

THE LSR REPORT

*Trends and Views in Residential Real Estate from
Lois Schneider Realtor—The First Name In Fine Properties*

Spring 2007

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A QUESTION OF BALANCE

The Spring real estate market is upon us and home sellers are wondering if things will burst into bloom. Will we have the recovery predicted in Q4 2006 by The Wall Street Journal? Or will the nationwide dive in prices, reported just a few weeks ago by the National Association of Realtors, dampen our local markets? From my vantage point, I see cause for optimism.

I base that opinion on local statistics—the ones that really matter.

Real estate is a national concern but each market is unique. While Nevada suffers price declines of 36 percent, New York City is booming, and our lovely corner of New Jersey is approaching that state of balance between buyers and sellers that spells a healthy market. At present, the inventory of unsold homes does provide buyers some advantage.

But overall, our market is strong, thanks to low mortgage rates, a strong local economy, appealing towns, no opportunity for overbuilding and record-breaking Wall Street bonuses ready to be invested in real estate. This is a market in which the savvy seller and the well-informed buyer can both come out winners.

Buyers, of course, are sharper than ever before. Thanks to the abundance of information on the Internet, they're digesting mountains of data even before they contact a Realtor. Sellers have a more manageable information load because when it comes to a successful home-selling experience, there are just two prime factors, both ultra critical in a market where the number of listings somewhat exceeds the number of buyers. These are pricing and presentation. Presentation is the easier of the two. The directive is simply do all possible to make your home more appealing

than any other listing in its price range: pristine, uncluttered, fresh, upgraded to the fullest extent possible.

Right-pricing is even more important than presentation but far more challenging. Setting a price that will attract the maximum number of offers in the shortest possible time frame requires the skill, experience and broad market knowledge of a professional Realtor. Right-pricing is not a matter of making a few comparisons or getting a "Zestimate" on zillow.com. It requires familiarity with the psychology of today's buyer, as well as sensitivity to the current climate of negotiations. It is much more about marketing than ever before. I say all this because in order to command the highest possible price, a home must attract offers during its first three weeks on the market. Showings decrease after that point and a price reduction is

inevitable. Price correctly from the start and you'll finish ahead of this game.

Right-pricing and negotiation have always been hallmarks of Lois Schneider Realtor. After all, we have some of the highest producing Realtors in the area right here on our team. If you're thinking of buying or selling a home in this prime season, drop by our beautiful office in the heart of downtown Summit. You'll soon see why we're known as *The First Name in Fine Properties*.



Lois Schneider

P.S. Enjoy your *LSR Report* via email. Just send your address to info@LoisSchneiderRealtor.com.

STAGING: THE NEWEST TOOL FOR HOME SELLERS

A Conversation with Home Staging Consultants Leah Gomberg and Deirdre Silberman, founders of Sweet Life by Design



Leah Gomberg and Deirdre Silberman are Accredited Staging Professionals. With backgrounds in both creative design and clinical social work, they approach home presentation with an eye to both aesthetics and marketing psychology. Their projects include

individual residences, new construction, display suites, show homes and vacant revenue property. For more information, please visit www.sweetlifebydesign.com.

What exactly is home staging?

Home staging is the “art and science” of preparing a property so that it offers maximum buyer appeal. Like many trends, it began in California and proved so successful that now the majority of homes listed in that state are staged to some degree.

Why stage a home? Isn't it enough just to make sure it's pristine, de-cluttered and in good cosmetic shape---all the things Realtors counsel buyers to do?

Simply put...home staging will contribute directly to a faster sale and a better selling price. Statistics bear this out. The U.S. Department of Housing and Urban Development reports that staged homes sell, on average, at a price 17 percent higher than non-staged ones. The average number of days on market for a staged home vs. an unstaged one is 13.9 vs. 30.9. A HomeGain survey of 2,000 Realtors indicated that sellers who spent up to \$1,000 on staging recouped 100 percent of that investment in the selling price of their home. Remember, studies show that only about 10 percent of buyers can visualize the potential of a listing. Their ideal home must be right there before them. In a competitive market, such as the current one, the staged home definitely has the edge over similar unstaged listings.

Can any home benefit from staging or is it really best reserved for the high-end?

Literally any home can benefit from staging. A modest house, a mansion, or something in between—they each have to exude buyer appeal.

So many homes in the Lois Schneider Realtor market area have been professionally decorated, why would these owners need to stage?

There are similarities between interior design and staging, but also some big differences. An interior designer works with the home owner in mind. A stager works with the prospective buyer in mind. Staging transforms a home into an easily sellable, highly competitive real estate product. It is intended to create a series of powerful first impressions. A well-staged environment helps buyers connect with the home emotionally and to actually visualize their own experience of living there. A home may be beautifully decorated and still need fine-tuning from a marketing perspective.

Explain this “marketing perspective”?

