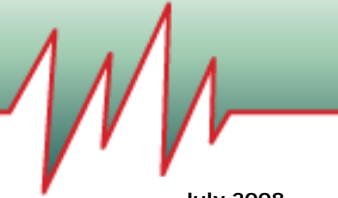


Paragon Pulse



Designed to Sell

July 2008

A New Approach to Sale Incentives

Although "Staging a Home" is a subject with great popularity proven by the success of shows on cable channel HGTV — *Designed to Sell*, *Design on a Dime*, *Curb Appeal*, to name a few, only 10% of our survey respondents offer a Staging Allowance as a formal component of their relocation policy. However, for those who have provided such support, approximately two-thirds have witnessed an increase in sale activity prior to resale and/or buyer activity when a Staging Allowance was utilized.

Traditionally, companies have extended a homesale bonus (usually 2% of the final sales price) as a means to help the employee aggressively market the home. However, there is evidence to suggest the bonus is not working the way it was intended. By reallocating funds from the end of the process (paid after the home is sold) to the beginning may provide the necessary marketing edge. In a Paragon survey conducted earlier this year, 36% of the respondents were considering a policy change or addition with regards to the Staging Allowance / Homesale Bonus.

A Staging Allowance is encouraged for all transferring homeowners, regardless of providing homesale assistance benefits. Extended marketing times may impact other areas of the program, especially requests for extensions in temporary living and duplicate housing. Investing in strategies targeted towards the sale of the home may ultimately drive cost savings in the long run, while allowing the employee to focus on work and life in the new location.

Paragon is currently conducting a Case Study regarding the effects of utilizing a Staging Allowance rather than a typical homesale bonus. We will report these results in the first quarter of 2009.



Survey Participation

July's Pulse data represents results from 20 corporate relocation professionals in the following industries:

Retail	20%
Industrial Manufacturing	20%
Financial Services	10%
Consumer Products	5%
Energy	5%
Other	10%
Healthcare	10%
Communications	5%
Technology	15%

Final survey results are included in this document.



Paragon Pulse



Survey Results

July 2008

Is a staging allowance a formal component of your Company's relocation policy?

Yes	10%
No	90%

If yes, which program types are eligible?

Marketing Assistance Only
Buyer Value Option
Amended Value/Guaranteed Buyout

How is the benefit offered?

Standard provision	20%
Case by case basis	60%
Market area specific	0%
Exception to policy	20%

How is the benefit calculated?

Flat dollars (\$500—\$2,500)	50%
Flat amount (\$2,500+)	0%
Percentage of home value	25%
Other	25%

How is the benefit disbursed?

Receipted reimbursement?	50%
Lump sum payment?	25%
Other	25%

Is the benefit tax assisted?

Yes	50%
No	50%

Have you seen an increase in sales of homes and/or buyer activity on homes that the Staging Allowance has been utilized?

Yes	67%
No	33%

Questions or comments? Email us at consultingservices@paragondri.com or visit the News section of our website at www.paragonrri.com

