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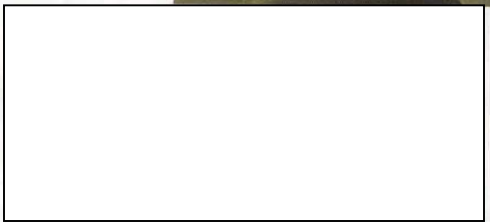
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Financier **EDDIE LAMPERT** has turned once-bankrupt Kmart into a \$3 billion cash cow. Will he build it into a new Berkshire Hathaway?

BY ROBERT BERNER (P.144)

## THE NEXT WARREN BUFFETT?



# Showtime For Your Home

Stagers can give your dwelling a makeover to help it bring top dollar. **BY ANNE TERGESEN**



**W**HEN THE SALE OF HIS three-bedroom apartment on Manhattan's Upper West Side fell through in mid-2002, Tom Allon decided to stay put. Good thing, because this June the president of magazine publisher Manhattan Media received an offer that exceeded his "wildest expectation," topping his original asking price by some 45%. The appreciation of New York City real estate played a role in Allon's good fortune, but it's not the whole story. Also working in his favor was a \$10,000 makeover conducted by one of a growing number of "stagers," or designers who prepare homes for sale. Allon's stager devoted most of

his budget to the kitchen, since it's visible upon entering the apartment. She replaced formica countertops with Corian and repainted yellow cabinets a neutral white. She put new linens, pillows, and shams in the master bedroom, regROUTED the master bath, and bought a purple shower curtain and coordinated rug for the kids' bath to draw the eye away from older fixtures. "The apartment looked so

great I almost decided to stay," says Allon, whose five-person family has outgrown the 1,700-square-foot residence.

These days it's not enough simply to clean the house before putting it on the market. To net top dollar, you have to banish most traces of yourself—from your refrigerator magnets to your kids' artwork—and create an idealized living space, almost with the look of a model home. The goal is to show potential buyers a dwelling that's both tasteful and impersonal enough to allow them "to mentally move in," says Barb Schwarz, a

Whidbey Island (Wash.) Realtor who founded the International Association of Home Staging Professionals.

Although stagers sometimes remodel, they usually work with what's already there. They rearrange furniture to point the eye to a home's strongest features, such as an architectural flourish or a beautiful view. To create a sense of spaciousness, they declutter—relegating the contents of countertops, closets, and bookshelves to storage. To dress up tired kitchens and outdated bathrooms, they buy accessories, such as area rugs and framed prints. To add warmth, they install light fixtures and repaint walls in warm, neutral tones. Some even remove your furniture and rent replacements.

The cost varies, depending on the size, location, and condition of your home. Some stagers, including Allon's, are Realtors who do this for free, as a service to clients. Others charge \$75 to \$100 an hour on average. Regardless, you'll pay extra for the accessories they buy or the cleaners, painters, or landscapers they recommend. To ready a small condo for the market costs an average of \$500 to \$1,000, including both the stager's fee and materials, Schwarz says. The tab for a home that's 4,000 square feet or more

**BusinessWeek** online For before and after pictures of staged homes, go to [www.businessweek.com/magazine/extra.htm](http://www.businessweek.com/magazine/extra.htm)

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**AFTER**



**BEFORE**

**1** An airy glass coffee table takes the place of two heavy wooden tables. The plant that was on top of the wall unit is more visible on the table. **2** To eliminate clutter, some photos and knickknacks are gone from the wall unit and the doors are closed. **3** A new lamp adds warmth. **4** Removing a sofa section opens up the room and better unites it with the hall.

Photo: Barbi Schwarz, International Association of Home Staging Professionals

can easily exceed \$2,500. In more expensive markets, such as Manhattan and Silicon Valley, real estate pros quote prices of up to \$40,000. One way to cut costs: Hire a stager to draw up a plan of action for a couple hundred dollars, and do much of the work yourself.

Realtors say staged homes net higher prices and sit on the market for less time than unstaged ones. Joy Valentine, a broker at Coldwell Banker in Los Altos, Calif., looked at 3,358 homes sold in the San Francisco Bay area from Jan. 1, 2002, to Oct. 31, 2002. In general, the staged homes went for the asking price and spent 25.3 days on the market, vs. 2% below asking and 48.2 days for the group.

Homeowners who've hired stagers say it's helpful to have an objective person identify flaws. But if you feel you have a good eye and want to do your own staging, professionals offer these tips:

» **Start outside.** Cross the street and take a hard look at the first impression your home makes. If the trees and bushes are overgrown, trim them. Clean the windows. Not only will this convey tidiness, it will let in more light. Paint the front door and polish your street number, door knocker, and mailbox.

» **Stand in doorways.** That way, you'll see what potential buyers see before entering the rooms. Any time you make a change, go back to the door to assess.

» **Declutter.** Remove most photos and knickknacks, since they can distract buyers. Clear your kitchen and bathroom counters and store cosmetics and appliances. Organize cabinets and closets to impress snoops with how clean and orderly your home is. Remove bulky or excess furniture to open up rooms. "You have to move, so we pack you early," says Schwarz.

» **Let in the light.** Take down heavy or layered drapes and raise the blinds. Clean fixtures or buy new ones and keep the lights on while showing the house.

» **Keep the colors tame.** Repaint in warm, neutral colors to make sure nothing clashes with a buyer's furniture. But stay away from white with gray undertones, since gray lacks warmth. Add punch with brightly colored accessories and live plants. "We're the Pottery Barn generation. Since that's what sells, bring in elements of that style," says Deanna Kory, Allon's stager and a Realtor at The Corcoran Group in New York.

» **Return rooms to their proper functions.** Buyers won't have to strain to imagine your home office as, say, a dining room. ■