

Selling Grandma's House

Streamlining trust home
sales for San Francisco
attorneys and trustees



Craig Ackerman

Do you dread the process of selling a home in trust? True, it can be complicated and lengthy. Nothing slows down a sale like an outdated home jammed full of belongings and a harried trustee afraid of making a wrong decision.

Leading independent San Francisco Realtor® Craig Ackerman counters with his best trust home sale strategies. In this book, he shows fast, simple ways to empty the house, define the key target market and transform a property into a top-selling gem. And he explains the data he provides so the attorney and trustee can make smart, informed decisions.





A large, stylized, dark blue letter 'G' with elegant, flowing flourishes that extend to the left and bottom.

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Disclaimer

While the stories told here are true to the best of my recollection, some names and identifying details have been altered to protect the privacy of individuals.

No part of this book is intended as or should be construed as legal guidance. I do not give legal advice and always encourage others to seek legal counsel.

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Introduction: My Full Circle Professional Path

Construction, real estate and marketing—and back again

I've been around the construction and real estate business a lifetime—actually, since I was eight years old.

My brother and I were working on residential remodels most weekends with our dad when we were kids in New Jersey. At first we were the appointed clean-up crew at the houses Dad bought and renovated for sale.

By the time I was 11, he gave me the opportunity to operate a backhoe and dig holes for septic systems. And soon, I was entrusted with more exacting tasks, like laying tile, replacing sinks and painting dingy walls.

The experience has been a defining factor in my life. I gained confidence, knowledge and skills that even now serve me well. And I discovered that, for me, it's all about the people. What I enjoy most is learning to work with and create value for successful entrepreneurs, business owners and sophisticated San Franciscans. They expect to get more from their home and the broker who represents their interests.

I interacted with a wide array of folks in what was essentially a 10-year contracting and real estate apprenticeship with my dad. Then I headed off to college to study finance and economics, followed by an MBA specializing in international business at the Rochester Institute of Technology.

A natural progression

I put my international business degree to use, spending nine years in China and Singapore as the marketing manager for Milliken & Company. The *Fortune* 500 company supplied commercial floor coverings, and hired me to open new offices and build a following among multinational enterprises in Southeast Asia and later, China.

During my tenure, we surpassed our goal, reaching \$16 million in annual sales in 11 countries and territories, all of which my team built from the ground up.

After I left Milliken and moved back to the states, not surprisingly, I ended up with a general contractor's license. I qualified to obtain it based on my experience managing several extremely profitable home remodels. Then I spent some time as a mortgage broker and finally opened my own real estate brokerage in 2003.

Since then, I've been able to package all of my experience—marketing, remodeling, financing and real estate—and help clients polish up and get the best price for their properties.

Once I sold a few properties in trust administration for clients, I started to see a pattern in my practice. Attorneys and CPAs were bringing me in to assist their overwhelmed clients in selling homes. Obstacles, large and small, would pop up to impede the sale—from personal belongings clogging the house to a leaky roof or ancient wallpaper that scared off buyers.

With the know-how and access to an array of services, I began orchestrating the move-out, roof repairs, painting and cosmetic upgrades, as well as the high-level marketing strategy. It's evolved into a complete and seamless process in which I manage the details so the client and attorney don't have to. An important part of my consultation is identifying the cosmetic upgrades (which I call "resurfacing") that are most important to buyers, the improvements that will allow me to sell the home quickly and for the greatest price.

I'm proud of the success I've had with my program. But most of all, I'm thrilled with the results I've been able to deliver to clients.

My personal inspiration

I come from generous, hardworking and courageous people. Each of my four grandparents influenced me greatly: an astute, ahead-of-her-time businesswoman; a post-Normandy invasion war hero who later served as a sheriff's deputy; a big-hearted building contractor/restaurant owner/bus driver (Grandpa used to drive Lou Costello around Paterson, New Jersey); and a nurturing and practical family woman who was, lucky for us, rejected by a convent because the intake physical incorrectly showed she had only months to live.

All were kind, compassionate and giving, and I learned through my experiences with them to live life fully. Their example encouraged me to be productive, strive to be part of something big and meaningful and, most of all, not to complain.

My parents also inspired me. Mom, a leading geriatric home administrator who successfully ran nursing homes for over 20 years, taught me, among many lessons, to be more serious and conservative. I also learned to entertain and be a good host from her. And because of her, I try harder to be more empathetic and sensitive to others.

And as I mentioned, my father rehabbed, rented and sold houses when I was growing up. He showed me, in addition to an array of construction and home resurfacing skills, how to find common ground with people of all kinds. I took mental notes as he resolved tenant issues and negotiated solutions to a wide variety of real estate snafus, all with a unique sense of humility and humor.

I'm fortunate to be able to practice the lessons I learned from my family and what I've picked up during my varied career. I've followed my passion for real estate and helping people, and I continue to grow and learn.

I created my own uniquely entrepreneurial real estate brokerage. And I've managed to thrive, ranking as the number one independent single-broker office in San Francisco (according to 2014 and 2015 MLS sales volume records).

Big-name brokerages tend to box in their agents with big bureaucracy. There tends to be a well-rehearsed script, but little substance. That's not my style. My best discoveries

in this business have come from approaching obstructions with an open mind, making a few mistakes and challenging the common wisdom. When they say it can't be done, I find a way. In fact, I'm always looking for a better way—even for the things that are already working.

Transforming trust homes

Although I help clients of all kinds buy and sell residential real estate in the varied neighborhoods of San Francisco and beautiful cities of Marin County, I've developed a specialty in trust administration and probate properties. Selling grandma's house doesn't have to be a grind. My philosophy is to replace "the way we've always done it" with creative, entrepreneurial methods of upgrading and selling homes. I bring in my team to transform the high-potential but typically worn-down property for sale, market it to a highly targeted buyer and create a successful outcome.

Working with the trustee to sell a trust home can be a delicate process. I'm fully aware of that, and while I can't take away the emotion, I can make the result gratifying.

My guiding philosophy

I'm big on the highest and best use concept, something I learned from residential real estate appraisals. That's how I approach the properties I sell (and buy, for that matter) because it's important to me that assets and advantages are not wasted.

I've internalized that idea too. Many of us take our gifts for granted, but I do my utmost to put myself to the highest and best use. To me, there really is no other way to live.

So that's why I'm here, sharing the knowledge I've gained from years in the construction, design, marketing and real estate world. In a fairly short time, I've had some interesting experiences, as a licensed contractor, a mortgage broker, a real estate investor and more.

When I was working in the corporate world in Southeast Asia, I loved the pioneering aspect of the job. Creating a market where there had been none, rallying a diverse team of people and collaborating to achieve our common goals. I thrive on problem solving and, because of my background, have acquired the expertise and confidence to launch my ideas into action fairly quickly and assertively.

My Bay Area real estate investments

Sure, I guide clients through buying and selling Bay Area real estate, but I've also tested all my strategies on my own investments—with significant success.

In 2001, I stepped off the plane in LA after nearly a decade in Asia. My plan was to view houses in the area and see if I could make it my new home. A week later I had my answer. While the homes were impressive, LA was not a good cultural fit for me.

So I decided to evaluate living in San Francisco. I visited more than 100 homes in the City, the North Bay and East Bay over about six weeks. I got a good feel for the area and the opportunities in the real estate market. It was exactly what I was looking for, and the people were more my speed.

In 2003, I purchased a home in the Bernal Heights neighborhood of San Francisco for \$539,000. I spruced it up and sold it four months later for \$850,000. About a year later, I acquired an \$850,000 home, resurfaced it and held it for two years, then sold it for \$1,375,000.

Most recently, my wife and I bought a home for \$998,000, and it appraised for darn near three times that, just three years later. One measure of our extensive renovations is the 17 truckloads of concrete we've had poured on the site.

We held our wedding and reception in the courtyard of the property. I was busy applying sealer to the concrete the day before guests arrived! We posed for wedding photos with pneumatic nail guns, which captured the essence of what I've put her through.

Through experience with my own real estate investments and working with clients, I've arrived at a set of rules that produce outstanding results. I always start by considering the property's future salability, even as I'm evaluating the fit for my family's or client's current lifestyle. Because a home is a big investment, I insist on a combination of the best features and top value.

My top home purchasing rules

- 1. Strong neighborhoods** – I recommend focusing on the most desirable parts or the up-and-coming sections of the city, even areas that don't seem obtainable. You have to dream big.
- 2. A fabulous view** – Always buy the best view you can squeeze out of your budget. And if you buy a home with neglected trees obstructing the view, a simple call to an arborist can add thousands of dollars to the home's value.
- 3. Multiple bedrooms** – Buy as many bedrooms as you can afford, in the best neighborhood. Bedroom count really does matter.
- 4. Existing footprint** – Don't count on expanding the footprint of the home to add value. It can get very complicated. If you plan to remodel, you'll get the best results with the fewest headaches by working within the existing house structure. When I hear a realtor tell a buyer that "adding another floor to the house is an option," it's complete nonsense.
- 5. A pungent odor** – Really, don't bypass a strangely scented home! OK, you may not go looking for bad odors, but realize that they're typically easy to eliminate. Because an unpleasant smell stirs such negative emotions in buyers, you'll have a hefty negotiating advantage.
- 6. Targeted criteria** – Never compromise by looking at homes outside of your target scope. Don't waste your time and energy on outliers just because they're on the market. Stay focused, be patient and always stick to your minimum square footage and location objectives.
- 7. Water issues** – Be sure to call in the experts right away. You want to diagnose (and resolve, when you buy) underground or surface water problems without delay. Water is generally the #1 enemy of a solid, well-maintained home.

8. **Creative and supportive team** – Surround yourself with professionals who can work around obstacles, move forward productively and don't frequently say "no."
9. **MLS opportunities** – Don't believe those who tell you great real estate value is found only in buying bank-owned or foreclosed properties. I thoroughly disagree! Plenty of opportunities exist in regular Multiple Listing Service (MLS) homes, including all three of the local real estate investments I've profited from.

*My top tips for buying a condo,
co-op or tenants-in-common unit*

1. **Noise** – Make sure, especially if the building is wooden framed, that you actually experience the sound that you'll hear from the neighbors above you (and vice versa). The best judge of comfort level is always you, not the realtor holding the open house. Experience how well sound travels by having your realtor ask the neighbors to turn up their TV and walk around in hard-soled shoes.
2. **Pet policy** – Be certain the building's CC&Rs (Covenants, Conditions and Restrictions, governing documents for the building) allow for the number, size and breed of your pets, and speak with other building residents who have pets.
3. **Meeting minutes** – Obtain at least two full years of past homeowner association (HOA) meeting minutes or summaries of board meetings. You'll find out about the building's cast of characters, problems and how they're resolving them, and with whose money.
4. **Your vehicle** – Confirm whether your parking space is deeded or assigned to you. And have you driven your vehicle into the building and confirmed it fits? Is the entry door secure, and how far must you walk to access your unit?
5. **Special assessments** – Ask about any known special assessments, the fees beyond monthly dues that owners pay for large capital expenses not included in the HOA budget. Read through the budget and ask lots of questions, such as, "When will the roof, elevator, boiler system and other systems require large expenditures?"

6. **Reserve study** – Look into the future. If the HOA has had a consultant conduct a reserve study, be certain to review and understand it. This analysis predicts the ability of the HOA to pay for ongoing building maintenance and capital expenditures without having to impose special assessments on owners of the units.
7. **Pending litigation** – Understand the nature and extent of such claims and always, always, consult a lawyer. Often, buildings are constructed with latent defects that become obvious only after the building is occupied by owners. Litigation generally occurs when building defect claims are not covered by insurance and the matter can only be resolved by legal proceedings.
8. **Your view** – Pay attention to any plans for nearby development that may impact your view. In our fast-changing San Francisco landscape, it is very important to identify these threats early.

My formula for selling trust, probate and tenant-occupied homes

I'm happy to reveal my real estate secrets and magic formulas. Let me just say this: my success in the San Francisco Bay Area market is not that mysterious. I work very hard, and when there's something I can't do myself, I'm the first to bring in a top-notch team to pick up where I leave off. Last, but not least, I'm lucky that my life experience adds up to just what I've needed to do my job.

