

Royal LePage House Staging Poll 2006

TORONTO, February 16, 2006 - The old adage that you only get one chance to make a first impression rings true for sellers showing their homes in today's competitive market. With the spring market quickly approaching, many homeowners are wondering what they can do to help get their homes ready to sell. A poll of potential buyers released today by Royal LePage Real Estate Services, found that sellers ought to do more than just look after required renovations before showing their home. In fact, décor improvements help make a strong impact on buyers and can ultimately affect a home's market value.

The 2006 Royal LePage House Staging Poll (conducted by Maritz Research) revealed that renovations can often boost a home's value but sometimes too much of a unique style can be detrimental when it's time to sell. Thirty-six percent of potential buyers said that they would be willing to pay a premium for a home with updated décor. Surprisingly, more men than women viewed décor as a necessity with 41 per cent of men versus 30 per cent of women claiming they were willing to pay a premium for this feature.

"First impressions are key in real estate as buyers often make up their minds about a home within the first few minutes of entering the front door," said Dianne Usher, senior manager, Royal LePage Real Estate Services. "As the real estate market begins to moderate in many markets across the country, the need to impress buyers becomes even more crucial. A combination of the right renovations with modern and tasteful décor is the best way to do that."

Usher added: "A contemporary and minimalist space with neutral coloured walls and a limited number of personal items appeals to most buyers and ensures the best results when selling a home."

When asked which home improvement they would pay a premium for, 79 per cent of buyers indicated that they would be willing to pay more for a home with a renovated kitchen. However, when asked if they would still pay a premium for a renovated kitchen if it was done in a style that was not to their taste, less than half of those (42%) who originally said they would pay a premium responded favourably (score of seven or higher on a scale of one to 10, with 10 meaning "very likely to still pay a premium").

	Per cent of buyers that would pay a premium for the feature
Renovated kitchen	79%

Renovated bathroom	73%
New windows	70%
New flooring	62%
Updated décor	36%

In addition, while 47 per cent of buyers said that the need for major renovations would most negatively influence their buying decision, a significant proportion of buyers (11%) thought that décor requiring major changes had the most impact on their decision. Only six per cent of buyers said that the need for minor renovations would most negatively influence their buying decision.

“The way you live in your home is not the way you sell your home. If you are renovating primarily to increase the value of your home for a sale, you need to ensure that it is done in a style that is pleasing to most buyers,” said Timothy Badgley, interior designer and owner of Acanthus Interiors in Port Hope, Ontario. “Not all renovations are created equal. Style and décor are especially important with large renovations, as these features will be costly to change for a buyer and they can be a major factor in buying decisions.”

People don't buy houses, they buy homes

The act of grooming and decorating a home to properly showcase its features and make it more attractive to potential buyers is referred to by industry experts as house staging. Its simple techniques can be employed by anyone to make a dramatic impact in their home, and can make all the difference when it comes to selling a home quickly and for top value.

While creating an illusion of space is an important part of house staging, too much empty space can work against you. When asked how they would prefer the property under consideration to be, the majority of buyers (56%) said that they would rather view an empty property, while 23 per cent of buyers said that they would rather view a furnished property. However, Badgley says that not staging empty spaces with appropriate furniture is a mistake.

“People don't buy houses, they buy homes,” said Badgley. “People often mistakenly think that viewing empty properties will give them an accurate sense of the space available, but, in fact, it's hard to really understand the size of a room without furniture and other objects as reference points.”

Badgley added: “An empty room also allows buyers to focus on negative details instead of getting a sense of the overall space and the flow of each room to the next.”

Also, in oddly shaped spaces, it can be very hard for buyers to visualize furniture arrangements. The need to stage empty spaces becomes especially important in smaller properties where it can be hard to gauge how well furniture will fit.

“With the growth in condominium projects, we see a real trend emerging in staging empty condominium properties,” said Usher. “The newer units tend to have much smaller spaces and buyers often have a hard time visualizing how their furniture will fit. Staging really helps buyers envision themselves in the space.”

It’s about pleasing all the senses

Most sellers know that overall cleanliness and tidiness are important when showing their homes; however, the importance of eliminating smells is sometimes missed. According to the poll, 53 per cent of buyers believed strong odours such as pet and cigarette smells had a stronger impact on their impression of a home over overall tidiness and cleanliness, strong wall colours, outdated façade and landscaping.

“Often, people who smoke or who have pets are so accustomed to the smells that they don’t notice it,” said Usher. “We always recommend that our sellers get a second opinion of their home to know how potential buyers may see it.”

Buyers willing to spend the money for an ‘ideal’ home, but not the time to renovate

According to the poll, buyers are willing to spend what it takes to find their dream home and the majority would rather pay more for a home than spend the time to renovate themselves after purchase. The poll showed that 63 per cent of buyers preferred a higher priced home that does not require any renovations over a lower priced fixer-upper.

In addition, while 65 per cent of buyers thought that one should have to spend over five thousand dollars on updating a newly purchased home to get it to a state in line with their tastes, the majority of buyers (57%) were merely willing to spend up to six months updating a newly purchased home while nine per cent of buyers would only consider buying a home that did not require changes.

Other poll findings:

- Fifty-eight per cent of buyers surveyed revealed that they were willing to make a decision after viewing 10 homes or less, while only 11 per cent of buyers thought they would have to view over 20 homes in order to feel comfortable making a decision.

- An overwhelming majority of people (83%) surveyed said that they would regard their Realtor's assessment of the home as somewhat or very important. As such, sellers need to impress both potential buyers and Realtors, who are local market experts. This dynamic raises the bar for everyone selling a home.
- When asked which room of the house had the most significant impact on their purchasing decision, 52 per cent of buyers said the kitchen and 25 per cent said the living room. A surprisingly low five per cent of buyers thought the bathroom had the greatest impact.
- Twenty-seven per cent of those polled were looking to purchase a home or condominium in the next five years.

The Royal LePage House Staging Poll was conducted by Maritz Research between January 26th and January 31st, 2006. The poll is based on a randomly selected sample of 2,002 adult Canadians. More specifically, the research focused on those who potentially will purchase a home or condominium in the next 5 years. Due to this specific audience the actual number of respondents that qualified for this survey was 508. With a sample of this size, results can be considered accurate to within +/- 4.35%, 19 times out of 20. This data was statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

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