

The Value Of Staging August 24, 2014

Dear Dave: We hear a lot about staging your home for sale. Does it really pay?

Answer: If you watch 'America's Got Talent' on Channel 2 you will notice that, as the contestants advance, they are increasingly stage-managed and choreographed by the television network. Sometimes, poor choreography leads to a disappointing performance and some otherwise talented people are eliminated from the competition.

The same applies to real estate. When selling your home, the property is in a competition. The speed at which it sells, and the price you can obtain, depend on how you choreograph and manage. Ideally, your Realtor will have the skills to direct you.

The value of a property is more than a calculation. It is more than a glossy 'market analysis'. Left-brained individuals tend to focus on the mathematics of selling a home, but let's not forget the right brain, the intuitive and emotional side that deals with aesthetics.

The fact is that "price per square footers" abound, particularly since MLS introduced this statistical field into the published data base a year ago. However, a piece of real estate, particularly a single family residence, is worth whatever someone is willing to pay in the current market place, not what mathematical formulae determine.

Staging your home correctly for sale is worth ten to twenty thousand dollars in the price you can obtain, plus it will sell much quicker. In my own real estate practice, I not only use a professional photographer for virtual tours, but a professional stager. Staging is a 'right brain' artistic skill but has a huge impact on marketing.

My particular professional stager has an unbroken record in 2014 of homes selling at full price within one week (so she said to me after recently staging one of my listings). I haven't yet told her that her most recent staging for me produced an above full price offer in 48 hours!

Now it is true that some home-sellers are overwhelmed with accumulated clutter from years of enjoying their home. What should be done in such cases is to take the time, pre-market, to clear the space entirely of excesses. Even if you need a month or two to prepare your home for sale, it will pay. Paint and floor-coverings are essential to making the most profit from selling your home. Other remodeling expense is marginal and should be evaluated case by case.

Once you have de-cluttered and the interior is presentable, the question remains as to how the home 'appears' to potential buyers. You need professional guidance here. A few Realtors are themselves quite gifted this way. Myself being essentially a "left-brainer", I prefer to have my extremely talented, professional stager advise on this. Either way, it is worth a lot of money to your bottom line and reduces market time considerably.

The fact is that over 80% of home-buying decisions are made based on how buyers 'feel' when looking at your home, not how they 'calculate'. Even if you don't have the voice of an angel, a good stage manager can make you a star!

Dear Dave: Planning ahead for the coming winter, I was thinking of putting a thermal blanket around my hot water heater to save energy. What do you think?

Answer: Many people think that, for around \$40.00, this is a good investment but the benefit is in fact extremely marginal. Whilst older water heaters were quite energy deficient, newer units have about 2 inches of insulation already built into the walls and top of the unit.

Furthermore, 90% of any heat loss escapes vertically through the chimney, not horizontally, and therefore the blanket serves little use. One further disincentive is that a blanket may cause sweating around the heater which can corrode the unit from the outside in.

Dear Dave: We just wrote an offer on a house with a separate Bill of Sale for the refrigerator, washer and dryer at a nominal figure. Our offer on the house was accepted, but the bill of sale for the appliances was not. Do we have a legally binding contract?

Answer: Yes, your earnest money agreement for the purchase of the real estate is a separate transaction to the bill of sale for appliances. They are, in effect, 2 individual contracts.

The appliances are referenced on a separate bill of sale because they are non-real estate items. Oftentimes, the consideration on the bill of sale is only a few dollars, since the buyer is really expecting them to be "thrown in" to the deal. Unless there is specific wording on the earnest money agreement stating that it is contingent on the negotiation of a suitable bill of sale for the appliances, the real estate contract becomes binding upon acceptance by the seller when it is delivered back to you or your licensee.

Dear Dave: We listed our house for sale with a top notch Realtor and, when we received a 'near full price' offer, we asked our Realtor to pitch in some of his commission to make the deal work. We were surprised when he would not compromise, and we lost the deal as a result. Why can't Realtors be a bit more flexible?

Answer: I imagine that you are yourself employed, or have been at some time. How would you feel if your employer asked you to cut some of your salary because business was bad in a particular month?

Your Realtor signed a contract for services, for certain remuneration, and this was a contract between you and the Realtor. Do not confuse that contract with the one your Realtor is helping you put together for the sale of your Real Estate. Both are legally binding.