Skilled stagers don't limit their focus to the attractiveness of the decor. They strive to present the home so that it appeals to a targeted buyer. For example, we always make a survey of the neighborhood. One client's home was a beautifully done residence for a couple with grown children. Yet, the surrounding area was undergoing an influx of young families. We recommended staging two of the bedrooms to look like children's rooms. This was as simple as adding a few accent pieces like a doll house, decorative accessories, and bedding and window treatments. We recommended making the great room and the kitchen eating area look less formal. The environment instantly resonated with the targeted buyers as a perfect place to raise a family. Thirty-somethings really “connected” with the home and there were multiple offers.

Your answer is interesting. The conventional wisdom is to make the home as neutral as possible. Have you found that neutral is not the way to go?

To clarify: the home should be uncluttered and neutral enough that prospective buyers see it as their home, not the owner's. For example, if a home is extensively decorated in a particular look, let's say “country,” we would advise scaling back the pieces that exaggerate that image, so as not to put off buyers with different preferences. You don't want the owner's taste to interfere with the prospective buyers' vision. However, retaining some personal artifacts is a plus: an interesting painting or antique piece. A few family photos, nicely framed and arranged, convey the impression that this home held many good times—and will continue to do so.

How much does home staging cost?

Like many services, the price depends on the scope of the work desired. Our standard package consists of a home visit, in-depth evaluation and a detailed room-by-room (plus exterior) Action Plan for \$425. If the client wants us to assist in implementing the Plan (or segments of it), this would be an additional fee. But remember, we aren't redecorating the home, we are enhancing what is there. Implementation would involve things such as selecting and purchasing recommended accessories, renting furniture or accent pieces, choosing wall colors, and overseeing the placement of furniture.

So, the Action Plan can suggest things as major as furniture and painting?

Again, we offer recommendations. We try to keep these as simple as possible. The decision is up to the owner. Many times, owners are planning to paint anyway before listing, so color suggestions can be helpful. In one instance, we suggested painting just one room to make it stand out. The owner agreed and the results were excellent. We often suggest re-glazing worn bathtubs—that's not expensive but it makes a big cosmetic difference. We own and warehouse many pieces of furniture but we offer those only for vacant homes due to concerns about wear and damage. If a client wants to replace furniture we have connections that can provide great pieces quickly. We shop for accessories, bedding etc. where the prices are good or we can get discounts.

Before staging



After staging

Why stage a vacant home? Isn't it easier for buyers to visualize what they would do with a blank slate?

Most buyers really can't do that. A vacant home, especially a large one, is often confusing. Buyers wonder how rooms would be used, where is the flow. It's hard to connect emotionally with an empty space. Remember too that vacant rooms expose all the defects and wear-and-tear. There's nothing to distract the eye or block a flaw. If the owners of a vacant home want to be conservative, they can choose to simply stage the main rooms, the ones that will make the first impression. But they should make sure that the empty rooms are in prime condition—walls, trim, floors, electrical outlets—because everything is on display.

How about "stage-it-yourself", can that be successful?

It's harder than "decorating-it-yourself," because it's just so difficult to see your space from a buyer's perspective. The more connected you are to your home, the harder it is—and most people are emotionally invested in the place where they live. Do-it-yourselfers can certainly stick to the tried and true advice about decluttering and cleaning. They might ask a friend for an "outside" perspective. Their Realtor's advice about things like cosmetic upgrades is invaluable as well.

Before staging



After staging

NEW FROM LOIS SCHNEIDER REALTOR: "SENIORS REAL ESTATE SPECIALISTS"

The 55-plus demographic has special needs and interests when it comes to real estate. That's why Lois Schneider Realtor has established a team of Sales Associates to provide customized service to this growing group. Sales Associates who have earned the Seniors Real Estate Specialists designation are qualified to provide guidance on every aspect of your transition from marketing your present home to moving to your new one. And they can connect you with other specialists in senior services: attorneys, financial planners, and CPAs.

Whether you're a boomer downsizing to a convenient condo or a senior trading a high-maintenance home for a supportive environment, our experts can develop a plan to make these important stages easy. For more information, call Susan Hunter at 908-376-2717. We're here to help.



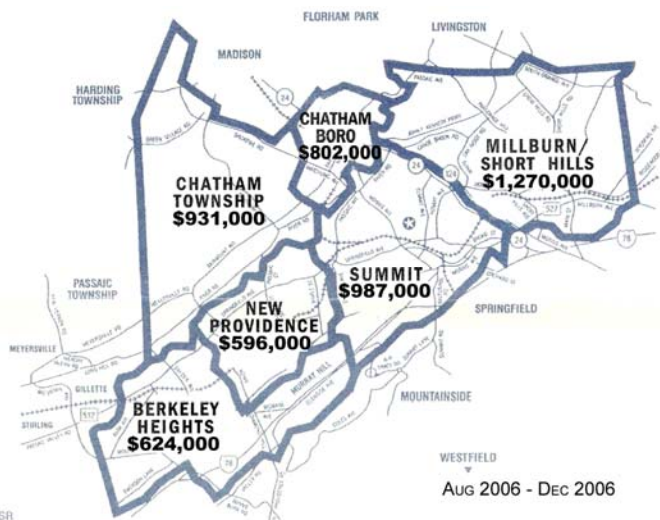
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