In fact, it's because of my conglomeration of skills that I've developed a different business model from other real estate brokers. I approach each home sale as if it were my own—to get the maximum sales price in the shortest amount of time.

That means I'm willing to invest myself in the project, identifying high-value upgrades, conducting the cosmetic resurfacing we often do, with the proven team of experts I've cultivated. And sometimes I even finance the upgrades for clients (or the estates/trusts) that don't have funding available until the house sells.

A research fanatic's approach

I'm a competitive guy with an MBA, so you might imagine that I quantify everything that's quantifiable. I'm competing with myself, with recent sales, real estate trends, even proving conventional wisdom wrong.

I put my faith in the facts, so the research and analytics I apply to each home sale is extensive and powerful. Every client gets a marginal cost/benefit analysis to help them understand which potential upgrades will make the most sales impact, given their budget. I compare, dissect and compute before we make important decisions.

My comprehensive program, Trust Administration and Probate Sales Service (or TAPSS), also provides detailed information to attorneys about the properties they're responsible for. Copies of deeds. Property descriptions. Value assessments. I'm proud of this service and offer it as a professional courtesy to San Francisco-area lawyers and financial professionals at no charge.

Another facet of TAPSS, by the way, is that we systematically account for and remove all the personal property in the homes we sell. Since it's such an overwhelming, dread-inducing task for most of our clients, we designed a very organized method of clearing out the home.

My team inventories, packages, ships or sends to off-site storage everything...the furniture, art, personal mementos. That way we don't allow \$4,000-worth of household property to hold hostage the sale of a \$3 million home, for months. And we can ensure that valuable items are secure in temporary storage, not vulnerable to unauthorized family or friends traipsing through the home.

Connecting and educating

To me, the most important and rewarding parts of every project are the people. I truly enjoy connecting with the seller and creating a meeting of the minds on the best way to proceed with their property.

My genuine concern for each client is what gets me in the door. Then I work to gain their trust by demonstrating imaginative and sometimes unconventional ways to solve problems. Through this education process, I build a relationship and can influence the homeowner to take steps that will benefit them.

It's a challenge and a joy. But I have to say, much of the time negotiating the project plan with the seller or trustee is far tougher than reaching an agreement with a buyer. The homeowner has time, money and emotion invested in their property, and with that comes strong opinions!

Selling via demographics

Of course, my aim for every listing is to get the highest price and to attract as close to a contingency-free purchase contract as possible. The best way I've found to make that happen is to prepare the property correctly, conduct all inspections, then communicate it with photos and romance it with the right words.

But what drives all of our home preparation and marketing is our process of carefully identifying the most likely type of purchaser. We target specific buyers and find them where they hide. It's highly satisfying when the demographic we've targeted—a same-sex couple or an existing resident of the building, maybe—buys the property.

Teamwork reigns

In my experience, success in trust real estate sales takes a team. I will always use a stager to show off the home at its best. I have a remodeling and resurfacing team I know I can count on. I can call in movers, PR professionals, specialists who create websites or floor-plan drawings and any number of experts to get the job done right.

One thing I continue to believe deeply is that bringing together the best resources produces the best outcome.

The new way to buy a home

It's worth noting that today people shop differently for real estate. Thanks to the Internet, buyers are much more in control of the process. The days of running ads in the newspaper and chauffeuring clients around town are pretty much history.

In the 21st century, people start their search online, sifting through a sea of "nos" to build a refined list of "maybes." They can see photos, videos and virtual tours of the properties. Generally, by the time they call me, they will have narrowed their choices and will ask me to help them compare the virtues of various properties.

I respect that approach. It's quicker and more pleasurable for the buyer. That's exactly why much of my sales approach centers on addressing our targeted buyers online and thereby communicating with the highest paying buyer demographics.

Performance in the face of adversity

This book is about achieving excellent sales performance in spite of difficult circumstances and setbacks. The six case studies in this book illustrate common issues my company faces when marketing homes, many of which are in trust administration or probate.

Each story outlines the challenges I identified after performing extensive comparative sales research. This is a critical step. It is of utmost importance to pinpoint the weaknesses of a home relative to market preferences. Those issues must be tackled up front, before the home is placed on the Multiple Listing Service (MLS) for sale.

Let me say again that the successful sale of a property pivots on market preferences. You can't rely on past sales or comparables, as my industry calls them, to guide your marketing plan. Identifying the highest yielding market preferences and incorporating them into the home is a significant distinction. The process is both art and science, experience and judgment, taste and discretion. And from a vast number of examples I've seen, when God dealt out those capabilities to all of us, he did not dispense them equally.

Who can benefit

You might wonder who my clients are—the ones receiving the payoff of these faster sales and higher prices. Sometimes the sellers I work with are ordinary homeowners who are trading up, seeking better schools for their kids, moving across the Golden Gate Bridge, down the Peninsula or upgrading to San Francisco’s Pacific Heights neighborhood.

Sometimes a client hands me the keys to their home to perform a seamless “sell this and help me buy another while I get on with my busy life” scenario. Our model makes that possible.

But for the purposes of this book, I’m sharing situations where the owner, as a result of their death or incapacity, has delegated the home sale responsibility to a trustee or a personal representative for a probate case. I believe anyone advising these sellers and overseeing the listing transaction, from an attorney to a CPA, can benefit from the stories and the strategies I reveal.

I hope you enjoy and learn from my discoveries in the property stories that follow. It’s my wish that you’ll be moved to try something new.

A note about the before and after photos

Throughout the book, you’ll see photos of homes my team and I have transformed. In the after shots, the rooms and the photographs themselves are beautifully and professionally rendered. As they should be, since that’s how we get people to come and tour the homes!

The before photos, however, are working snapshots I took on the fly, with no thought of ever publishing them. Poor quality images and instances where the angle of the before shot doesn’t match the after version reflect two facts: (1) I hadn’t yet conceived of this book, and (2) I’m a better Realtor® than photographer. I sincerely wish I had better quality before shots, but, regrettably, I do not.

Please read on, as I share the inside stories about my favorite real estate discoveries.

Here, You Take the Keys

1

Working with absentee owners

*150 Glenbrook Avenue
Clarendon Heights, San Francisco*

When the client can't or doesn't want to participate in selling the home, someone has to step up and manage a vast array of details. Have you ever been in that spot?

That was the case with the sale of a Clarendon Heights home, perched on a corner lot just below Sutro Tower. The family's longtime CPA, Cleet Snyder, called me in to help the charming Japanese-speaking owner.

Cleet said, "I was asked to make some of the decisions for the client, which I don't like to do, but he wanted and needed the help. There were also language and cultural issues at play here. Craig's experience living in Asia for nine years was really an advantage."

If you've read Marcus Buckingham and Donald Clifton's book, *Now, Discover Your Strengths*, and taken the online assessment, you may recognize me as an Activator. When I lived in Asia on assignment for a multinational corporation, I thrived on rallying

people of varying cultures and backgrounds around a common goal and making things happen. In other words, my strategies can be implementation-heavy, requiring a team and my orchestration. There's often no shortcut to obtaining the best results, and I'm OK with that.

Taking the lead

So I took the keys and ran with them. As the project started rolling, I took care of everything from turning off the alarm system to forwarding the mail and arranging inspections. I soon realized what an enormous task I had taken on.

Resurfacing the 4,400-square-foot, 4-floor, 4-bedroom, 5-bath home and readying it for sale would have been quite a job under ordinary circumstances. But we had the added challenges of a language barrier and an owner who was eager to leave the country, yet was hesitant to make decisions.

In fact, the standard approach in this situation would have been for all involved to say, "Let's just do the expedient thing and sell the place in its present condition."

In my view, doing that would have left \$200,000 to \$300,000 on the table. Less money for the elderly owner and his family to live on—it just wasn't the honorable thing to do. Besides, I have a crackerjack team that makes it possible to spend a little, still have an expedient sale and get the best result.

A colossal challenge

I was excited to take the lead on such an interesting and challenging project. The home was a jewel and, with a bit of TLC, could shine even brighter. The owner's architect had designed the house on one of the last undeveloped lots in the neighborhood, which they bought from basketball star Wilt Chamberlain in 1978.

Sitting on a striking hilltop, the home had a lavish spaciousness. The 10-foot ceilings, along with panoramic views of the Bay Bridge, Golden Gate Bridge and all the way east to Mount Diablo, made you feel as if you were on top of the world.

Emotional attachments

When I visited the owner, there was just one elephant in the living room—a built-in 20 x 16-foot traditional Japanese tearoom blocking most of the view. It was tricky because the owner had an obvious emotional attachment to it, thought it was valuable and wanted it to be sold with the house.

As I listened to him talk about the history of the piece, which was imported from Japan, I was stealing glances at it. How in the hell are we going to explain to him that this tearoom, as much as he treasures it, may not really appeal to our target demographic buyer?

Other downsides were religious-themed stained glass flanking the front door, dark and outdated kitchen cabinets, worn countertops, several unfinished rooms and old fixtures.

The home simply needed to be refreshed and polished to attract today's buyers. I couldn't wait to get started. It's a big thrill to see a house transformed from good to great. But first, we had to help the owner move out.

Sensitive communication

From the start, there were complications. The slight, elderly owner spoke mostly Japanese, and I, a six-foot-four American of Dutch, German and Irish ancestry, obviously did not. After his wife's death, the quiet, dignified Japanese gentleman was left with no family in the United States.

He had carried on for a few years, but now, in his mid-80s, he was eager to move back to his native country. Completely overwhelmed at the mere thought of making it happen, and having difficulty making decisions, he asked for help.

Meanwhile, I was in touch with the homeowner's daughter-in-law, who was living in Norway. She acted as translator and coordinator, and the two of us juggled the time zone difference and made progress, mostly by email.

When another opinion was needed, the owner's brother, a city manager in Japan, also chimed in. It was clear that everyone was most concerned about not upsetting their relative in the midst of this major life change.

The two-day move-out

I was also worried about the homeowner's stamina, so I coordinated with my moving team to protect him from minutiae and chaos as much as possible.

And I was mindful of the potential for miscommunication and any appearance of mishandling his wishes, so I made sure to have another party present—often a member of the moving team—as a double check and safeguard while the homeowner and I were deciding how to proceed.

My super-organized moving team got their initial questions answered, and with instructions in place, they sorted and tagged items. They knew which were to be transported to Japan and which were to be donated, sent to storage for the family or gifted to friends.

We also managed the international move, getting the homeowner's necessary personal property packed and shipped. Then the team removed the rest of the belongings so I could begin refreshing the home. The entire move-out process, which can take homeowners weeks when left entirely in their hands, took only two days after the prep work was done and decisions were made.

Seeing through buyers' eyes

Then I evaluated the property to see what upgrades would be most cost effective and make the home most sellable.

I saw a few things that would scare off buyers:

- Dark interior, dark kitchen cabinets and dark wood
- Didn't show well because the décor lacked cohesiveness
- The floor-to-ceiling Japanese furniture piece, which housed tea ceremony accessories, blocking three of the six windows facing the Golden Gate Bridge
- Interior and exterior walls needing paint
- Original surfaces and fixtures making kitchen and bathrooms look old

The owner and his daughter-in-law asked for renovation estimates, and agreed to my plan, with a budget of \$38,000. Luckily, the floors and appliances were in good shape, so that shaved off some time and cost. With a strong level of trust established, they wrote out the checks in advance to pay the contractors and subcontractors on my team.

Naturally the family wanted to know what was being done and how it was progressing, since they couldn't be there to see. We provided the transparency they needed and sought approvals for any changes in the plan as we went along.

Setting the stage

Arthur McLaughlin was another integral part of my team on this project (as he's been on many others). I call him the godfather of staging. He was the first interior designer in the Bay Area to stage homes for sale, and he has an uncanny ability to present each one at its ultimate best.

"The house was great," said Arthur, "especially the contemporary architecture. Some of the light fixtures were not up to today's standards, but we were sensitive to the family's wish to keep a number of those. To update the look, we painted out the wood doors and trim and relied on the beautiful floors to warm the space.

