



Six Tips to Protect Your Commission When Recommending Home Staging Services

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Real estate agents need to look for ways to differentiate themselves from their competition. One of the key value-added services that accomplishes this goal is home staging. Statistics provided by both *The Profile of Home Staging* (NAR®) and *The 2020 Home Staging Industry Report* (IAHSP®) share staged houses can sell for up to 20% more than the non-staged competition.

Most Realtors® that advocate for home staging pay for a staging consultation for the sellers where they receive detailed information on what to do room by room to prepare their house for sale. A consultation costs about \$250-\$500 around the country and agents consider it part of their marketing strategy and pay for it on behalf of the seller.

Many houses need the addition of furniture and décor brought into empty rooms in a house or added to supplement homeowner's items to fill the gaps and provide a more updated look for buyers. Sellers may not have the available cash flow to pay for professional staging, so agents are offering to pay for this service because they know the staging will help the house sell faster and at the best price.

REALTORS® need to make sure to protect their commission and offer creative solutions to their sellers. Here are six tips to keep in mind when incorporating home staging into your listing process and protect your commission:

1. Get an estimate for the staging BEFORE you establish your commission.

The Staging should be an add-on service that is covered by the commission. If you don't get a price first and then agree to lower your commission in order to secure a listing, you are now receiving less money for the sale. Contact your stager to get a price for staging the main rooms of the house and use that as a guideline when negotiating your commission.

2. Do not pressure your stager for “the price” to stage when they have not seen the property yet.

You want to know what the costs will be to determine how you will structure your commission and a stager usually needs to see the house to provide you with accurate pricing. This is ideally done in person but can also be done using photos. Getting the estimate UP FRONT before negotiating commission ensures agents do not end up getting less than they deserve for selling the house.

3. Make sure to cap the amount you are contributing toward the Staging and put it in writing.

If furniture and décor are provided, there can be an ongoing fee paid for inventory supply or rental. This could be in a month or it could be several months after the initial staging, and when an agent does not cap the amount they are contributing, the ongoing inventory use fee is added to the amount paid by the agent, which means they are making less and less commission.

Agents can share, “I will contribute up to \$____ towards the Staging, and any fees beyond that will be your responsibility.” If the seller is not able to pay up front, agents can share, “I will cover the costs associated with the initial staging and will be reimbursed at the successful close.” Make sure to protect your money in the agreement sharing, “If for any reason the house is removed from active listing or other changes occur (you) will be paid in full for the Staging investment paid on behalf of (client).”

4. Let the Stager educate the seller on how they work and negotiate any price adjustments.

Staging pricing varies depending on logistics, overhead and other factors. It is important to allow the Stager to negotiate any price adjustments and be the one to explain the services and how they work as you are not the one running their company.

5. Always quantify the value of any services you are paying for on behalf of the Seller so they understand upfront your commitment and contribution to help them sell their property.

When a person gets things for free, there is no perceived value. Let them know you are investing in the sale of their house – give them the value – and reinforce your quality reputation and standards.

6. Be creative with options for staging and needed home improvements

There are companies, such as ZoomCasa, that will pay for any improvements needed for a property and require the house to be staged. They get paid back at closing along with a fee for loaning the funds to the seller. One of the best aspects of this program is the companies providing the services to repair, remodel, improve and stage the house are paid when they do the work, not at closing.

Use these 6 Tips to help you protect your income and develop a reputation as a Realtor that does more for your sellers than the average agent.