

# REAL ESTATE WEEKLY

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## High-end home staging is big business in a slow market

BY HOLLY DUTTON • MAY 26, 2017

Home staging has always been an option for sellers, but in today's market, it's becoming almost mandatory.

While the top of the luxury market has gone soft over the last several months, some brokers are seeing the price of home staging go up as companies look to take advantage of the uptick in demand for apartment staging.

Top residential broker Frances Katzen of Douglas Elliman told Broker's Weekly that she's seen home staging costs soar since 2015, with an average increase of 15 to 20 percent, and even higher in some cases.

Katzen, who lists Quadra Furniture Solutions and Interior Marketing Group (IMG) as some of the firms she works with, said the average cost for staging a two bedroom apartment is about \$14,000, and up to \$18,000 for a very high end staging job.

"More people are prepared to spend money because they realize the impact [home staging] has, and they sell more efficiently," she said.

In a 2015 National Association of Realtors (NAR) survey, 96 percent of brokers nationwide who work with buyers believed that staging a home that is listed for sale has an impact on a buyer's view of the home.

They have good reason to believe that – the U.S. Department of Housing and Urban Development found that on average, a staged home will sell 17 percent higher than a comparable home that isn't staged.

For sellers looking to move their home fast and at a good price, it really comes down to math – is it worth it?

"Spending money on staging is well worth it and typically results in 3-5 times the financial outlay," said Kevin Rosenbloom, an agent with Charles Rutenberg Realty.

He said if a seller spend \$15,000 on home staging, the potential return is \$45,000 to \$75,000, depending on the apartment being staged and the quality of the furniture, accessories and art.

"Everyone benefits; the agent, seller and buyer," said Rosenbloom. "Ultimately, the staging seals the deal and the apartment sells faster and at a higher price than it would have."

Sealing the deal can often creating not just a beautiful, neutral canvas that buyers can envision a home in, but creating a space that appeals to one's heart.

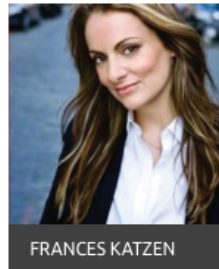
"This sounds sexist but men are visual and women are emotional," said Katzen, on what appeals to buyers. "It's about creating an ambiance or feeling."

Katzen said in her experience, 30 to 40 percent of sellers decide to have their home staged when in the process of selling. One recent seller she represented listed their apartment for \$1.295 million, and after deciding to stage the home, ended up selling it for \$1.4 million.

"I believe the staging pushed it over the finish line," said Katzen. "I believe that there's a very powerful experience when people can actually see sizes and how they relate to furniture. Sometimes it's vice versa – when i put larger pieces in smaller spaces it actually looks bigger."

However, a higher price tag comes with a higher price for staging, but Katzen said it's worth it.

"I always tell the seller, you have to spend a little bit of money to make money. But it does push the property over the edge in my opinion," she said. "It's happening in all sectors by simple virtue of that everyone wants to move their properties. It's becoming more mainstream."



The company works mostly in Manhattan and Brooklyn but does some projects in New Jersey. She said they have increased prices, but not in relation to the soft luxury market.

“It’s because we’re offering a better product,” she said. Schneider estimated her firm has seen about a 20 percent uptick in business year-over-year. Though the business tends to pick up based on the season, Schneider said this increase is due to the state of the market.

“There’s more of a need to stage,” she said. “There is already a bigger awareness of staging in the real estate community, with seller and owners realizing what a difference it makes.”

Pricing can vary widely for Quadra’s services. If a property is a new development apartment, it might need additional things like wallpaper, curtains, and paint, which add to the bill, said Schneider. She said a one bedroom apartment could cost a seller around \$10,000 per month to stage.

Cheryl Eisen, President of IMG, said that the pricing increase is reflection of the higher quality of product necessary to stage ultra-luxury apartments.

“Staging at the luxury level is a different animal because it requires a much higher level of quality and finish in order to resonate with Billionaire buyers,” said Eisen. “The increase in the general “staging” pricing might reflect this change, as more stagers are attempting to play in that space.”

Jarod Korn works in business development at Meridith Baer Home, a home staging company that has offices on West Coast and the East Coast.

Korn works in the New York City office, and said that the firm has actually lowered its prices in the past two years.

“I would say that our work and (possibly the work of one of our competitors) has driven the demand for proper luxury staging up,” said Korn.

“Buyers, sellers and brokers are expecting better design and higher quality inventory from staging in the New York City luxury and sub-luxury market. These expectations have forced smaller and traditionally more inexpensive staging companies to deliver better product and in turn driven their prices up.”

Claudia Orlando, owner of home staging company Blissful RD, is another stager who has experienced more demand but has not raised her prices. She started her firm three years ago after becoming interested in home decor working on HGTV sets.

Her work is mostly in apartments and brownstones in Hoboken and Jersey City that range in price between \$800,000 and \$3 million. She said an average price for staging a two bedroom apartment would be around \$6,000.

“I’ve seen slightly more demand,” she said. “With stagers, they really follow the realtor. So when realtors are busy, we’re busy.”