"The big challenge was the traditional teahouse, a huge floor-to-ceiling structure that sat in the middle of what I refer to as the diamond room," he said. "The living room was the most valuable area, because the views were going to sell the home. The family was very

troubled by the thought of removing the teahouse, which had deep family significance and culture wrapped up in it. But it blocked so much of the room.”

He explained, “My goal is always to bring the biggest dollar return for the client. And once Craig and I explained why the change was appropriate for the sale, the family became more open minded. I’d say removing the teahouse increased the value of the room by 60 percent, meaning 60 percent more people would like the space.”

The construction and staging team made the removal more palatable by suggesting they dismantle the piece carefully and set it aside so someone else could use it. We placed a few ads, but, unfortunately, no one came forward offering it a new home.

We were able to proceed with the renovations, and in spite of the size of the job, I helped my crew turn on the turbo boosters. They were able to finish everything—inside and out—in just two and a half weeks. Arthur followed right behind them and had the home outfitted with upscale but neutral furniture, art and accessories in another two days.

A turnkey project

I typically take on a lot of legwork for clients when I list their home, and 150 Glenbrook was an extreme example. Although I coordinated several vendors and helped define their scope of work, I am never a party to their contracts. The contractors are paid directly by the homeowner or estate and I don’t tack on any markups.

Because of the volume of work I do with these contractors each year, I’m able to get the seller wholesale prices with retail service. I’m just happy that my specialty teams hum along like a well-oiled machine, and we know exactly what to expect from one another.

In the end, it’s my theory that by following an organized, sequential process, I can make the project pay off for everyone.

CPA Cleet Snyder said, “The surprise was that there was such a package of services available: staging, repairs, moving and storage, international move, inspections, disposition of personal records (to be destroyed) and removal of personal property. I didn’t know someone could do this all under one roof, without the usual several months’ turnaround. Craig introduced a process that took days.”

Under the radar

I occasionally meet people who take some pleasure in snapping, “I have never heard of your company.” The implication is that because I’m not a national brand, I can’t do the job. I explain that because our homes usually sell so quickly, our listing signs are not up to advertise the Ackerman name for long. And frankly, we’re not interested in advertising our name. Instead, I advertise the properties I list and the lifestyle attributes they offer buyers. Isn’t that the way it should be?

I get interesting looks when I lay out those facts, but once people understand that vantage point, we can proceed on equal footing. Whether they like me or not, they respect the philosophy.

The market responds

In its initial condition, I would have priced this Clarendon Heights home in the \$2.1 million range, but we added a lot of value in the upgrade process. We presented it as a sophisticated but family-friendly property, closer to the \$3 million mark. In just 16 days, we were in contract.

At the time we put this home on the market, it was taking an average of 87 days to sell other 4- and 5-bedroom homes. Many of them required multiple price reductions.

The average drop in those sale prices was 18 percent, the biggest dip I’ve seen in a while, but not atypical for a market like the prestigious Twin Peaks/Clarendon Heights neighborhood at that time.

We were pleased with the final product and, apparently, so was the market—the property sold very close to asking. Thinking back on the experience, I am really delighted that the charming gentleman from the hilltop is now in Japan, enjoying the fruits of his decision and our resurfacing and marketing program.

The takeaways

Be extra attentive and identify when an elderly client, through diminished capacity or being overwhelmed, is not capable of making decisions. To protect the client and yourself, make sure their family or other advisors are involved in the process.

Embrace and engage the influencers and advisors to an elderly seller or trustee. To move forward, they must be included and won over. In this case, the seller's brother came from Japan to help him, and I sat down with him and an interpreter to fine-tune the project.

Provide full service. If I hadn't brought in every service from packing and moving, floor refinishing and painting to forwarding mail, the project would have been stuck. The owner sat next to me on the couch and wrote 11 checks, handing them all to me so I could pay the vendors. Prewritten checks also kept us to a tight budget, with no wiggle room for change orders.

The bottom line

Upgrades:	\$38,000
Staging:	\$29,000
Listing price:	\$2,775,000
Days on market:	43 (12 days to contract and 31 days to closing)
Sale price:	\$2,700,000 (listing records reflect the net price, as the buyer was a broker and reduced the purchase price by the commission he forewent)

See this unique property:
www.150Glenbrook.com



BEFORE & After

*150 Glenbrook Avenue
Clarendon Heights, San Francisco*

BEFORE

Traditional-style furniture and red rug
are not in line with the taste of the
majority of buyers.



&After

Simple, neutral furnishings with water- and sky-colored accents highlight the million dollar view.



BEFORE

Dark cabinets and a dated kitchen
will affect buyers' perception of the
entire house.



&After

Painted to create a bright, modern and airy kitchen and dining area.



BEFORE

Desirable hardwood floors, but obscured by the rug and too many other elements.



&After

Beautiful open entryway, freshened with paint and clean-lined furniture.



How to Sell a Cable Car–Inspired Home

2 Understanding and marketing unique architecture

176 Palo Alto Avenue Twin Peaks, San Francisco

When I first saw Duncan House, I was wowed by the one-of-a-kind architecture. The home had been designed in 1959 for Dr. Cloyce Duncan by renowned Bay Area architect Warren Callister.

Callister’s vision for this midcentury modern home combined bold and unusual influences—San Francisco cable cars, ferry boats and a cathedral-like scale, an ode to his earlier work designing churches.

Japanese simplicity

Even though Callister had yet to visit Japan, the culture’s wabi-sabi aesthetic resonated with him. His design acknowledges the beauty in simplicity and imperfection and is conveyed through warm, unfinished wood surfaces and a zenlike garden visible from several rooms.

A home inspired by cable cars, boats, churches and Japanese traditional design sounds like a jumbled mess, but in Callister's hands, it was transcendent. I knew the home was going to attract a small but enthusiastic niche of designophile buyers. Among them would be one who just had to grab this once-in-a-lifetime opportunity.

Speaking the right language

Because I had to get the architecture description just right for these particular buyers, our public relations specialist, Jennifer Malleo Osinga, asked Dave Weinstein, author of *Signature Architects of the San Francisco Bay Area*, to do the write-up for the property website.

Dave said, "I wanted to convey that it was a work of architectural merit, and hope that whoever bought it would treat it appropriately. Sometimes people buy a home not realizing its significance, and then screw it up."

He explained, "Warren Callister was a very important architect. He defined Bay Area modern style and thought modern architecture should have warmth and a connection to its locale. When I interviewed him for my book, he pointed out Duncan House as one he was particularly proud of.

"Besides the sheer beauty of the home, it has an interesting contrast to the straight-edged, sleek modernist style of Southern California. Because Duncan House doesn't fit the standard definition, it's more in danger of being messed with."

Building a trusted relationship

Keeping the home's design intact was one of the homeowner's biggest apprehensions. I was introduced to Dr. Duncan's widow, Dr. Gwendolyn Evans, by family law attorney Vivian L. Holley.

Vivian told me, "The homeowner was so passionate about the history of her home, I was concerned she wasn't going to make good decisions. My role was to help her find a realtor

who would respect the integrity of the award-winning property and not put it into their standard cookie-cutter mold. I also wanted someone who would be flexible and empathetic about her attachment to the home, as well as capable of bringing in the best price.”

With dignity and a presence that lit up the room, Dr. Evans explained that, after losing her husband, she had made the difficult decision to say goodbye to her special home. I wanted to be the one to represent the property and her family’s legacy as she transitioned to a new phase of her life.

Gaining insight

Once the owner engaged me for the listing, I started assembling my team. But first, did I forget to mention the jaw-dropping views? From the Twin Peaks hillside, you could see the Golden Gate, halfway across Marin, Alcatraz, downtown and even the Bay Bridge. I found myself wanting to spend time there!

I did, in fact, start by taking some time to understand the home. I sat in solitude in the cathedral-like living room and listened to the hush created by 28-foot ceilings. I took in the worn wide-plank hardwood floors, which expressed the wabi-sabi value of age and patina.

From the main rooms, the view of San Francisco’s iconic landmarks was hypnotic. And I admired the ingenuity of the ceilings curved to mimic the city’s famous cable cars, with single-piece joists that took more than a year to bend to the proper shape.

I could see that the home evoked meditative moments as well as a celebration of the best of San Francisco. I would have no trouble summoning up the enthusiasm to present Duncan House to the market.

A reality check

On the other hand, the property was a typical trust home, in that there were obviously years of deferred maintenance. Many interior surfaces were more than 50 years old and needed a facelift.

Before I started down that road, I brought in Arthur McLaughlin, the stager I often rely on to help transform properties. He and I went through the home separately and then compared our lists, hashed out the budget and identified the priority fixes.

Arthur pointed out, “The home was extremely dated and would make a devastating first impression to buyers. But Craig and I knew the goal was to sell the view and architecture, and we could work with the rest.”

Preserving the history

When I presented the plan, there was no pushback from the homeowner—she agreed to our changes. I was a bit nervous at the start because she warned that one touch of a damp cloth would leave a permanent stain on the deliberately unfinished wood, which we were being careful to preserve. My crew would have to be extremely cautious.

We would also respect the wabi-sabi approach outdoors by allowing the trees and landscaping to appear natural and not overly manicured.

Inside, Arthur put up big mirrors to reflect light and expand views of the garden. Simplicity was the theme, as well as highlighting calm and soothing design elements.

Downplaying the downside

One of the biggest challenges was the loft master bedroom designed with no door.

“We got around the fact that it was open to the living room by staging it with soft fabrics and carpet to muffle the sound and make it feel warmer,” said Arthur. “We also placed furniture so people couldn’t look directly down into the living room, although they could see the view.”

He explained, “The unusual thing about this project was Craig’s focus on marketing the architecture. He whipped up an architectural frenzy. You can have an interesting-looking

product, but if you don't have an agent who understands it, it's like wearing a beautiful dress and having nowhere to go."

Marketing to the design community

I had spent years working with architects and designers when I was in commercial interiors in Asia and realized that's exactly who would appreciate Duncan House. I sought out public relations specialist Jennifer Malleo Osinga to help me reach out to that community.

Jennifer understood the delicate situation. She said, "The owner wanted a buyer who would appreciate the home's architectural appeal as much as her family had, and honor its significance. Simultaneously, Craig and I wanted to ensure maximum exposure for the house and attract the largest pool of qualified interest. Like most aspects of real estate, it was a balancing act."

I was excited to work with Jennifer, and she really helped connect us with our market. She helped secure write-ups on the property's architectural significance in three design blogs, which directed readers to our website (www.176PaloAltoAve.com).

Making the most of the web

And speaking of the website, we were fortunate to build some buzz and drive some traffic there, both through the blogs and our other efforts. Attorney Vivian Holley was pleased that we targeted the architectural and design demographic.

"The website was phenomenal," she said. "Attractive, elegant and it set the tone so that the property would resonate with the highest- and best-paying audience."

I work with John Hayes of Open Homes Photography to create websites to showcase my listings. This time, John said, "Your marketing program was so successful that the high volume of traffic crashed our servers. It only happened one other time in our eight-year history."

He told me more than 800 visitors saw the website in 24 hours. Combined with the 750 visitors who saw the San Francisco MLS listing in the first four days, I was thrilled that we had quite a lot of action.

Inviting buyers and influencers

We also hosted several evening design events to show off the dramatic home and its magnificent views at dusk. I asked San Francisco architect Matt Hollis, who has a master's in architecture from Columbia University and was awarded the Keimeisha Scholarship for Traditional Japanese Carpentry, to help communicate the nuances of this one-of-a-kind home to potential buyers.

Matt talked with guests about the home's uniqueness and historical significance, rather than the typical discussion of when the kitchen or bath was last updated.

"In this case, the distinction was that it had never been renovated," he said. "It was a bit dog-eared but that was part of the charm. It's like getting a '57 Chevy that's been in storage for years. From a collector's perspective, it was pure gold.

"I showed how the Japanese-style influence was seen throughout," said Matt, "including the abundance of built-in furniture and cabinetry, unfinished mahogany and redwood interior panels and the wide-plank floors."

He noted the architectural tricks that made the home seem larger. "Modest-sized floor plans complemented by double-height spaces added to the perceived space. And windows and sliding doors integrated exterior spaces with interior, again amplifying the apparent size."

