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THE KEY TO A HOME SALE?

‘Turnkey’ listings—those in move-in condition—are popular on the West Coast; the ‘time is everything’ factor

Move Right In



\$20.5 million

Park City, Utah

This 14,100-square-foot estate is in the Bald Eagle Club at Deer Valley Resort. The ski-in, ski-out residence has seven bedrooms, 10 bathrooms and an indoor pool, spa and sauna. The interior decorations and art, included with the home, were designed by Naomi Leff, who has created spaces for celebrities and retailers.

Agent: Paul Benson, Summit Sotheby's International Realty



\$1.575 million

Las Vegas

This 2,805-square-foot penthouse includes two bedrooms, three bathrooms and a reading room. The wraparound balcony offers views of the Strip. Furnishings and artwork, including 18 paintings and two sculptures, come with the purchase.

Agent: Cristine Lefkowitz Jensen, Synergy Sotheby's International Realty



SOME BUYERS WANT the house and everything in it.

One in every 150 homes on the market includes “turnkey” in the description, according to an analysis by real-estate brokerage ZipRealty. Turnkey generally describes homes that don’t require any major repairs or renovations.

The moniker is most common on the West Coast, where some metros saw a 20% increase in turnkey listings over the past year. Nationwide, however, the number of such listings has dropped slightly since 2012. Turnkey properties had their heyday in 2009 and 2010, partly due to investors buying foreclosures and flipping them.

In some cases, a turnkey listing means that everything in the house comes with the sale. “Turnkey means art, it means silverware, linens—every single thing a family wants if they wanted to move in tomorrow and not buy anything but food,” says Paul Benson, a real-estate agent with Summit Sotheby’s International Realty in Park City, Utah.

Nationwide, listings billed as turnkey are 3.1% more expensive than listings without the term. ZipRealty CEO Lanny Baker says the premium is highest in areas with the most foreclosures—perhaps because agents are looking to differentiate their listings.

Cities like Phoenix; Sacramento, Calif.; Las Vegas; and Orlando, Fla. had a high amount of foreclosures, Mr. Baker says. Phoenix and Orlando ranked among the top five metro areas with the most completed foreclosures in the past year, according to real-estate data company CoreLogic.

Many metros on ZipRealty’s list of top turnkey areas were hard hit during the downturn, says Leslie Piper, Realtor.com’s consumer-housing specialist and an agent with Pacific Union in Lafayette, Calif. She estimates that 30% to 50% of turnkey homes in her market are created by real-estate investors or flippers.

Susie Nancarrow, broker

and owner of Nancarrow Realty Group in San Diego County, believes turnkey isn’t necessarily synonymous with “move-in ready.” For instance, a 1970s-style house in great condition isn’t turnkey because it’s dated. “I usually use ‘turnkey’ when the house is up-to-date with today’s buyers’ expectations,” on par with a model home, says Ms. Nancarrow, who uses the term in one

in 20 listings.

Turnkey homes are also common in vacation destinations, where buyers tend to own multiple residences and don’t want to deal with the hassle of outfitting a home. “To these buyers, time is everything. Anything you can do to save time makes the deal,” says Mr. Benson, adding that about half of his listings are turnkey homes.



LEAVE THE LIGHTS ON The furnishings are negotiable in the sale of this five-bedroom home in San Diego. A living area in the home is shown. Susie Nancarrow, of Nancarrow Realty Group, has the listing.

Premium Spaces

‘Turnkey’ homes tend to list at higher prices, particularly in cities with high foreclosure rates.

Metro	Percentage of turnkey listings in 2013	Change in number of turnkey listings vs. prior year	Median list price of homes with ‘turnkey’ in listing	Median list price of homes without ‘turnkey’ in listing	Price difference of turnkey listings vs. non-turnkey listings
Orange County, Calif.	4.1%	20.2%	\$555,000	\$549,000	1.1%
Los Angeles	3.6%	-9.4%	\$349,000	\$349,900	-0.3%
San Diego	1.6%	1.3%	\$450,000	\$439,900	2.3%
Las Vegas	1.0%	25.4%	\$198,194	\$169,900	16.7%
Sacramento, Calif.	1.0%	26.2%	\$269,950	\$239,900	12.5%
Nationwide	0.8%	-2.6%	\$249,900	\$242,450	3.1%

Source: ZipRealty; Note: ZipRealty analyzed for-sale listings in 24 major metro areas in 2012 and 2013.

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