

ALL DRESSED UP AND READY TO GO

Statistics show benefits to staging



By Joy Valentine – Coldwell Banker Realty

When Cinderella went to the ball, she probably would not have won the prince if she had gone dressed as a maid. Cinderella would have lost out, and so would the prince.

There is a fine line between enhancement and camouflage, and staging houses for sale -- like dressing up people -- lies somewhere in between. In good staging, the best features of the house are maximized, and the worst are minimized. Staging a house is presenting the dream, showing it the way it could be. That's what dreams are made of, and the relatively recent phenomenon of staging homes for sale has proven that actualizing that dream has merit, both for buyers and sellers. The following statistics indicate how much.

In discussions with colleagues and based on my own experiences with staging, I suspected that staged homes sell faster and for a higher price than those that are not staged. Wanting to test that theory, I analyzed 2,772 properties sold between March 1 and September 30, 1999, in eight cities: Atherton, Los Altos, Los Altos Hills, Menlo Park, Mountain View, Palo Alto, Portola Valley and Sunnyvale.

Out of that group, I took a sample of 129 properties that had been staged, or 4.7 percent of the total. This sample represented condominiums, townhouses and single-family residences. They ranged in list price from \$229,000 to \$4.8 million.

The following results show marked differences between the sample of staged homes and the total group, which consisted of both staged and unstaged properties.

For the group of 2,772 properties, the average number of days on the market was 30.9, and the average difference in sales price over list price was 1.6 percent.

For the sample of staged homes, the average number of days on the market was 13.9 -- about half of the time for houses in the general sample. The average difference in selling price over list price was 6.3 percent, nearly four times as much as for the other group of homes.

Please note that the staged sample was not skewed by one or two outstanding properties. The homes in the sample were fairly similar in terms of days on the market and net sales difference.

It would appear from the above that buyers, like Cinderella's prince, want to see the house "dressed up." Judging from the net sales difference, they are willing to pay for it, too. In addition, this phenomenon is occurring in an extremely strong sellers' market that would not appear to need any help.

I believe that the above findings have significant implications for Realtors, interior designers, prospective sellers and buyers and anyone else who stands to benefit from the marketing and sale of residences. And this information is pertinent not just to the Bay Area, but could be instructive throughout the country as well.

By contacting Realtors in numerous major metropolitan areas in the United States, I found that, for the most part, staging is hardly being done, if at all. As usual, California seems to be the leader in this area. Thus, our experience here may well be helpful down the line in other real estate markets, even where sales are so strong that some feel there is no need for an additional boost.

Concerning the actual staging of houses for sale, there are a number of stagers in the area who charge a range of fees and use a variety of approaches. Some focus on rearranging the existing furnishings with only minimal additions; others create an entirely new "look" by bringing in their own furnishings and accessories. Some will implement major remodels; others will coordinate painters, landscapers and other service providers. Many will combine both approaches, depending upon the seller's needs and pocketbook.

Whatever the approach, staging houses for market appears to make a difference to buyers. And based on the results of my analysis, the practice also carries with it implications for sellers who wish to get the most value from their properties.

The data for the above analysis were provided by RE Infolink and the following staging firms: A Fresh Look, Redwood City; JAG Staging, Palo Alto; and One Two Six Design, Palo Alto.

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