Respecting the seller's wishes

"Craig demonstrated a sincere reverence for the shining example of San Francisco's architectural history that he was representing," said Matt. "Earlier in the process, I helped him convince the owner that his plan was to preserve her home, not sell it to a developer that would tear it down and build something twice as big."



We held the home open for visitors who would appreciate the history and importance of Duncan House. Our evening events attracted big names in San Francisco architecture and interior design.

It was one of those well-known San Francisco interior designers, Ken Fulk, who fell in love with and purchased the house. He's a legendary host on the San Francisco social scene, and I imagine he puts the space and views to good use.

The takeaways

- 1.** Honor the design and style of each home. Every home has a story—our job is to discover it. We identified this property as an architectural gem with historical significance, and since the well-known architect who designed it had just passed away, the property became even more valued.
- 2.** Meaningful stories about the property resonate with people more than just facts. I conveyed stories told by the owner and about Warren Callister, the architect, to potential buyers and their agents. These details created such a flurry of interest that it caused the property website to crash.
- 3.** Be creative and flexible in the marketing approach. I reached out to the architectural and interior design community because I knew this property would be of interest to them.

The bottom line

Upgrades:	\$18,000 (included landscaping, tree trimming, all interior work, moving and carpet cleaning)
Staging:	\$18,000
Listing price:	\$2,280,000
Days on market:	61 (competing properties averaged 101 days)
Offers:	2
Sale price:	\$1,925,000
Our sale price per square foot vs. neighborhood average:	+20%

See the Japanese aesthetic, cable car ceilings and soaring views at www.176PaloAltoAve.com.



BEFORE & After

*176 Palo Alto Avenue
Twin Peaks, San Francisco*

BEFORE

Drama was built in, but needed
a fresh backdrop so the view and
architecture could shine.



&After

We honored the Asian influences and appealed to an upscale market with sophisticated art and furnishings.



BEFORE

We planned to take advantage of the large windows and sleek tiles of this spa room.



&After

We created a traditional Japanese-flavored vignette with simple mirrors and surfaces inside and greenery outside.



BEFORE

Our plan: streamline décor to showcase unique custom details and architecture behind possessions and wooden shutters.



&After

An earthy palette and minimalist furniture allowed the cable car ceiling and fine
woodwork to wow.



BEFORE

Heavy drapes and furniture drew
the eye away from carefully
designed architectural motifs.



&After

A visually light-weight table, wall of mirrors and unobstructed windows creates a bright, appealing space.



BEFORE

Dark elements such as the blue carpet created a heaviness that needed lifting.



&After

Neutral, upscale staging shows off natural landscaping beyond the dining area and the living room's panoramic views.



You Can Do That Too?

3 Relieving trustees' stress with all-inclusive services

101 Sausalito Avenue Sausalito

I have a long history in construction and real estate, so houses really speak to me. When I start a new project, I sit quietly in the home, generally alone, and absorb and process the surroundings.

I ask myself: What are the sightlines we'll want to play up? What target demographic are we speaking to? How should we stage the space? It helps me get a good feel for the property's highest and best use, and how to market those attributes.

When I went to see this Sausalito duplex, I noticed right away that a row of giant cypress trees was blocking a killer view of Angel Island and the bay. If I could get the neighbors to agree to tree trimming, I believed I could add \$75,000 in value to the building. And a classic Sausalito view would broaden our market to attract "image" buyers who wouldn't otherwise be interested.

The building was also showing a lot of wear and tear, a common challenge with trust homes. Selling these properties as is, especially with competing sales, sets up the seller for a long, slow sales cycle—and for disappointingly low results. I had to put together a compelling plan to convince the owner to make upgrades.

I collected facts to make my case, including market data on 11 similar prior listings. Of those 11 that were listed, only four actually sold, requiring an average price reduction of almost 8 percent and 108 days to close.

The listings on the remaining seven properties expired or were withdrawn, chewing up an average of 165 costly days.

Meeting the nonprofit owner

But let me back up for a minute. The original owner had donated the property to a nonprofit, the Foundations of Sharp HealthCare in San Diego. She had arranged a life estate with Sharp so she could live in the home until her death.

When the homeowner passed away, I got a call from the estate's trust attorney, Shannon Hardin. She was referred to me by another trust attorney I had recently helped sell a home. Based on the success of that relationship, Shannon introduced me to Jean-Paul "JP" LaMontagne, Sharp's senior director of gift and estate planning.

"It can be scary recommending a realtor," said Shannon. "If the client is not happy, it affects the client's confidence in me as his or her attorney. But Craig responded to JP's initial email within three minutes and was very proactive in doing significant research, even without officially having the listing."

I found out later, in fact, that JP actually interviewed many brokers before he decided to work with me.

"All of them were charming," JP said, "but there were few who we felt could move this property best and get as much as possible for it. Other brokers didn't seem to have a sincere interest in promoting the property as we envisioned. Craig did."

JP reported directly to Sharp's CEO. JP told me that his CEO did not want their property to linger on the market for anywhere near the average time of 108 days. He certainly was not happy to know that the market at that time was averaging only four in 11 duplexes selling at all.

The power of research

Before I start the marketing process, I've learned to take a good look at the history of the property. I research every home I sell, and this time it became particularly important to the seller.

I talked to three people in the Sausalito building and planning department and discovered the homeowner had, from day one, been assessed property tax on a three-unit building rather than on its actual configuration as a duplex.

I shared the findings with JP, letting him know the estate was likely due a sizable refund from Marin County. It felt great to provide immediate value to the client.

That good news, I hoped, would begin to offset the bomb I had to drop about the value of the property. Sharp had been carrying the duplex on its books at \$1.6 million, and I had to show JP why that assumption was wrong—it should be lower by nearly half a million. Would you want to make that phone call?

Before I did, I dug a bit deeper and found that the appraisal had been performed at the 2007 market peak. The Novato appraisal firm, which had since closed its doors, conducted a cursory drive-by, not taking account of the property's interior, age or condition. What a farce. I'm constantly reminded that all appraisal reports are not created equal.

Sales trends tell the story

With the appraisal info and the history of Sausalito multiunit building sales I pulled together, I showed JP how severely prices had dipped in the last four to five years. He saw the trend and understood the reality.

It was quite a blow, but I had an idea for reclaiming some value. Since my research established that single-family homes were selling for 8 percent to 12 percent higher per square foot, we'd present the duplex so buyers could imagine combining the units into one living space.

Saving time and money

JP and the company CEO had already purchased tickets to fly from San Diego to San Francisco and start the process of managing the sale. When they heard my comprehensive plan to act as their strategy and implementation manager, they were relieved to be able to cancel their trip and give me the green light.

I immediately kicked off the project, working with my renovation team, as well as stager Arthur McLaughlin.

"I was in for some hard work, because walking up to the home, it totally read fixer," said Arthur. "It looked so distressed, and inside there was wild wallpaper and heavy shag carpet. Our approach was to make it so today's buyers would believe they could actually move in and live there."

One of the biggest game changers was painting over the sun-faded wood paneling, including the dark squares where pictures had hung. We also put a coat of white on the open-beam ceilings, which really modernized and brightened the space. It's been proven that your internal chemistry changes when you enter a bright, cheery space. And, I have to say, heightened chemistry sells houses.

Here are some of our other updates:

- Painted and updated surfaces. Sprayed a durable, affordable cream-colored two-part epoxy finish to modernize the pink and yellow bathroom tile. Painted most surfaces white, except the attractive light wood on kitchen ceilings.

- Showed the units as dual use. Unified the upper and lower units with a crisp, clean feel, showing the building as a duplex, with the option of converting to a single-family home. Changed lights, fixtures and finishes to carry the common theme on both levels. “The structure was dated,” said Arthur, “so we showed it as charming vintage but not scary old.”
- Restored the view. I knocked on the neighbor’s door and offered a deal: you choose a licensed, insured arborist and my client will pay for trimming the 14 cypress trees. I invited her to come and see for herself, and mentioned that a higher sales price at her neighbor’s house would likely raise the value of her home as well. I gave the view center stage as we decorated the living room.
- Created backyard views. Trimmed hedges and trees around the yard and patio to make the space more usable and extend the eye to the bay and surrounding hills.

Marketing to today’s buyers

As with any premium listing, I set up (at no charge) a custom website with beautiful photography to promote the property. The site whets buyers’ interest and brings them in the door so they can confirm what they viewed online. When they visit, my goal is to validate their initial impression and make the in-person experience even richer and more memorable.

Even though we made the most of it, this home was still dated and didn’t get as much traffic as we’d have liked. For the sake of time and cost, we had skipped the major updating and went with a minimal refresh. I knew we had to engage every buyer and broker who came through, so I interviewed them to find out what they were looking for.

We were looking for a match—a buyer who wanted a 3-bedroom, 3-bath home in Sausalito, or those who were interested in the income possibilities of a duplex.

Mission accomplished

Our targeted marketing worked! In 22 days we had a buyer, someone who liked our vision and planned to build an internal stairway to convert the building into a single unit for his family's use.

My team and I were happy with the outcome, as was JP at Sharp HealthCare. JP said, "What surprised us most was that Craig was prepared with subcontractors that could quickly identify, assess and repair or make recommendations on any issues to prepare the building for sale.

"In the case of this duplex, there were many maintenance projects that were long-deferred. Craig and his team developed a plan and presented it to us for approval. We put our total confidence in him to expedite this process so we could show and sell the home quickly. And Craig and his team kept us fully informed every step of the way."

The takeaways

- 1.** Always research the property records. By doing a little digging, I discovered the city had misclassified the building as three units rather than two. I found that a significant tax refund was due to the trustee.
- 2.** Research fuels the marketing too. The data showed that single-family homes were selling for more than duplexes, so we staged and showcased the property as one home.
- 3.** Always keep the neighbors on your side, embracing their viewpoint rather than making it adversarial. I solicited the neighbor's cooperation for trimming trees and restoring the sweeping view. I had to be humble and cooperative, and when I invited the neighbor to visit the property, she agreed to my plan.



*The
bottom line*

Updates:	\$30,000 (\$10,000 tree trimming, \$10,000 staging, \$10,000 for painting and repairs)
Update schedule:	2 weeks to completion, plus 1½ days for staging
Days on market:	22 days to contract + 30-day close = 52 days
Listing price:	\$1,199,000
Sale price:	\$1,145,000 (more than the updated appraisal)

See the property website at
www.101Sausalito.com.



BEFORE & After

101 Sausalito Avenue, Sausalito

BEFORE

Overgrown trees, dark walls and ceiling, plus heavy curtains don't do justice to this room.



&After

Tree trimming restored the million-dollar view, and bright surfaces brought back the luster.



BEFORE

This is not what you want buyers to remember after they tour your home.



&After

Crisp and beautiful, with a better view
and a better vibe.



BEFORE

Another outstanding example of 1970s decor, although in surprisingly good condition.



&After

Clean and sophisticated, buyers could imagine this room being part of their home.



BEFORE

Another blast from the past, this room is overdue for an update.



&After

We removed the shutters, wallpaper and grab bars to create a fresh, modern space.



When One Is Better Than Two

4

Marketing a duplex as a single-family home

*1118 De Haro Street
Potrero Hill, San Francisco*

Sometimes you don't recognize the obvious. The tenant occupying the lower unit of this Potrero Hill duplex was a roadblock to selling it, yet the sellers didn't fully understand how detrimental the effect was on buyers. In addition, they weren't sure how best to approach the situation.

Although this was not a trust sale, tenant issues often trip up sellers, and I thought you might find the story helpful.

When I entered the picture, the Edwardian-style home had been on the market for 73 days with no success. The frustrated owners were getting anxious to sell so they could buy their dream home in Lake Tahoe.

*A big
obstacle*

As always, I was direct with the client and explained why I believed the prior listing went wrong. After inspecting the property, I could see that the tenant had probably

unknowingly sabotaged the sale. She simply had to move out before we could make any headway with upgrades and marketing.

It's my job to respect and advise sellers and give them the straight story, even if they don't want to hear it. That's why I don't sugarcoat anything during the interview process. It's a two-way street. Both the client and I need to find out if we can work together, and it has to be based on the truth.

