



## Recession didn't thwart spinoff of Set to Show Inc.

"Stage managers": They're making homes attractive to sellers, buyers and renters.

Dick Youngblood, Star Tribune

Greg Lawrence's real estate company thrived for 18 years, until the Great Recession began in 2007.

His profits squeezed to the break-even point, Lawrence avoided a splash of red ink in part because he took an 80 percent cut in a salary that already was at a moderate five-figure level.

Whereupon, he took an uncommonly gutsy step: He took out a second mortgage on his Plymouth home, raided his savings account and maxed out his credit cards -- all the time-honored strategies of cash-challenged entrepreneurs -- and raised \$70,000 to start a new business even as the recession worsened.

The result is Set to Show Inc., a St. Louis Park company that stages vacant homes with its own furniture free of charge, then recruits

"home managers" to live there and care for the property until it's sold.

Lawrence describes it as a "recession-friendly" business, benefiting from the epidemic of home foreclosures that accompanied the falling economy. The numbers support the notion: Set to Show revenue topped \$230,000 in 2009, nearly triple the \$84,000 gross in 2008, and is on track to reach \$400,000 this year.

Even better, while his real estate business is making a comeback, Set to Show is still the more profitable of the two companies.

But in the beginning, his idea was not met with universal approval: Five banks rejected his application for a business loan, and "my wife thought I was nuts," he said. "It was a very difficult decision."

### Something for everyone

The concept appears to benefit everyone involved.

The home managers pay a reduced rent, on average about 30 percent below going rates, plus utilities and any association fees required. In return, they agree to a lengthy list of home-care requirements and must be

Advertisement

A large advertisement for Terry Fator's performance at Mystic Lake Casino Hotel. On the left is a photo of Terry Fator with a blacked-out mouth, a woman, and several puppets. The text in the center reads: "TERRY FATOR THURSDAY, SEPTEMBER 16 ON SALE NOW TICKETMASTER.COM". On the right is the "MYSTIC LAKE CASINO • HOTEL" logo and the website "mysticlake.com". At the bottom, it says "Owned and Operated by the Shakopee Mdewakanton Sioux Community".



ready to leave on short notice for showings and to vacate the home when it's sold.

The owners don't have to keep paying utility bills and can take their furniture with them while Set to Show fills the homes with its own furniture or that of the home managers. Better yet, there's less risk of vandalism.

Set to Show collects the monthly rent plus three-quarters of 1 percent of the sales price at the closing.

And for both the owner and the real estate agent, there's the prospect of a faster sale.

Just ask Tom Boerboom, whose 4,200-square-foot Minnetonka home sat on the market for nine months before he brought Set to Sell into the equation.

"The house was nicely staged; my wife said they'd done a better job than we had," Boerboom said.

And the payoff: "It sold in less than a month," he said. "It was the answer to our prayers."

"It's a pretty cool concept," said Ryan O'Neill, a broker with Re/Max Advantage Plus in Lakeville whose agents have sold about 30 homes with Set to Show. "Properties show

better when they're lived in, and in general it speeds up the sales pace."

Steve Collier, owner of A2Z Realty in Bloomington, agreed: "Set to Sell does a great job of staging, and they screen their home managers very carefully," he said.

Lawrence said he can't take credit for the idea: Tennessee-based Showhomes Franchise Corp. has thrived with a similar concept for nearly 25 years and has franchises in operation around the country. But independents like Set to Show are rare in the industry, he said.

## Screening the managers

The job of finding homes to stage and manage is handled by Lisa Atkinson, the company's managing director, who markets the business via weekly e-mails to thousands of agents "just to keep us on their radar," she said. She also checks the Multiple Listing Service for vacant homes, attends weekly agent meetings and runs ads on real estate talk shows.

Perhaps most important, she supervises the process of screening and hiring home managers, finding recruits via Craigslist and referrals from current home managers. She

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said prospects generally are people in transition: relocating, divorcing, building new homes or graduating from college.

Home managers are provided with a lengthy list of requirements for keeping properties show-ready: no clutter, floors and carpets cleaned, beds made, trash cans empty, bathrooms scrubbed with matching towels on display and toilet seats down. Outdoors, lawns must be mowed in summer and driveways and sidewalks shoveled and ice-free in winter. Monthly inspections are made on short notice to assure compliance.

In return, however, home managers live in houses that generally have three or more bedrooms and upwards of 2,000 square feet of space. For which they pay an average of \$899 to \$900 a month.

To assure competent managers, Atkinson employs a professional screening company to do credit and background checks on potential managers. It seems to be working, according to A2Z's Collier: "We've had absolutely no problems with the home managers we've dealt with," he said.

Alas, not everyone can say that. Earlier this year, it seems, a home manager who had passed the screening process with no

indication of problems absconded with a houseful of Lawrence's furniture.

"It was brand-new, too," he lamented.

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## Advertisement

An advertisement for a performance by Williams and Ree. On the left is a photograph of the duo: a woman in a colorful, patterned jacket and a man in a yellow shirt playing a guitar. The background is a warm, orange-toned abstract graphic. Text on the right reads: "WILLIAMS AND REE", "FRIDAY, JULY 9", "ON SALE NOW TICKETMASTER.COM", "Mystic LAKE", "CASINO • HOTEL", "mysticlake.com". At the bottom, it says "Owned and Operated by the Shakopee Mdewakanton Sioux Community".

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