

THE **PROPERTY INVESTING** **FORMULA**



Millionaire Property
Strategies for the Everyday Investor



Jennie Brown & Nhan Nguyen

PROPERTY EXPERTS

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All the information, techniques, skills and concepts contained within this publication are of the nature of general comment only and are not in any way recommended as individual advice. The intent is to offer a variety of information to provide a wider range of choices now and in the future, recognising that we all have widely diverse circumstances and viewpoints.

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CHAPTER 26

Home Staging

If you want to maximise your opportunities to sell – regardless of whether you are a home owner or an investor – this is the one area where you stand to make a LOT of money. Most people leave thousands of dollars sitting on the table during the selling process.

As property investors, we know how stressful it is selling a property. First, you have to ensure it is ready for sale. This usually means planning and organising the project (or at the very least, a tidy up). Then you have to appoint an agent to handle the sale for you. Once that is done, you need to go through the whole process of marketing and showing the house to prospective buyers, who nine out of ten times are just looking.

Our experience is that most will be looking for reasons NOT to buy it. That's right, they are looking for reasons to eliminate it from their lists. So they are super-critical and look for the slightest fault, citing that as a reason not to progress any further with your house.

Some do want to progress things and make use of those faults as a reason to knock you down on price.

Sound familiar?

You would be forgiven for deducing that the seller is always on the losing end in the selling process. There are, after all, many more houses to choose from, aren't there?

One thing that is certain, though, is that all sellers want to maximise the price they get for their properties. But the one thing none of them want is stress.

Have you noticed that whenever you inspect a brand-new property being marketed by developers, such as a display home, nobody seems to exhibit the same tendencies as buyers. They appear to be eager to secure the property.

This has to do with how the properties were presented.

Research indicates that properties being presented with the buyer in mind sold on average 50% faster and for 10-20% more.

You have just been introduced to the world of home staging.

So what exactly is home staging and what does it involve?

Home staging is all about preparing your property for sale in such a way that it sells faster and for more money. It's all about styling the property so that it appeals to buyers on an emotional level, not a logical one. We know that people use logic when looking around but when it comes to actually buying, they abandon their logic as their emotions kick in.

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There is evidence to suggest that staging increases the prices achieved for homes by up to 17%. Not only that, they tend to sell far quicker. This really is just common sense.

If you were to sell your car, would you give it a good wash and clean up before driving off to the dealer or before a prospect arrives to view it and take it for a test drive? Of course you would. What's more, you'd probably also attend to things that need attending to. You would put on a set of new tyres, give the car a service and touch up any chips in the paint work. You might even put in an air freshener too. If you did this, you would expect to receive a higher price for the car than if you didn't, wouldn't you? Of course you would, and for very good reason.

So why should it be any different when selling a property?

Selling a clean, tidy and beautifully presented home makes it stand out from the rest. It gives buyers the impression they can just move in. It lets them visualise living there as it is. It appeals to their emotions immediately.

Understand this: when buyers are looking for their next home, they are not making decisions based on what you (or your tenants) situation is in the home. They are not particularly interested in the fact that you had a well-equipped sewing room set up in the third bedroom. They are not interested in the slightest in seeing a bedroom looking like a home office if it's advertised as a bedroom. They expect to see a bedroom. And they expect to see one plain and simple; not one cluttered with children's toys, sporting trophies or odds and ends.

Any good professional home stager will tell you that one of the first rules of staging is to de-clutter the property. This is partly because buyers buy based on the amount of spare space homes have. Most people will be lugging along a lifetime's worth of possessions and they'll need loads of storage space. Or just space to put it all. So give them that space.

It may mean you will need to hire some storage space prior to putting your property on the market. During the preparation phase, empty out as many rooms as you can. Send all superfluous furnishings, fittings, toys or 'stuff' to storage. If a room is a bedroom, make it a simple one. If a room is a lounge, make it a simple one. Just the basics are all that is necessary.

The look of the property must be simple, but tasteful. This may mean hiring some good furniture for the duration of the sale period. You may need to get rid of your old computer and put in an up-to-date one instead. You may need to hang some really good paintings on the wall instead of the collection of black and white family photos. (No one but you is interested in your family photos).

What's more, you want to remove anything personal that could distract the attention of buyers from what they should be concentrating on - the features of the house and not your private possessions. Oh, and this goes for your collections, too. You want them to concentrate on the property and not get sidetracked by your prize-winning model railway layout.

This is also a great time to get rid of junk. Hire a skip bin and fill it. You'll be surprised at just how quickly you will be able

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to do this. Empty out the garage - buyers want a place to park their cars and they want to visualize their cars in your spacious garage. Clean and empty garages look so much bigger than ones crammed full of junk.

Here's another winner that will bring you instant profit - give the property a real good clean. You won't believe how many filthy properties are put on the market. Nobody wants to visualise living in a mess or a pigsty.

Pay particular attention to the entrance to your property, both inside and out. This is because first impressions really do count. Remember, we are talking emotions here. Don't overlook the old letterbox and the house number.

If you're not at all sure how to do any of this, or it's not really your thing - hire a home stager. They can do it ALL for you, and it doesn't cost much. Think about it. Is it worth spending a few hundred or even a couple of thousand dollars to achieve tens of thousands of dollars in additional profit? The answer is obvious.

If cleaning, styling and making places look stunning is something you just love to do, consider becoming a home stager yourself. It's a relatively new market in Australia and it's a great way to make money doing something you love.

Jennie's Real Life Example

One of my best friends, Deb Lindner, is the founder of the Australian Institute of Home Stagers, and the owner of Mink Home Staging in Brisbane. I'm going to share with you the experience I had when Deb staged my own home for sale...

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At the time, properties were not selling very well, particularly anything over a million dollars. Knowing how market changes occur, I knew I had a window of opportunity and I was adamant I was going to make the most of it.

First off, we had some appraisals done on the house by various agents. They all said we might get in the low to mid \$900,000s, but that it was 'probably' worth more. I called Deb and had her come over. I gave her permission to tell me exactly what I needed to do.

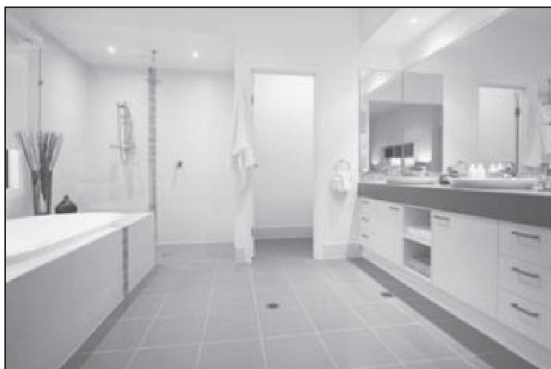
I then spent four weeks working on staging the home. Everything Deb told me to do, I did. I prepared the gardens and cleaned, decluttered, moved old furniture out, bought in new furniture, borrowed cushions, candles and nick nacks, and generally made everything look stunning.

I had Deb come in and use her talents and skills in styling the house – something she is brilliant at.

When presenting the home, I even ironed the linen on the beds so it was immaculate. And I arranged all the clothes and linen in neat piles that were colour coordinated.

We had one person look at the house and come back for three inspections. He bought it within eight days of it going to market, and he paid a whopping \$1.1 million, no questions asked.

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**Some examples from Jennie ...
staged and ready for sale.**