I've seen many instances of an agent flattering and agreeing with the homeowner to get a listing. To me, it's dishonest and counterproductive, and I see poor outcomes every day that speak volumes about this industry sickness.

The gentle art of persuasion

The rental unit was occupied by a costume designer. Inside were stacks and stacks of fabrics and trimmings, along with her sewing equipment. Costumes hung everywhere, and it was not a pretty sight. Apparently, the Burning Man event was drawing near, and she was busy. Also, the basement was cluttered with storage boxes making it difficult to see the space.

I was adamant—getting the tenant out was first priority. I helped the owner, Steve Williams, come up with a strategy for persuading her to go. Steve did the bulk of the convincing and was a gentleman about it. Luckily the tenant was cooperative.

Make no mistake about it, in the past few years, laws have changed so dramatically regarding tenant rights that all landlords are strictly advised to seek a pro-landlord specializing attorney. I will have absolutely no influence nor involvement in tenant matters.

Back then, Steve had a close working relationship with his tenant. In a matter of weeks, his renter had packed up the clutter and vacated the unit so we could begin bringing the home up to a showable condition. And it was a good thing. In its earlier listing, the cluttered rooms of the home had been strategically omitted from the online photos. So when agents toured the home in person, they were surprised and really turned off by the chaos and visual noise. There is no substitute for the hard work of preparation. My stager

for this project, Arthur McLaughlin, said, “Homes that sit on the market without a sale wind up with a bad reputation. Agents don’t want to show their clients the property, and if they do, clients immediately feel as though they can ask for a discount. Through staging, we really needed to give the home a completely new look, new life and a new vision.”

Lagging demand for duplexes

After doing some research, I discovered that single-family homes were more in demand than duplexes in this neighborhood. In fact, they were selling for an average of 13 percent more per square foot. I devised a plan to transform the property, at minimal cost, and present it visually as one home with 4 bedrooms and 3 baths. This would capture the widest audience.

My marginal benefits analysis projected a 400 percent return on the seller’s investment for the remodel. When I reviewed this with the owner, he was ecstatic and immediately gave me the go-ahead.

Because the property was legally designated a duplex, I listed it that way on the MLS and then got creative with the staging and presentation to appeal to our target market.

The transformation

The first challenge we faced was the location. The house sat on the southern side of Potrero Hill, which was not a sought-after setting. All the more reason to make it visually irresistible.

Next, we had to look for ways to unify the two floors of the home so it would appeal to our chosen demographic: buyers looking for a single-family residence.

Since Steve wanted to do some of the repairs himself, I introduced him to contractors who could take on the more difficult tasks.

Identifying high-value changes

“The biggest challenge was having the confidence to know which items had the potential for the highest ROI,” the owner said. “I relied heavily on Craig and his team for input. I also supplemented my basic experience with Craig’s wealth of firsthand transactional experience to make the tough calls on spending extra money on things like staging.”

Steve allowed me to have some influence on the resurfacing decisions for the two units so that a prospective buyer could see it as a 3-bedroom home with a comfortable unit for a close family member.

We started by removing the door between the upstairs and downstairs units and created a unified look throughout by using consistent colors, faucets, fixtures and other decorative touches. Because the kitchen was sadly outdated and one of the bedrooms had been converted to a music room, it was a challenge for buyers to see the home’s full potential.

Creating the look

The rooms that generally make the sale are the kitchen and bath. In this case, both needed updating. We convinced the owner he could save time and money by refinishing the existing tile, rather than replacing it.

“I was blown away by the method used to renew the dated surfaces, as well as by the staging job—all details with huge impact,” said Steve.

Here’s what we did inside:

- Refaced kitchen and bathroom tile, giving them a fresh, clean look and feel

- Painted over dated pastel colors throughout with a more contemporary, neutral shade. Pastels may work in San Francisco's farthest west housing districts, but don't touch them if you are after the big money, please.
- Added granite countertops in the main kitchen
- Installed a new stainless sink and contemporary faucet in the kitchen
- Total cost of the kitchen redo, less than \$6,000

In addition, we restored the music room to a bedroom. After all, few people need a music room but everyone values an additional bedroom. We even added a wine cellar on the lower level, a "sexy" touch designed to appeal to our demographic.

Making two units one

Arthur and his staging team chose furnishings and accessories that created continuity between the property's upstairs and downstairs spaces.

"We didn't want people to feel as though they were moving from one residence to another, so staging the artwork in the passageways was particularly important," he said.

He also dressed the downstairs kitchen more as a kitchenette that serviced the lower rooms, as opposed to the full, main eat-in kitchen upstairs. "This is a subtle difference," he said, "but bridges a huge gap in the showing as one residence."

Turning our attention outdoors

An unkempt yard also detracted from the home's appeal. While freshening up the landscaping, I discovered a leaning wall, which we and the owner disclosed to prospective buyers. In my experience, the chance of finding something defective, leaning or deteriorated once vegetation is removed is fairly high.

We made a cozy outdoor dining area with a table and chairs and moved the large barbeque from the kitchen balcony to create an area for entertaining family and friends.

Thinking like a buyer

It was important to think about the barbeque placement from a buyer's perspective. Relocating it to the yard left the prized kitchen balcony clear for seating and attractive plants—a space we staged for relaxing and enjoying the beautiful view.

Normally, when I come in with my crew, we can wrap up this type of remodel in two to three weeks. But Steve did some of his own work (his out-of-pocket costs came to just \$10,000), and it only took him about four weeks to complete.

The result was a beautiful home that was ready to put on the market and would show like a dream.

A major success

At the first and only open house, 100 potential buyers toured the home, and we handed out 85 brochures in two hours. We ran through all the materials I had printed for our pre-established two-week marketing period. Within four hours we had an offer. And what an offer!

The buyer proposed a figure \$251,000 over asking. In the face of competition from 100 attendees at the open house, the buyer heeded his agent's advice and made this substantial offer.

The original listing price had been \$1,195,000. But once we made the updates and created a professional disclosure package complete with inspections, we lowered the price to \$999,000. This created renewed interest and brought out a stream of qualified buyers. Sometimes you have to step back to go forward!

The ROI on the remodel was nearly 600 percent. The project was a resounding success, raising the bar on comparable properties in this neighborhood.

Happy in the woods

Now the seller and his wife are happily ensconced in their Lake Tahoe home on five acres, with drop-dead views. I was so happy to help them achieve their dream with minimal effort and maximum return.

The takeaways

1. The best possible way to sell a property is to get the tenant to move out. It makes the buyer pool larger to show the home vacant and staged. Always seek the advice of an attorney who specializes in San Francisco pro-landlord work. Get legal advice before even discussing the possibility of a building sale with your tenant. The penalties are severe and the law is ever-evolving.
2. Research the marketing options. For instance, I found that single-family homes were selling for more than duplexes. So we marketed it with a consistent look upstairs and downstairs, to suggest that it was one home. It worked. The buyer's appraiser had to redo his report—he thought it was a single home.
3. Identify the upgrades that are most valued by the demographic you're targeting. For this home, we featured a wine closet in the basement, an artist studio, a more finished garage, a newly resurfaced second kitchen, and a music room returned to its original use as a bedroom. I know that parents often walk into a home and mentally place their children in each bedroom. If the home they're touring is short a bedroom, they move on to another home.

*The
bottom line*

Upgrades:	\$10,000 (the owner did a lot of the work himself)
Staging:	\$6,500
Listing price:	\$999,000
Days on market:	28 (went into contract the third day on market and closed 25 days later)
Sale price:	\$1,250,000
ROI on remodel:	nearly 600%

See the website that helped sell the property:
www.1118DeHaro.com.



Take a video tour of the home with me at:
<http://tinyurl.com/1118DeHaro>



BEFORE & After

*1118 De Haro Street
Potrero Hill, San Francisco*

BEFORE

Green walls and the old tile countertop detracts from this large, bright kitchen.



&After

Warm gray walls play beautifully with the new, upscale granite countertop and backsplash.



BEFORE

Good bones, but the grout and tile were under par for the level of updating we wanted.



&After

We resurfaced the shower stall (an affordable fix) and painted for a more refined look.



BEFORE

Less is more, and that was our aim for this lovely but jam-packed room.



&After

Fresh paint, a neutral area rug and sparse, artfully arranged furnishings illustrate the room's potential.



Selling Charm, Not Amenities

5 *How older properties can still compete*

2001 Sacramento Street, #6 Pacific Heights, San Francisco

When family attorney Vivian L. Holley called me about the trust sale she was handling, I went over to see the property that afternoon. There, in the heart of Pacific Heights, stood a stately 1912 brick building across the street from Lafayette Park.

While buildings of this era can be long on charm, they can also be short on amenities. One look and my suspicions were confirmed.

The condo had been converted from a 3-bedroom to a 2-bedroom unit. Here are some of the issues we would be dealing with:

- The age and construction style of the building would present challenges.
- Washer/dryers were not allowed in the condos. There was a coin-operated laundry facility in the cold, dark basement.

- The building had an old, expensive-to-maintain elevator.
- The unit had been modified to accommodate a senior who used a wheelchair.
- And another 3-bedroom unit was for sale on the same floor. At the time of my initial viewing, it had been on the market more than 200 days, even with price reductions. (I wondered if it was a wise move to compete for the listing!)

“We knew that we needed a program that would bring out the strengths of the building and location,” said Vivian. “It lacked some of the amenities that other buildings enjoy, and some features made it too dated.”

Meanwhile, in other parts of town

While Pacific Heights is still a very desirable neighborhood, its old-world charm is often up against the modern conveniences of homes in newer, hipper areas such as South Beach and SOMA.

Pacific Heights often does not appeal to younger buyers who prefer homes with open floor plans, larger view windows, interior access to parking garages, and other upscale appointments inherent in new construction. And now, living in a Northern San Francisco neighborhood can add as much as 45 minutes to the commute of a tech-bus-riding Silicon Valley worker. This Sacramento Street condo couldn't compete head on, so we had to find a way to position it for the right target market.

A bit of detective work

After seeing the property, I went back to my computer and researched what condos were selling for in Pacific Heights. I compared 3-bedroom to 2-bedroom units and discovered there was an average of \$552,000 difference in sales price in the Pacific Heights district for the previous two years (\$1,128,000 vs. \$1,680,000). I was shocked.



Next I did some on-site sleuthing, observing who was coming and going from the building so I could get a sense of the type of buyer the property would appeal to (pinpointing the building's culture). The majority appeared to be well-established professionals rather than young up-and-coming types.

“Craig knew the culture of the building and provided us with a full analysis of competing properties, complete with photographs and detailed descriptions,” said Vivian. “He also alerted other agents in the neighborhood who were seeking 3-bedroom homes for their clients, letting them know that our unit would soon be listed.”

Competition across the hall

One complication was that, by this time, the unit across the hall had been on the market for 240 days and had several price reductions but no luck. Also a 3-bedroom, it had been well cared for while ours needed to be completely redone.

In its current condition, the value of #6 was approximately \$850,000. I advised the estate that by investing in upgrades to this very tired unit, they could expect at least a 300 percent ROI. They agreed to go ahead.

The good, bad and ugly

The good news was #6 had more windows than the competing unit. The bad news was they were single pane and not effective at blocking street noise.

In addition, all the windows were covered with plantation shutters, which I recommended removing. After all, we were selling light and views.

And what we saw inside was a sad state of affairs—water-stained walls, peeling floral wallpaper and beat-up floors. Also, the kitchen island had been lowered to accommodate the owner's wheelchair.

Arthur and I suggested molding a piece of Carrara marble to raise the island to standard counter height, creating an eat-in kitchen. By staging it with benches, potential buyers could imagine enjoying their morning coffee at the bar.

Restoring the condo to its highest use

What was originally a bedroom had been eliminated when the homeowner had an impractical 22-inch wide pass-through added between it and the kitchen. Since my plan called for returning the property to its 3-bedroom configuration, I asked for the separating wall to be replaced.

To her credit, Vivian, who specializes in family law, hired a real estate attorney to oversee the decisions we were making. The condo had always been on the city records as a 3-bedroom, so we felt it was wise to return it to its original state, especially since 3 bedrooms were more marketable in the area.

