

How 'Staging' a House Can Pay Off for Sellers

Authored: Penny Doherty
Publisher: The Wall Street Journal
05/05/2003

Mary Summers believes she could have sold her two-story colonial in Severna Park, Md., for \$10,000 to \$20,000 more if she and her husband had merchandised or "staged" it properly. Her four-bedroom house, originally listed at \$470,000 in December, sold for \$450,000 in February.

Unfortunately, brokers from the Summers's real-estate agency were only learning the sales technique of staging a home as it was closing at the lower price. By the time her agency had learned how to provide this gentle art of temporarily redecorating a house to facilitate a buyer's purchase the sale was complete. But Mrs. Summers, who enjoys decorating and remodeling, decided to let a group of local agents enrolled in staging class practice on her house after-the-fact.

"It was the wildest experience I've ever had. They went all over the house, they even went in closets and updated the house with things I'd bought for the new place," she says. Using her existing furniture, the group changed the look of several first-floor rooms. They expanded the dining table in her French-provincial dining room, made creative use of holiday linens, and moved an old trestle-style sewing table from an upstairs room into the dining room. In the living room, they switched pictures and mirrors on the wall with art from other rooms of the house and also traded accessories, such as lamps, from other rooms. "They found props all over the house," she said. "They gave it a whole new feel."

Specific Techniques

Realtors forever have advised sellers on techniques -- picking up clutter, hiding dirty dishes in the dishwasher, brewing an aromatic tea -- to make prospective buyers feel comfortable. But effectively preparing a house to show at its best goes well beyond such obvious tips.

Indeed, these days, realtors themselves are learning the principles of staging or establishing referral relationships with staging professionals to help homes sell both faster and for more money.

West Coast Realtor Barb Schwarz is credited with inventing staging in 1972. Ms. Schwarz, who divides her time between Seattle and the Bay Area, says she has trained 500,000 realtors and interior decorators on concepts such as the "three Cs" (cleanliness, clutter reduction and color) to give homes more appeal.

A student of theater who began working in real estate, Ms. Schwarz realized that, rather than decorating to showcase their own belongings, homeowners needed help to show off their home's architectural features. "Buyers are the audience," she says. "I couldn't get sellers to do what I wanted them to do to their houses to

make them sell." Sellers who took her advice sold their homes faster and for more money.

Marketing a Product

Ms. Schwarz says there are at least three price levels at which a staging professional can stage a home, ranging from simply rearranging furniture to emptying a house out and filling it with rented furniture. Some gestures require only a few minor purchases -- a few ficus trees, new linens -- while sellers with bigger budgets might do minor landscaping, repainting, or re-wallpapering.

Since 1972, Ms. Schwarz has staged and sold 1,600 homes and won't handle a listing without using the approach. But most real-estate agents don't conduct the staging itself, she says. Instead, they provide homeowners with tips or referrals to stagers who charge between \$30 and \$150 an hour. Some realtors pay part of the staging fee, while others let the seller handle it.

Staging speeds up sales in a sluggish market, and, Ms. Schwarz says, can bump up prices 2% to 10% in a moderate market. The biggest advantage occurs with luxury homes or in a market with bidding wars over properties, where effective staging can boost prices by 20% to 50%.

Ms. Schwarz applied her technique to a Minnesota luxury home, listed at \$1.4 million, that had been on the market for nine months. The house was cluttered, full of baby toys and needed new carpeting, some landscaping, and new accessories. The family invested \$25,000 -- more than she normally recommends -- to make the changes. But the owners sold their house for \$1,925,000 -- an increase of more than 35%.

Rigorous Training

The bulk of Ms. Schwarz's students are real-estate agents, but she says that interior decorators and entrepreneurs increasingly are among the 2,500 who have earned their Accredited Staging Professional (A.S.P.) credentials, a five-year-old designation that means they've completed a two-day classroom course and hands-on practice staging a real home. Staging has even gone international: In Hungary, where houses sit on the market from six to nine months, staging has helped cut sale time to three months.

"Staging gets the buyer focused on architectural features, not the owner's belongings," says Joanne Frances, a former interior designer and organizer who became a staging instructor four years ago in Baltimore. "The way you live in your house and the way you [arrange your belongings to] sell it are different. You can't have cat dishes lying around, dirty towels in the hamper, and dishes out on the counter."

A dirty house "instantaneously gets a reputation among agents," she notes. Many agents avoid confronting a customer about the condition of their house by referring them to staging professionals. In Maryland suburbs, many agents are paying the \$200-to-\$600 cost associated with a one- or two-day staging, "worth it when the alternative is lowering the price in 30 days," says Ms. Frances.

Looking Through a Buyer's Eyes

Jan Beury is one of her students. A 29-year real-estate agent in the Annapolis suburb of Crofton, Md., Ms. Beury has staged many homes for clients. "People can't see through the things they're attached to in their house," she says, noting that she frequently encounters messy homes with worn carpeting, pet smells and bent blinds. Fixing such problems means the home "will sell faster, even within a day or two," she says. Ms. Beury includes staging in her fee and does much of the work herself; she works with only three listings at a time.

Crofton, a waterfront town where townhouses sell for \$100,000 to \$350,000, and houses go for \$300,000 to \$500,000, is popular with commuters and families, and most have good decorating sense. "But there are also people who desperately need me," she adds. "There are several listings that I wouldn't have taken if the owners didn't let me stage."

Among them: A small townhouse that had been on the market for a month at \$100,000 with another broker. The townhouse had a smelly dog, no decorating scheme, and so much clutter that the carpet was invisible. After she took over the listing, Ms. Beury rented a storage unit and removed furniture and clutter. Then she rearranged the remaining furniture so the property looked more spacious. She also made changes to the wall décor and angled the furniture to better showcase the windows and let in more light. Between those gestures, a cleaning, and some air freshening, the couple sold their home within a week -- at \$110,000, or 10% more than their original asking price.

Bobbi Hauser, who has staged homes in the suburbs north of Chicago for 10 years, learned about staging when she had a resort bungalow to sell. A painter who had begun studying interior design, she decided to make some changes to the property. "I was worried I wouldn't get enough for it," she says. After the staging, she hiked the list price by \$15,000 and found a buyer.

She earned her real-estate license in 1997, but also stages for \$100 an hour with rental furniture and props she keeps in her interior-design store. Most jobs take three hours because, she says, most people have what they need in their homes already but don't know it.

Ms. Schwarz envisions realtors eventually will pay for staging, particularly when they're competing to land a listing. She notes that three-fourths of her own staging projects take less than one day to complete.