and makes you feel more in control and less stressed out. It also leads you to appreciate the house all over again, which gives you a really good feeling about selling its value.

Remembering that the work is worth the effort

Keeping your eye on the prize is crucial to getting the work done. When things get tough, remember why you're moving and some of the ways your work is going to pay off:

- ✓ Staging helps your house sell quickly.
- ✓ Staging provides you a net equity gain that will make you happy.
- ✓ Staging helps you purge all the stuff you've been meaning to get rid of anyway.
- ✓ Staging helps you start off fresh and clean in your new house because you have gone through and eliminated stuff, drawer-by-drawer.
- ✓ Staging makes the buyer happy because they get a great house at a great price and get a great value for their investment.

Treating yourself to dinner and a movie

Celebrate the staging process along the way. Set some big goals; for example, when you complete three rooms, treat yourself to a spa afternoon, dinner and a movie, a nice glass of wine — whatever will keep you on track and motivated. And don't forget to dream about what you'll do with the extra money you're earning by staging your property.