“Craig and his team got it all done fast,” said Vivian. “I was there a lot while the work was being done and, in fact, hired several of the project contractors myself. But it was Craig’s management skills, his productivity and attention to detail that really stood out.”

Other upgrades included these:

- Restored the severely stained marble fireplace surround to its former splendor
- Resurfaced a hand-painted floral sink and cabinet and swapped out the countertop in the changing room off the master bath to freshen the look
- Changed gold faucets to brushed nickel to appeal to today’s buyers
- Painted throughout, resurfaced floors, replaced carpeting



The entire makeover was accomplished in 12 days.

“The man who bought the condo had looked at the one across the hall but chose ours, as it looked clean and contemporary,” said stager and interior designer Arthur McLaughlin. “You have to create the perception of up-to-dateness. Craig was 100 percent behind my ideas for taking the property to its utmost so he would have the best product to sell.”

Our marketing approach

I started by calling all the agents who had listings of 3-bedroom condos in Pacific Heights at the time.

“Do you have clients that don’t like your property and might want to see mine?” I asked.

One agent responded, “We need to see it today!” They had written an offer on the unit across the hall but didn’t expect it to be accepted. That was, I was informed, the first offer the unit across the hall had received in the 241 cumulative days it was on the market.

The agent brought his client over that afternoon, a dancer who was moving to San Francisco from Chicago. Our property wasn’t even on the market yet, but he fell in love and wanted to buy it.

“He had a clean, contemporary art collection that would fit in perfectly with the way we staged the home,” said Arthur. “He liked it so much he asked me to do the interior design after he moved in.”

Testing the offer

The estate had just invested \$11,000 in staging, and I felt I owed it to them to present the home to the market. So I held the unit open on Sunday. We were thrilled with the steady traffic, and it gave us a chance to confirm that our offer was optimal.

Bringing potential buyers into the building would also benefit the broker for the other unit (I happen to know the company's managing broker well). It just seemed like the right thing to do. I even held it open the following Sunday, after we were well into our contract period, to help the neighboring agents generate more traffic for their unit.

Even though we're from rival firms, I certainly mean them no harm. I am as competitive as the most driven athlete, but it is also important to extend grace. It delighted me to help them sell their unit. That's how true real estate professionals conduct business.

Sold!

After the first Sunday open and no more takers, we were ready to move forward with the very good offer we had. The trustee was delighted, and we were in contract four days later. Happily, the unit appraised at the sale price: \$1,118,000.

The unit across the hall finally sold on its 259th day on the market, after three or four price reductions, and for \$23,000 less than ours.

Was my success dumb luck? I admit that was part of it, because we absolutely benefited from great timing. But I have to say, I was grateful that my calls to other agents paid off. And without the unit showing so well, the buyer would not have moved forward with his offer.

And by doing our due diligence—restoring the property to its original 3 bedrooms and working with Arthur to turn it into a beautiful showplace—we were able to overcome a lot of obstacles and sell quickly, for top dollar.

The takeaways

1. Watch for the mistakes being made by competing properties. When I was called in to compete for the listing, another unit, just across the hall, had been listed for more than 200 days and their asking price was too high, considering the outdated interior finishes.

2. Reach out to agents who are offering similar properties. I called the agent representing the property across the hall and those with the other four Pacific Heights condos. The reason? They may be working with the buyer who will buy yours. I asked one agent, “Do you have buyers for what I’m about to list?” Ironically, at the time of my phone call to him, he was writing an offer on the property across the hall from my listing. (I later found out his was the first offer made on the competing property.)
3. Remove all alienating features from the home. The unusual features will stand out, and not in a positive way. We replaced the wheelchair-height bar in the kitchen and resurfaced a bathroom sink painted with flowers. These items may not translate directly to higher value, but it does make the home more marketable.

The bottom line

Upgrades:	\$29,000
Staging:	\$11,000
Days to remodel complete:	12
Listing price:	\$999,000
Days on market:	3 to contract and 15 days to close = 18
Sale price:	\$1,118,000
Carrying costs saved:	\$46,000, relative to the competing unit on the same floor
Return on investment:	510%

BEFORE & After

*2001 Sacramento Street, #6
Pacific Heights, San Francisco*

BEFORE

A lovely room, in need of some cohesive decor and the gleam of fresh paint.



&After

I had the porous fireplace surround cleaned, and all other surfaces refinished to create a contemporary haven.



BEFORE

From experience, I knew the kitchen island's wheelchair-height extension would alienate most buyers.



&After

New paint, restored cabinet lighting and, most of all, a Carrara marble island for an attractive eat-in counter.



BEFORE

Heavy and old-fashioned furnishings, drapes, rug and light fixtures detract from this room's charm potential.



&After

With contemporary fixtures and furniture, fresh paint and refinished floors, the room appeals to today's buyers.



BEFORE

A far-too-memorable wall color and brown-bordered closet doors mark this room for a refresh.



&After

Warm cream walls and updated mirror doors turn this room into a more polished and inviting space.



Higher Price, Faster Sale

6 *Targeting the right buyer demographic*

*999 Green Street, #2201 & #2203
Russian Hill, San Francisco*

This story is about one of my favorite elements of selling a trust home—identifying and marketing to the property’s ideal buyer (what I call the highest paying buyer demographic). Because expediting the sale is almost always critical to the project, I like to strategize first so we can proceed with laser precision to the most likely prospects.

For this trust sale, we offered the adjoining units together. I realized the right buyer for these Summit Building properties, an Eichler-built luxury high-rise on Russian Hill, would have the budget to renovate the space. And because a dual loan, dual closing sale would be complicated, we were envisioning an all-cash buyer.

Among the Summit’s many luminary residents are former Secretary of State George Shultz and his wife, Charlotte Mailliard Shultz, San Francisco’s chief of protocol.

Knowing the caliber of the property’s occupants, I had a strong suspicion the demographic we were seeking would bring a design professional to tour the units. So we made sure our communications spoke to the architect and designer as well as the buyer.

And finally, finding two adjacent units available in this building was highly desirable, so we targeted current residents of the 32-story building. The combination of the 2-bedroom/2-bath and 1-bedroom/1-bath condos would interest renters looking to buy or owners who wanted a more desirable space.

Overcoming ingrained traditions

This sale was being managed by a trust officer at a large bank, and he started out skeptical of my approach. In addition to my targeting a narrow and specific buyer group, I did a marginal cost and benefit analysis to decide which upgrades to recommend and what they would add to the sale price.

When I asked him to approve my list so we could bring the units up to a decent level of showability, there was a lot of resistance. I often encounter this objection: “Why spend money on something that the buyer will likely tear out anyway?” A great question! The answer is, it’s only justified if you agree with my analysis that points to a 300 percent to 500 percent expected return on that expenditure.

Hint: In this case, the right buyer likely did not need or care that we had done the resurfacing. The right buyer likely had all of that figured out, with the help of their design professional. However, because the unit showed so well, there was a swarm of potential buyers at our open houses. Arguably, bidders presented higher offers due to the competition they saw there.

In all the homes that I list, my role is stirring emotion so buyers follow their hearts. Rather than being coldly logical, an engaged and moved buyer feels an emotional pull and is consequently willing to pay more.

Lobbying for higher ROI

I had to push for what I knew was right—the 500 percent ROI I generally see on renovations of this type. I decided it was time to put up or shut up, so I presented the

trust officer with this alternative: “If you won’t pay for it, how about I do it? I’ll pay for the changes and you pay me back at closing. In other words, pay me for performance. I’m confident it will be worth it.”

He eventually agreed that the bank would front the expenses, although competing real estate agents he was interviewing told him a completely different story. Surprised? How can you expect someone lacking implementation capability to recommend something they cannot achieve?

I was bucking a longtime tradition. A bank-managed trust sale typically looks like this: minimal prep work, 200 days on the market, then sold for under market value. I couldn’t in good conscience allow that to happen with this property.

Refreshing the space

The building, Joe Eichler’s pride and joy, was erected as an apartment house in 1964 and converted to condos in the mid-1970s. Many features in these two condos pointed to that not-so-glamorous time, and I was eager to minimize references to that era. Once I got the go-ahead from the bank, we started modernizing the space.

We actually renovated on a shoestring, about \$18,000 for the two units. Fortunately we needed few materials, mainly paint and countertops. If we’d had any substantial construction, the building’s lack of a dedicated freight elevator would have slowed the renovations to a crawl and doubled the cost.

I know that many homeowners in the building had to use a crane to lift sheets of glass and other remodeling materials, which added a premium to their project costs. Transporting building supplies up stairs can be quite a logistical puzzle.

Design and staging phase

I worked with designer Steven Favreau on the makeover and staging of the property. He said, “With a very tight budget, we had to consider which changes would give us

the biggest bang for the buck. In these units, the biggest problem was the very dated, closed-in layout. For the after-look, we took what was a maze of rooms and showed the possibilities, making sense of the combined units.”

To create a more inviting space, we removed many of the 22 doors, which had made the space undesirable in today’s world of open floor plans. Steven said, “That, a coat of fresh paint and a few other facelifts made the unit bright and clean so homebuyers could concentrate on the potential and not get hung up on the minutiae.”

One key to getting the renovation done quickly was the relationship I nurtured with the building management and doorman. I let them know what to expect and when. In return, they were helpful and accommodating. And as a bonus, the doorman had some great connections to vendors we needed in a pinch, and he graciously pointed me in the right direction.

I also had a four-by-eight-foot poster hung in the entry foyer, depicting the actual view of Alcatraz Island that was hidden by the wall. It allowed buyers to understand what awaited them if they renovated and opened up the space. Imagination only goes so far, so sometimes you have to be literal.

Unveiling the home

The entire renovation and staging process was finished in three weeks, and could have been even shorter if the building hadn’t lost power for a day.

For Steven, the staging process was smooth. He said, “I appreciated that Craig’s program for getting the home ready involved him stepping back from the interior design decisions and allowing me to do my job quickly and thoroughly.”

Once again, we had the good fortune to be selling our astounding San Francisco views. The floor-to-ceiling windows and wide balcony showed off the Golden Gate Bridge, Marin, Alcatraz and the city skyline.

I set up an appealing website with search engine optimized content that is vigorously promoted on relevant sites, featuring brilliant shots of the views, the bright and tastefully staged rooms, neighborhood amenities and much more.

Preaching to the choir

We also sent flyers to all building residents, expecting keen interest from them. Clearly, there was some curiosity because no one had seen the unit in years.

To show off the combined units' potential and appeal to the design professionals who would accompany serious buyers, Steven created an "after" floor plan. We got a great response from the people who came through, including our eventual buyers and their architect. As predicted, they were current homeowners in the building who needed more space. Perfect!

The takeaways

1. Target who's going to buy and push the marketing that way. When you define the target market consistent with the home, you can appeal to the highest paying buyer.
2. Don't overlook people who already live in the building. This 30-plus-story high-rise had over 200 owners, potentially interested in a larger space. We targeted them for exclusive private showings at night when they returned home from work. We made them the priority and that's who bought the units.
3. Meet buyers halfway. The financial institution in charge of the sale had a hard time accepting that any work needed to be done to sell the property. But I wasn't advocating a sale just to dispose of the property. I was promoting a shift in their thinking to, "What kind of return are you seeking with the sale?"

*The
bottom line*

Upgrades:	\$18,158
Staging:	\$4,300
Listing price:	\$2,100,000 (significantly higher than the appraised value)
Days on market:	13 (reviewed 5 offers on day 7 and accepted an all-cash offer that took 6 days more to close)
Sale price:	\$2,500,000 (\$400K over asking)

See more property photos and description at
www.999GreenSt.com



BEFORE & After

*999 Green Street, #2201 & #2203
Russian Hill, San Francisco*

BEFORE

Wood paneling and heavy drapes
are not characteristics of a sought-
after modern home.



Our fresh white backdrop with blue accents lets the sky and bay views dominate.



BEFORE

Dark and outdated, the kitchen was a definite detriment to this sale.



&After

New appliances, surrounded by crisp white walls and cabinets made a more positive impression.



BEFORE

Shabby and unfashionable surfaces
call attention to the home's age
rather than its potential.



