

## Market Insight; Q-and-A with owners of Window Nation

By Sara Kehaulani Goo, Published: October 27

By many measures, Washington's residential real estate market is one of the strongest in the nation. But in one of the weakest markets in decades, that's not likely to bring much comfort — especially if you need to buy or sell a home.

Looking ahead to 2012, there's even more uncertainty as lawmakers and federal regulators consider the future of Fannie Mae and Freddie Mac and other policy changes that will affect financing, taxes and interest rates.

That's why today we're starting an occasional feature called Market Insight, where we will interview people who have a unique perspective on the real estate market and who can tell us where we are and where we are headed.

This feature is one of several fresh voices I plan to introduce to The Washington Post Real Estate section. Since taking over as Real Estate editor in September, I've focused on making the section more local and more relevant to homeowners, local residents, prospective homebuyers and the real estate community.

We've started a new Twitter account, so please follow us at [@PostRealEstate](#). We will have more exciting features to share in print and online in the coming months. Stay tuned.

\*\*\*

Despite the gloomy real estate market, Glen Burnie, Md.-based [Window Nation](#) has seen its business grow by at least 20 percent this year and expects to continue steady growth and hiring next year.

Why isn't it seeing a downturn? Call it the "recession investment," but improvements such as new windows are seen by many homeowners as an expense that can also pay off by lowering utility bills in the long run. The federal government offered a [\\$1,500 tax credit](#) to homeowners who installed energy-saving windows in 2010. Although that tax credit has expired, other federal tax credits are still available for homeowners for \$200 for replacing windows and up to \$500 for replacing doors and windows.

I asked co-owners and brothers Harley and Aaron Magden about their business and the outlook for 2012.

### **You say your revenue was up 70 percent last year. How is that possible in our weak economy? Why are people buying windows?**

**Harley Magden:** Obviously, last year with the big federal tax credit certainly helped to drive our business up. It's been changed to a much smaller \$200 to \$500 [tax credit](#) this year. [www.energystar.gov]

We've talked to a lot of our suppliers and we know 90 percent of companies are down this year. There's a lot of uncertainty.

Ninety percent of our business is windows. When people can't sell their houses because they're underwater [on their mortgage] or for whatever reason, they tend to stay in those houses and fix them up. If you're \$100,000 or 20 or 30 percent underwater, you're not moving for a while. You're thinking, "What can I do for my home to make it easier for me to live here?" There are very few things you can do to maintain the value of your home.

### **What's the average amount of money that customers spend with you to install new windows in their home?**

**Aaron Magden:** The average sale is about \$6,500.

### **We hear a lot about the green movement, but are you seeing any growth in that? Is it just the upper end of the market?**

**Harley Magden:** A lot more people in the white-collar areas, such as Northern Virginia, Bethesda, care about that than in Baltimore or Cleveland. Some people say, "Yeah, it's important, but I don't want to pay more for it."

### **Who are your customers and what is your strategy for growth?**

**Aaron Magden:** Thirty percent of our business is referrals. We encourage customers to do online reviews. I monitor everything. Every time Window Nation comes up in an online review, I get a Google alert. We monitor a lot of customer advocate groups like [Yelp](#) and [Angie's List](#) and [Insider Pages](#). When people are shopping, they go to the Internet. When you type in "windows," there [are] reviews and blogs. We're always in there.

If a customer gives us a negative review, I call them. Some people, they're never going to be happy. But when people are looking for windows

Advertisement



Discover Our New K. Hovnanian  
High Performance Homes  
in Dallas, TX, from  
the Mid \$100s

and they see these blogs, they realize for the most part we have a 98.8 percent customer satisfaction rate.

**Harley Magden:** For 2012, we look at it differently than other companies. This is multibillion-dollar business and — regardless of how bad things are — there's still going to be billions spent. If the overall market doesn't increase, we have to just gain market share. That's our strategy.

#### **You also advertise with the Washington Capitals. Why that audience?**

**Harley Magden:** We just started to feel that it's a good market for us, especially as they were doing so well last season. The people who go to Caps games are our customers; the median household income skews higher. The demographics are strong toward people who have replaced windows. We looked at football. We turned down a Ravens deal recently. The popularity with the Caps is huge. When people go online [on our site], one of the things we have is a contest to win tickets "on the glass" at the Caps game. We ask a series of questions, like, "Are you interested in replacing your windows?" We only contact those people who are interested. And, believe it or not, they are open to hearing more about our products.

#### **How many people do you employ? What's your outlook for hiring?**

**Harvey Magden:** About 80 people locally — that includes our headquarters and Baltimore and Northern Virginia sales offices and installers. We aggressively hire the entire year. We're always looking for better people. Installation is different — you have to have certain certifications and we do our own training. Just because you know how to install a window doesn't mean you know how to install our windows.

I hired someone in February in marketing who is dedicated to Internet and social media. We have 2,700 people who "like" Window Nation on Facebook.

We will be hiring about 15 to 20 people next year.

Does your business provide an insight into local real estate? We'd love to hear from you, whether you are a contractor, homeowner, house hunter or a real estate professional. Tell us your story. E-mail [realestate@washpost.com](mailto:realestate@washpost.com) and write "Market Insight" in the subject line.

#### **Sponsored Links**

##### **1.01% APY- Free Checking**

5X the National Average Guaranteed for 1 Year plus Free ATMs. No Fees.  
[www.capitalone.com](http://www.capitalone.com)

##### **Hot Stock Alert**

Company's Breakthrough Technology Makes The Internet Up To 10x Faster.  
[www.TheStockDetective.com](http://www.TheStockDetective.com)

##### **The Next Internet Boom**

Stock Investment with 1,000% Potential Gains.  
[www.smauthority.com](http://www.smauthority.com)

[Buy a link here](#)

© The Washington Post Company