&After

Bright new flooring, countertops and paint create a more appealing and modern glow.



BEFORE

Dated and worn, this bath would certainly not help sell the home.



&After

Along with fresh white paint, a new sink, countertop, mirrors and lights create a more upscale appearance.



My Best Home Prepping Strategies

7 Get faster sales and higher prices by inspiring the buyer's imagination

In the final two chapters I'll summarize my years of experience for you, the best I can. It's a combination of childhood home remodels with my father, 11 years in corporate commercial interiors and, most recently, 14 years in San Francisco and North Bay real estate. I'll give you an overview of the concepts and strategies I rely on to sell both trust and non-trust homes quickly and profitably.

Home prep must support marketing

My choices when resurfacing, staging and visually preparing the home are entirely based on the demographic of the buyer I'm expecting. Here are the steps I take to tailor each home (more about targeting buyers in chapter 8).

Remove or repurpose alienating elements

I was recently investigating a starter home with 12 linear feet of bookshelves along one wall of a bedroom. I asked the 70-year-old seller, who was downsizing, what they were for.

She said, “Why, for books of course.”

I asked, “Do you think our demographic target market owns many books? Or do you think they have more invested in videos, memory sticks and cloud-based material?”

If homeowners really want to get the most for their home, they must demonstrate flexibility and let go of the way they lived in it. The house has to be modernized and presented so that the target market can best relate to it. In this case, I removed the bookshelves to create more usable space in the room.

Keep it younger

If you prepare the home for an older person’s tastes, you’re eliminating a lot of potential buyers. Go clean and modern so the younger, hipper crowd feels comfortable and at home. And, I would argue, the older crowd is more willing to relate down and accept a contemporary-looking home than younger folks will be likely to relate up in age. Doesn’t everyone want to believe they are 10 years younger than they are? It amazes me how many sellers miss this point and get too personally attached to showing their home their way. They’re leaving money on the table.

Stage the home simply and stylishly

The way we stage a home differs from how families live in them. Normally people live with varying degrees of clutter, which adds visual stress and confusion.

In a staged home, we create serenity and clarity with simple, clean lines. We show off the luxurious kitchen countertop material, for instance, without appliances and knickknacks. Our focus is highlighting the beautiful stone and all of the perceived extra space.

Bar stools don’t need to be comfortable—just fashionable. Kitchen tables require only a few chairs. Otherwise it gets difficult for buyers to traverse the walkway around the table, making the space feel tight and the layout cumbersome.

Highlight the architectural intention

When we prepare and market a historic or structurally significant property, I always communicate how the architect intended to impact the emotions of the occupants. Highlighting the architect's design intention, themes and space distribution is much more powerful than the conventional approach of copying and pasting the architect's historical feats.

Buyers can relate to and experience the architect's emotional intentions for themselves during their home tour.

I find that most buyers don't recognize the architect's name anyway, so why distract and confuse them? My approach is more engaging, providing an experiential narrative that's easy to understand. I make it my business to discover honest stories about the home, its design intention and the features that buyers find intriguing and memorable. (The cable car-inspired home described in chapter 2 is one example of this narrative.)

Disguise or replace dated motifs

Unless we are involved with a historic gem or Victorian-era property where it's wise to follow the traditional theme, we give the old swirly motifs a kiss goodbye. These decorative lines, which can alienate today's buyers, are often built into wrought iron railings or found on the surface of fireplace mantels.

With the right contractor, we can quickly change out those elements to project a cleaner, more contemporary look. This single alteration has far more impact than you'd expect. It produces an enormous shift in the perception of the entire home—and at relatively little cost. In the art and science of real estate, this is where a bit of attention to the artful side can pay handsome dividends.

Polish the initial vantage point

Every home has an initial vantage point, good or bad. It's the spot just inside the front door or at the base of an open staircase where you're likely to stop, turn and

take in the space. There is where you gather your initial feelings about the place, so it's full of significance.

I pay a lot of attention to the sightlines from these locations. Is the view into adjoining rooms maximized? Is the space where you pause well-lit and inviting? I'm projecting the experience and psychology of the buyer when I set about making the space as inviting as possible.

Amplify with mirrors

When there's an opportunity to expand the sightlines of a home, I am always eager for the seller or trustee to consider it. Mirrors drastically improve the perceived spaciousness and brightness of a home, for surprisingly little expense.

I recommend swapping out the existing postage-stamp-sized mirror in the bathroom for one that's much, much more expansive and uplifting. Fill the wall with reflection, from counter to ceiling, wall to wall. This is how all the new construction in South Beach is finished.

Stage the home for big-picture synergy

San Francisco, where home staging was invented, has benefited from the concept for more than 20 years. But I believe to fully capitalize on staging's effects, we have to combine it with other interior enhancements or resurfacing projects that generate an irresistible synergistic impact.

With each home I list, my strategy is to take advantage of the synergy that happens when you look at staging, cosmetic resurfacing and period props as a strategic plan.

The situation is rich with opportunity because most professionals don't bother to carefully quantify and clarify the demographic target market or pinpoint their behavior

patterns. When the seller's team doesn't analyze who the potential buyers are, define what attracts them and prescribe meaningful potential outcomes, you see a lot of homes presented in an uninspiring, lackluster way.

Examples of synergistic staging

- Generate a poster-sized photo of the Alcatraz view that awaits if the buyer were to tear out the entry wall (combining two high-rise condos, chapter 6).
- Convert an alienating wheelchair-height island bar into a Carrara marble counter to add an eat-in kitchen feature (selling an older home, chapter 5).
- Park a vintage car that depicts the era of the home in the driveway for the photo shoot.
- Incorporate the estate's terra cotta warrior-like statues in the home to emphasize an Asian theme (marketing unique architecture, chapter 2).
- Create the perception of one home through paint and staging, so buyers may envision living in a duplex as a single unit (marketing a duplex as a single home, chapter 4).
- Stage two adjoining properties as one when our ideal buyer is likely to convert into one unit anyway (combining two high-rise condos, chapter 6).
- When a family seeks a lifestyle lift by selling one home and purchasing another, there is a lot at stake. If you are effective in selling the existing home for a lot more money (via wise staging and marketing), it makes the new home purchase at the destination a lot easier. Even in a seller's market, most people can't arrive at the new location without disembarking from the old one (chapter 4).

*What sellers resist the hardest,
yet gain the most from*

- 1. Removing window coverings** – Plantation shutters, curtains and screens mask what we're selling: views and light-filled rooms. The seller may have paid a lot for valances or heavy drapes, but buyers don't care. Those window coverings must go and the stager will decide what, if anything, goes in their place.
- 2. Painting natural wood** – People tend to value the wood finishes they've lived with far more than today's buyers do. Generally, we paint over natural wood paneling or open-beam ceilings so the light dances on the surfaces.
- 3. Removing built-ins** – We like to take them out because built-ins limit the functionality of a room. Whether it's a built-in desk, shelving or a counter work surface, we recommend pulling it out and letting the stager repurpose the room to its highest and best use.
- 4. Restoring bedrooms to their original purpose** – Generally, a home's value is correlated to its bed count. So a music room or a bedroom converted into a home office simply doesn't appeal to the widest audience. It's all about moms coming through deciding which child will be in which room, and if we fall short on bed count, the buyer moves on to larger, better-suited homes.
- 5. Painting over outdated tile and old-style brick** – The fireplace surround, walls, ceiling, built-ins (if we can't talk sellers out of them) and baseboards should be resurfaced. It creates a cleaner, more contemporary look that attracts the highest bids.
- 6. Removing old carpet to refinish the underlying floor** – Hardwood floors are coveted, so bring in a flooring expert to peel up the corner of the carpet and investigate what's hidden underneath. If it's wood that's sufficiently thick to allow a refinishing, go for it.



7. **Painting the neighbor's exterior wall** – Request permission to paint the peeling side of a neighbor's home if it's visible from the seller's property.
8. **Trimming the neighbor's trees** – Ask the neighbor for permission to prune trees that block the view from the client's home. Always ask first and get the go-ahead in writing.
9. **Installing lights in utility rooms** – Make it easy to show off the basement, garage and storage areas. If you can walk into a room and flip a switch to several interconnected fluorescent lamps, that's a powerful moment. You've given the space an approachability that yields benefit worth multiple times the expense incurred.
10. **Conducting resale inspections** – Depending on the property, this can take the form of a condo complex-imposed inspection and a city jurisdictional inspection. Both would be required to complete the sale. My rule of thumb is to order the inspection/s the day after the listing agreement is signed. If the city of Sausalito requires 200 feet of sewer lateral to be replaced in order for the sale to close, the seller benefits from knowing right away, rather than five days before the scheduled closing.

Fortune 500 Marketing for Trust Homes



My thoughtful, targeted, profitable system

My philosophy is never to waste time and money on traditional marketing, just because everyone else does it. I'm certainly open to what works, but I'm more interested in marketing that matters. Here, based on my real estate and *Fortune* 500 marketing experience, are what I consider my best practices for creating noteworthy results.

Know your buyer profile

The target buyer for a home varies by property type, neighborhood, price point and many other factors. It's my job to pinpoint the group most likely to buy the home, then prep and market it with them in mind. Even more specifically, the prized highest paying buyer demographic (as you'll see in the next section) is the bull's-eye we're seeking.

I observe and stay on top of the local trends, as lifestyles evolve rapidly. For example, many 60-year-olds are more active today than some 50-year-olds were 20 years ago.

Plenty of people in their 60s continue to work (and have a home office), are tech savvy, entertain and enjoy a more active lifestyle than ever. These characteristics are reflected in their home purchases.

In San Francisco, the same-sex buyer profile is much more diverse and segmented because our population is well developed in this category. The number of same-sex couples having children has grown, for instance, and their housing choices follow that shift.

Court the highest paying buyer demographics

My main focus is on making our listings attractive to the highest paying buyer demographic. Why? Because they place the highest value on acquiring the features and benefits that support the lifestyle they lead or aspire to.

First, I identify these ideal buyers by getting inside their heads—by understanding their needs and how they think and behave. Once we pinpoint the demographic profile, we can speak directly to them and highlight their preferences when preparing and marketing a property.

Knowing your ideal buyer makes subsequent decisions much clearer and easier. That's why it's my initial step in creating a home prepping and marketing plan for the seller. As soon as we understand the target market we want to appeal to, I can bundle all the action steps and budget numbers into a ready-to-accept package that answers the trustee's or homeowner's questions. It includes a complete timeline, the investment required for upgrades and staging and the anticipated return on those cosmetic fixes.

Research every detail

Sometimes I spend as much as a full day studying the property—its history, the title, public records and comparable sales. Then I get close. Really close. I speak with the occupants of surrounding homes (noting their behavior, culture, age and other factors).

I strike up conversations with owners and customers at the local café, dry cleaner and bookstore, as well as meet people on the street and in nearby parks.

I note the location of bus lines, amenities, restaurants and other neighborhood features. My quest is to discover the details unique to the neighborhood because differentiating the home and its surroundings produces more accurate, compelling and powerful marketing.

Prior to listing the Sacramento Street condo in the 100-year-old building (chapter 5), I sat in Lafayette Park across the street for an hour. I watched people go in and out of the building, observed the traffic patterns and activity at the bus stop and simply lived in the 'hood for a while.

I learned that the demographic of the building was mature, some retired. I then made it my business to meet with three of the nine owners in the building who played a role in the homeowners association, as well as some of the tradespeople working in the building. I asked a lot of questions and learned a tremendous amount that benefited the estate.

It pays to do this research because each property is different. For instance, in a “stack” of units in a given building (nearly identical in layout and view because they’re in the same column on different floors), each one will be similar in sales value. But by doing a little homework, I find out that units higher than the 10th floor have dramatically improved views because the opposing building no longer blocks the view of Alcatraz. This makes anything from floor 11 up more desirable and much more valuable.

Such is the case in real estate—subtleties and nuances really matter. It is my place to discover and convey them.

Create captivating descriptions

It’s important to describe the properties we represent from more than just a features perspective. It’s the quality-of-life potential that people care about. I’ve always insisted on generating my own narrative about the property, from a historical or owner’s perspective.

People find real-estate-agent-speak off-putting, so I avoid it. I emphasize the home’s materials and the lifestyle benefits that await our highest paying buyer demographic, so they feel acknowledged and related to.

In short, the words and phrases we use to describe the home matter. The process of capturing the essence of the home from the seller yields a deeper relationship with my clients, and it keeps me and my team on our toes. Prospective buyers appreciate the focus on detail, which makes for a more satisfying, memorable home touring experience.

Arouse interest with professional photographs

When it comes to photographing a property, I believe in orchestration. I write clear instructions for the photographer, outlining the aspects of the home that need to be shown and from which angle. Because of this collaborative approach, I believe I have a better relationship with the photographer and this translates into better results. The plan is always clear, and the shots capture the most appealing vantage points for our marketing purposes.

My goal is to show the distinctive details of the home, the ones people will be looking for when they come to tour the property. For example, a well-executed website that includes photos of a wine storage area should stimulate buyer interest and questions. People arrive at the home, then actively search for the wine cellar they previewed online.

Rather than me blah-blah-blahing about it as soon as they walk in, I let them find it during their self-guided tour. There's a huge psychological difference between telling someone what you want them to see and giving them the room to discover it on their own. Practicing restraint in the sales process gives buyers the freedom to imagine how they would live in the home.

As for the quantity of photos, keep in mind that more is not better. The purpose of photographing the home isn't to create a complete archive of the rooms. Instead, the intent of the online tour is to trigger the next step—to make the home a must-see in person. Scattering destination points throughout the photography is key to eliciting that response as you'll see in the next section.

Craft intriguing destination points

The most effective home tours, both online and in the flesh, feature destination points. By that I mean little previews of interesting details that invite further investigation. It could be a separate structure, such as an artist studio visible from the rear master bedroom of the home. Or an outdoor dining area that can be seen from the kitchen bar counter.

When I capture these destination points, they entice buyers to move through the property. It's all about leading buyers to the next area of discovery and giving them what they need to imagine themselves enjoying the lifestyle benefits, surrounded by their family and guests.

Aspire to "maybe"

Prospective buyers walk into a home and instantly think either "no" or "maybe." A "no" means they want to turn around and leave, while a "maybe" suggests that, despite their skepticism, they are intrigued and will proceed. My goal is to set the scene so people can get to "maybe" by themselves, because ultimately people want to make their own discoveries.

I create an environment so that buyers can learn about the home's details organically and sell themselves on it, rather than being sold to.

Ignore the videos

Videos are not as powerful as a well-choreographed professional photo shoot of the property. Granted, videos are great for many other purposes, but when it comes to marketing homes today, they are still inferior. They're cumbersome, remove the prospective buyer's discretionary control of the viewing, and take too long.

The photographs we take of the home are beauty shots. They show it at its absolute best. Because we control the lighting, symmetry and staging, we help viewers put themselves into the picture. We add details that point to the lifestyle benefits, such as a shot from the veranda overlooking the sunset in the garden or a view from the kitchen past a steaming cup of coffee on the granite bar, with the beautiful dining room in the background.

Dump the real estate jargon

Sometimes real estate agents complicate communication by using insider terminology that's hard to relate to, can be interpreted in many ways or is overused in our industry. Case in point: functional obsolescence. I'm tired of hearing it, especially because what's usually meant is simply sightlines that are limited because walls are in the way.

People today prefer the comfort and ease of open spaces. When I'm in the kitchen, I want to see all of my guests across the bar counter and into the expansive living room/dining room area. That's a desirable sightline. The opposite is a galley-style kitchen, closed off from the rest of the home and claustrophobic. The desire for interaction with family and guests is why all new homes include open sightlines.

In all cases, my policy is to connect with buyers by using clear, commonly understood language and by providing the information I know they're looking for.

Fire up the urgency

We always compress our marketing into a fixed period of time, with a bid deadline. The home is presented rapid fire and simultaneously on several online platforms, which achieves high exposure and signals that we have an attractive property. We set the price accordingly. Our open houses are packed with competing buyers, and urgency is never higher. No one wants to lose out.

Regardless of the property type, to market it right, we must learn to ignore limited, obvious thinking and leave our egos behind. It's more productive to step into the minds

of prospective buyers and be aware of their sensitivities so we can attract the highest paying ones.

There is a strong correlation between the attractiveness of the property and the willingness of buyers to take deliberate action. We consistently achieve the highest returns on properties we list by accepting the highest price offer with the fewest contingencies.

Winning over the skeptics

One of my greatest pleasures is turning skeptics into believers. And I've done it many times with my turnaround program for selling trust properties, so you know I'm a happy guy. And now that I've shared my sometimes unique, but business-proven practices, you can wow the skeptics too.

Let's agree that there are far more lucrative ways to sell an outdated, run-down home than to throw an as-is sign on it and wait for people looking for a bargain. The key is identifying the highest paying buyer demographic and prepping the home to their liking so your clients can recover the full value of their trust properties.

Thank you, San Francisco

I appreciate fabulous, ever-changing San Francisco and our surrounding communities. The Bay Area has been good to me, and I get true joy from helping people take advantage of our vibrant real estate market. Sharing my strategies is my way of giving back.

Thanks for joining me on a tour of some of my most interesting and challenging projects. I hope you've learned something and that you'll profit from it.

Best of luck, and of course, I'd love to hear your reaction to the stories. Or if I can be of help, please get in touch.

*Resources
for attorneys*

I host monthly CLE-accredited lunch workshops for attorneys in San Francisco. The sessions include a variety of real estate, trust, professional responsibility, ethics and work-life balance topics. I bring in industry experts to present rich course content to their peers. These workshops are presented free of charge to attendees.

*If you're interested in attending,
contact me for details or to reserve a seat:*

Craig@AckermanMail.com

BEFORE & After

More Home Sale Resurfacing Projects

BEFORE

We advised new cabinets, flooring and refinishing stairs. Sellers often object to painting natural wood.



&After

Designer Arthur McLaughlin guided us to perfection: the stairs seem to float on air. All for about \$3,000.



BEFORE

A dark ceiling, fussy drapes and too much furniture obscured the charm of this room.



&After

Paint and staging (about \$2,200) created a new ambiance and made the most of this room's uniqueness.



BEFORE

The abundance of natural wood was overpowering and made the kitchen feel clunky and heavy.



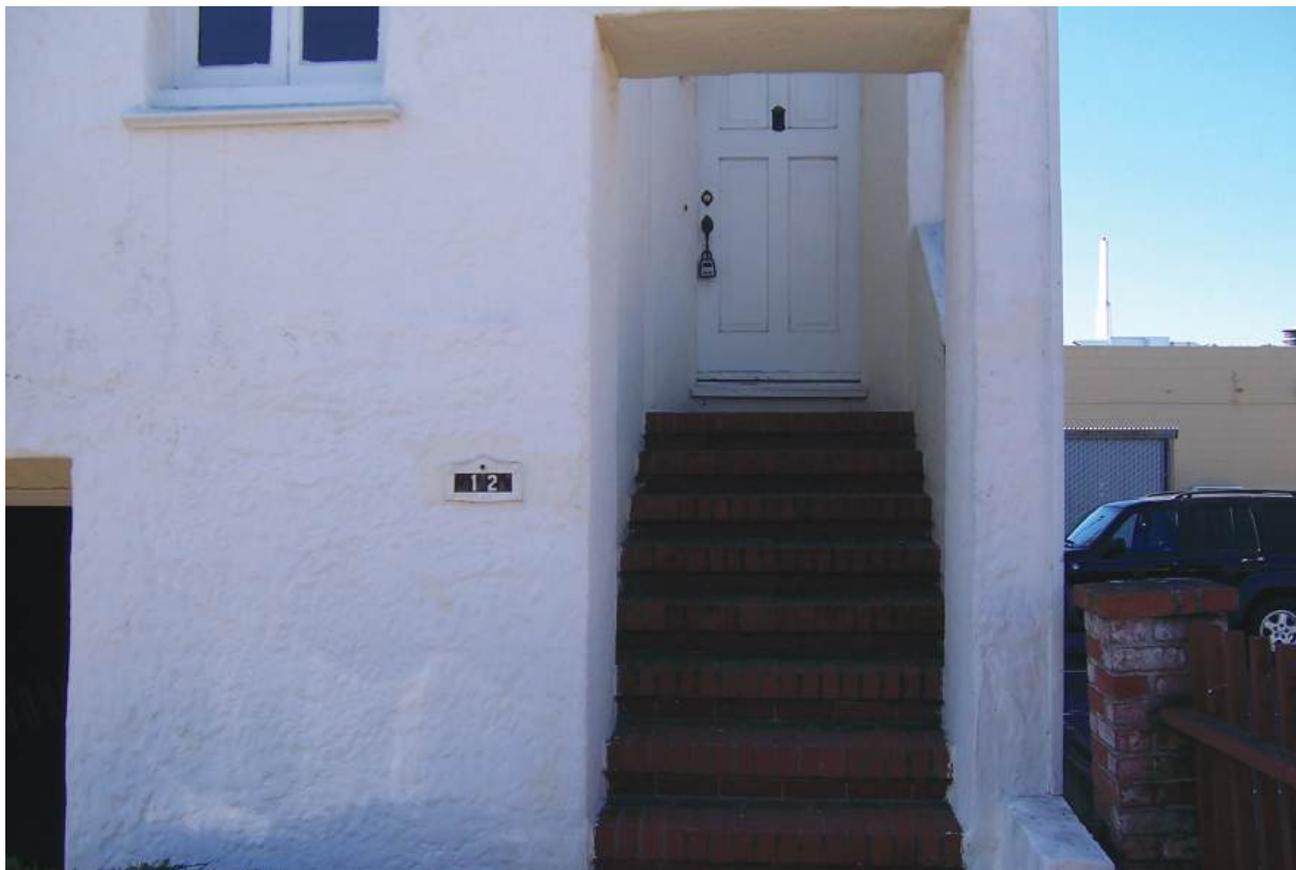
&After

For less than \$4,000, which included an application of color enhancer on the tile, we made the kitchen pop.



BEFORE

I knew we couldn't change the structure,
but we could make the home feel warmer
and more inviting.



&After

For \$3,800, we brought in warm colors that coordinated better with the red clay roof and brick stairs.



BEFORE

The quaint pink tile is not a choice a homeowner would make today.



& After

Resurfaced to a glistening white for \$2,800, the tile looks fresh and additional mirrors open up the space.



BEFORE

Lacking in TLC and sex appeal, the overgrown shrubs and stark white paint needed immediate attention.



&After

For \$4,000, a new, warmer exterior color and freshened landscaping give the home a boost.



BEFORE

Unique architectural details make this home more interesting and should be featured instead of covered up.



&After

For \$2,150 plus staging, we created a sophisticated color palette and a feeling of luxury.



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It is my hope that we will all someday dance together in God's Kingdom of Heaven.



Craig Ackerman brings a unique blend of expertise to his San Francisco real estate practice. He's a former licensed contractor, *Fortune* 500 marketing manager and MBA, as well as an accomplished broker.

Of the 4,500 active agents in San Francisco, Craig ranks as the #1 independent (non-franchise) single-broker office. According to the San Francisco Association of Realtors Multiple Listing Service, he led the category in sales dollars, in both 2014 and 2015.

Craig credits his success to flexibility and an entrepreneurial spirit. "As an independent broker, I'm free to step outside the box and market the home for top dollar. I enjoy managing the process from A to Z, to reduce stress for the overwhelmed trustee and busy attorney," he says.



Faster, More Profitable Trust Home Sales



“We enlist Craig’s services for our trust and probate sales. He knows the laws and gets the job done.”

Michael Blackburg, Attorney
Blackburg Law, San Francisco

“Craig has proven himself to be invaluable in the staging and marketing of real estate in the Bay Area.”

James P. Lamping, Attorney
Certified Specialist, Estate Planning,
Probate and Trust Law



“I handle a lot of trust administrations and probates and it is imperative to have a real estate broker you trust implicitly to take good care of your clients. Craig fits the bill!”

Heather Stoneman, Attorney
Jewel and Stoneman, San Francisco

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